

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

To The Shareholders of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

Opinion

I have audited the financial statements in which the equity method is applied and separate financial statements of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED, which comprise the statement of financial position in which the equity method is applied and separate statements of financial position as at December 31, 2018, and the statement of comprehensive income in which the equity method is applied and separate statement of comprehensive income, statement of changes in equity in which the equity method is applied and separate statement of changes in shareholders' equity and statement of cash flows in which the equity method is applied and separate statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements in which the equity method is applied and separate financial statements present fairly, in all material respects, the financial position of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED as at December 31, 2018, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements in which the equity method is applied and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements in which the equity method is applied and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements in which the equity method is applied and separate financial statements of the current period. These matters were addressed in the context of my audit of the financial statements in which the equity method is applied and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matters included Auditing Procedures are as follows:

Allowance for doubtful accounts of receivables under hire purchase agreement (financial statements in which equity method is applied and separate financial statements)

As stated in notes 3.4 and 6 to financial statements, the provisions of allowance for doubtful accounts of receivable under hire purchase agreement is material since the Company has a lot of minor receivables under hire purchase agreement with long-time installment and having material outstanding amounts to the financial statements (as at December 31, 2018, receivables under hire purchase agreement on the financial statements in which the equity method is applied and separate financial statements total amount of Baht 5,958.63 million equal to 93.17% and equal to 93.12% of total assets respectively). Therefore, the Company has to consider the adequacy and appropriation of providing allowance for doubtful accounts such as consideration of the previous bad debt statistics, the estimates the value of salable collateral. In addition, by gathering statistics of such receivables, there is a lot of minor receivables and long-time installment. Therefore, the internal control of such gathering should be made. Accordingly, I have addressed the adequacy of allowance for doubtful accounts of such receivable as key audit matter.

I have obtained an assurance in respect of the presentation of allowance for doubtful accounts of receivables under hire purchase agreement, by included;

- Obtained an understanding and assessed the design of the Company's internal control system relating to provision of allowance for doubtful accounts, calculation of security value and tested the basis of providing allowance for doubtful accounts that they are conformity with the policy of the Company as determined.
- Assessed and reviewed the internal control, gathering of statistical data related to bad debts of hire purchase receivables until termination of the previously agreement.
- Checked allowance for doubtful accounts as at the end of accounting period by examining the completeness of information used in calculation of allowance for doubtful accounts. Performed a sampling checked the accuracy of the outstanding of receivable, collateral value, payment received after the end of the period, the accuracy of classification and calculation of allowance for doubtful accounts.

Recognition of revenues from hire purchase interest (financial statements in which equity method is applied and separate financial statements)

The Company has policy for recognition of revenues from hire purchase interest as stated in notes 3.1.1 to financial statements (in 2018, the Company has revenues from hire purchase interest on the financial statements in which the equity method is applied and separate financial statements amount of Baht 499.90 million or equal to 71.38% and equal to 71.38% of total revenues respectively). The amounts of revenues from hire purchase interest is material and arose from a lot of minor receivable under hire purchase agreement and long-time installment. Recognition of hire purchase interest is used information technology in processing. Accordingly, I have addressed such recognition of revenues from hire purchase interest as key audit matter.

I have obtained an assurance in respect of recognition of revenues from hire purchase interest, by included;

- Obtained an understanding and assessed the design of the Company's internal control system relating to credit providing for hire purchase agreement entering, receipt, revenues recognition, ceased recognition and tested the general internal control system of information technology.
- Sample tested the hire purchase agreement for checking the record of hire purchase receivable transaction and recognition of revenues from hire purchase interest and ceased recognition that are conformity with the condition as stipulated in agreement and corresponded with the Company's revenues recognition policy.
- Checked the reconciliation of recognition of revenues from hire purchase interest in accordance with report of recognition of deferred revenues in each month with general ledger.

Other Information

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

My opinion on the financial statements in which the equity method is applied and separate financial statements does not cover the other information and I do not and will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements in which the equity method is applied and separate financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements in which the equity method is applied and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in which the equity method is applied and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements in which the equity method is applied and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements in which the equity method is applied and separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements in which the equity method is applied and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements in which the equity method is applied and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements in which the equity method is applied and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements in which the equity method is applied and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements in which the equity method is applied and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements in which the equity method is applied and separate financial statements, including the disclosures, and whether the financial statements in which the equity method is applied and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements in which the equity method is applied financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements in which the equity method is applied and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

D I A International Audit Co., Ltd.

(Miss Somjintana Pholhirunrat)

C.P.A. Thailand

Registration No. 5599

February 27, 2019

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

		Unit : Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
Assets	Note	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Current assets					
Cash and cash equivalents	4	26,713,411.68	48,562,686.80	26,713,411.68	48,562,686.80
Current investment	5	0.00	7,049.00	0.00	7,049.00
Hire purchase receivables due within 1 year	6	1,669,947,613.10	1,154,494,882.17	1,669,947,613.10	1,154,494,882.17
Loans and sale with right of redemption agreement receivables	7	24,621,348.62	27,607,564.22	24,621,348.62	27,607,564.22
Other current receivables	8	32,311,554.29	12,878,322.52	32,311,554.29	12,878,322.52
Short-term loans for joint venture	9	136,000,000.00	0.00	136,000,000.00	0.00
Properties foreclosed	10	31,270,204.94	10,515,399.22	31,270,204.94	10,515,399.22
Total current assets		<u>1,920,864,132.63</u>	<u>1,254,065,903.93</u>	<u>1,920,864,132.63</u>	<u>1,254,065,903.93</u>
Non-current assets					
Hire purchase receivables due over 1 year	6	4,288,677,778.94	2,743,386,098.91	4,288,677,778.94	2,743,386,098.91
Investment in joint venture	11	40,955,865.21	7,306,100.32	44,400,000.00	10,200,000.00
Other non-current receivables	12	31,576.67	7,259,071.19	31,576.67	7,259,071.19
Long-term loans for joint venture	9	64,000,000.00	0.00	64,000,000.00	0.00
Property, plant and equipment	13	43,832,341.70	38,002,890.68	43,832,341.70	38,002,890.68
Intangible assets	14	907,522.94	1,014,263.78	907,522.94	1,014,263.78
Deferred tax assets	32.3	34,287,631.96	22,614,502.97	34,287,631.96	22,614,502.97
Pledged deposit at financial institution	15	66,000.00	66,000.00	66,000.00	66,000.00
Other non-current assets		2,077,791.00	877,505.00	2,077,791.00	877,505.00
Total non-current assets		<u>4,474,836,508.42</u>	<u>2,820,526,432.85</u>	<u>4,478,280,643.21</u>	<u>2,823,420,332.53</u>
Total assets		<u>6,395,700,641.05</u>	<u>4,074,592,336.78</u>	<u>6,399,144,775.84</u>	<u>4,077,486,236.46</u>

Notes to financial statements are parts of these financial statements.

(Signature).....Director

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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT DECEMBER 31, 2018

		Unit : Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Note	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	16	301,853,815.24	188,666,829.14	301,853,815.24	188,666,829.14
Trade and other current payables	17	77,742,300.86	36,494,124.61	77,742,300.86	36,494,124.61
Current portion of long-term loans	20	1,212,746,784.00	790,081,465.00	1,212,746,784.00	790,081,465.00
Short-term loans from related persons	18.2	173,666,599.10	153,515,341.39	173,666,599.10	153,515,341.39
Short-term loans from unrelated persons	19	0.00	44,401,978.11	0.00	44,401,978.11
Accrued income tax		19,731,941.49	14,335,041.38	19,731,941.49	14,335,041.38
Total current liabilities		<u>1,785,741,440.69</u>	<u>1,227,494,779.63</u>	<u>1,785,741,440.69</u>	<u>1,227,494,779.63</u>
Non-current liabilities					
Long-term loans from financial institutions	20	2,215,941,525.82	1,436,601,639.31	2,215,941,525.82	1,436,601,639.31
Debentures	21	597,191,689.77	0.00	597,191,689.77	0.00
Non-current provisions for employee benefit	22	18,986,993.04	16,814,118.00	18,986,993.04	16,814,118.00
Deferred tax liabilities	32.3	20,245,262.97	12,916,612.70	20,245,262.97	12,916,612.70
Total non-current liabilities		<u>2,852,365,471.60</u>	<u>1,466,332,370.01</u>	<u>2,852,365,471.60</u>	<u>1,466,332,370.01</u>
Total liabilities		<u>4,638,106,912.29</u>	<u>2,693,827,149.64</u>	<u>4,638,106,912.29</u>	<u>2,693,827,149.64</u>

Notes to financial statements are parts of these financial statements.

(Signature).....Director

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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT DECEMBER 31, 2018

		Unit : Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
Liabilities and shareholders' equity (Cont'd)	Note	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Shareholders' equity					
Share capital					
Authorized share capital					
1,110,614,740 common shares of Baht 1.00 each	23	1,110,614,740.00	1,110,614,740.00	1,110,614,740.00	1,110,614,740.00
Issued and paid - up share capital					
923,619,591 common shares of Baht 1.00 each			923,619,591.00		923,619,591.00
1,108,857,244 common shares of Baht 1.00 each		1,108,857,244.00		1,108,857,244.00	
Paid-in capital					
Premium on common share		279,957,364.10	186,277,596.27	279,957,364.10	186,277,596.27
Reserve for Equity-Settled Share-Based Payment		42,752,220.00	42,752,220.00	42,752,220.00	42,752,220.00
Retained earnings					
Appropriated - Legal reserve	25	37,214,511.31	30,073,814.83	37,214,511.31	30,073,814.83
Unappropriated		288,812,389.35	198,041,965.04	292,256,524.14	200,935,864.72
Total shareholders' equity		1,757,593,728.76	1,380,765,187.14	1,761,037,863.55	1,383,659,086.82
Total liabilities and shareholders' equity		6,395,700,641.05	4,074,592,336.78	6,399,144,775.84	4,077,486,236.46

Notes to financial statements are parts of these financial statements.

(Signature).....Director

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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

	Unit : Baht				
	Financial statements in which the equity method is applied		Separate financial statements		
	Note	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Revenues					
Realized selling interest under hire purchase agreement		499,900,328.26	339,987,447.38	499,900,328.26	339,987,447.38
Interest income under sale with right of redemption agreement		2,673,152.00	3,483,241.00	2,673,152.00	3,483,241.00
Interest income		6,425,242.98	480,200.49	6,425,242.98	480,200.49
Other income					
Fee and services income		135,469,943.98	90,668,744.85	135,469,943.98	90,668,744.85
Recovered bad debts		10,019,055.28	6,264,694.06	10,019,055.28	6,264,694.06
Gain on sales of investment in joint venture		0.00	6,541,052.99	0.00	2,258,166.77
Others		45,856,582.57	41,426,003.37	45,856,582.57	41,426,003.37
Total revenues		<u>700,344,305.07</u>	<u>488,851,384.14</u>	<u>700,344,305.07</u>	<u>484,568,497.92</u>
Expenses					
Finance costs		(157,849,538.97)	(97,039,514.60)	(157,849,538.97)	(97,039,514.60)
Administrative expenses		(281,850,506.95)	(198,916,345.62)	(281,850,506.95)	(198,916,345.62)
Bad debt and doubtful accounts		(84,258,938.02)	(29,455,499.79)	(84,258,938.02)	(29,455,499.79)
Total expenses		<u>(523,958,983.94)</u>	<u>(325,411,360.01)</u>	<u>(523,958,983.94)</u>	<u>(325,411,360.01)</u>
Profit before share of loss on investments in joint venture		176,385,321.13	163,440,024.13	176,385,321.13	159,157,137.91
Share of loss on investment in joint venture by equity method		-550,235.11	(3,218,603.72)	0.00	0.00
Profit before income tax		175,835,086.02	160,221,420.41	176,385,321.13	159,157,137.91
Tax expenses	32.1	(33,571,391.47)	(31,500,058.81)	(33,571,391.47)	(31,500,058.81)
Profit for the year		<u>142,263,694.55</u>	<u>128,721,361.60</u>	<u>142,813,929.66</u>	<u>127,657,079.10</u>
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain (loss) on defined employee benefit plan		0.00	(4,357,971.00)	0.00	(4,357,971.00)
Less : Taxable effects		0.00	871,594.20	0.00	871,594.20
Other comprehensive income for the year		0.00	(3,486,376.80)	0.00	(3,486,376.80)
Total comprehensive income for the year		<u>142,263,694.55</u>	<u>125,234,984.80</u>	<u>142,813,929.66</u>	<u>124,170,702.30</u>
Earnings per share					
Basis earnings per share	33	0.1315	0.1529	0.1320	0.1517
Diluted earnings per share	33	0.1315	0.1374	0.1320	0.1363

Notes to financial statements are parts of these financial statements.

(Signature).....Director

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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

Financial statements in which the equity method is applied

	Note	Issued and paid-up share capital	Premium on share capital	Reserve for Equity- Settled Share-Based Payment	Retained earnings (Deficit)		Total shareholders' equity
					Appropriated	Unappropriated	
Balance as at January 1, 2017		798,358,500.00	120,515,523.48	42,752,220.00	23,690,960.87	119,105,754.20	1,104,422,958.55
Ordinary shares		125,261,091.00	0.00	0.00	0.00	0.00	125,261,091.00
Premium on common share		0.00	65,762,072.79	0.00	0.00	0.00	65,762,072.79
Appropriated for legal reserve		0.00	0.00	0.00	6,382,853.96	(6,382,853.96)	0.00
Dividend paid		0.00	0.00	0.00	0.00	(39,915,920.00)	(39,915,920.00)
Total comprehensive income for the year		0.00	0.00	0.00	0.00	128,721,361.60	128,721,361.60
Re-measuring for post-employment benefit obligations		0.00	0.00	0.00	0.00	(3,486,376.80)	(3,486,376.80)
Balance as at December 31, 2017		<u>923,619,591.00</u>	<u>186,277,596.27</u>	<u>42,752,220.00</u>	<u>30,073,814.83</u>	<u>198,041,965.04</u>	<u>1,380,765,187.14</u>
Balance as at January 1, 2018		923,619,591.00	186,277,596.27	42,752,220.00	30,073,814.83	198,041,965.04	1,380,765,187.14
Ordinary shares	23	185,237,653.00	0.00	0.00	0.00	0.00	185,237,653.00
Premium on common share	23	0.00	93,679,767.83	0.00	0.00	0.00	93,679,767.83
Appropriated for legal reserve		0.00	0.00	0.00	7,140,696.48	(7,140,696.48)	0.00
Dividend paid		0.00	0.00	0.00	0.00	(44,352,573.76)	(44,352,573.76)
Total comprehensive income for the year		0.00	0.00	0.00	0.00	142,263,694.55	142,263,694.55
Balance as at December 31, 2018		<u>1,108,857,244.00</u>	<u>279,957,364.10</u>	<u>42,752,220.00</u>	<u>37,214,511.31</u>	<u>288,812,389.35</u>	<u>1,757,593,728.76</u>

Notes to financial statements are parts of these financial statements.

(Signature).....Director

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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Reserve for Equity- Settled Share-Based Payment	Retained earnings (Deficit)		
				Appropriated	Unappropriated	
Balance as at January 1, 2017	798,358,500.00	120,515,523.48	42,752,220.00	23,690,960.87	123,063,936.38	1,108,381,140.73
Ordinary shares	125,261,091.00	0.00	0.00	0.00	0.00	125,261,091.00
Premium on common share	0.00	65,762,072.79	0.00	0.00	0.00	65,762,072.79
Appropriated for legal reserve	0.00	0.00	0.00	6,382,853.96	(6,382,853.96)	0.00
Dividend paid	0.00	0.00	0.00	0.00	(39,915,920.00)	(39,915,920.00)
Total comprehensive income for the year	0.00	0.00	0.00	0.00	127,657,079.10	127,657,079.10
Re-measuring for post-employment benefit obligations	0.00	0.00	0.00	0.00	(3,486,376.80)	(3,486,376.80)
Balance as at December 31, 2017	<u>923,619,591.00</u>	<u>186,277,596.27</u>	<u>42,752,220.00</u>	<u>30,073,814.83</u>	<u>200,935,864.72</u>	<u>1,383,659,086.82</u>
Balance as at January 1, 2018	923,619,591.00	186,277,596.27	42,752,220.00	30,073,814.83	200,935,864.72	1,383,659,086.82
Ordinary shares	23 185,237,653.00	0.00	0.00	0.00	0.00	185,237,653.00
Premium on common share	23 0.00	93,679,767.83	0.00	0.00	0.00	93,679,767.83
Appropriated for legal reserve	0.00	0.00	0.00	7,140,696.48	(7,140,696.48)	0.00
Dividend paid	0.00	0.00	0.00	0.00	(44,352,573.76)	(44,352,573.76)
Total comprehensive income for the year	0.00	0.00	0.00	0.00	142,813,929.66	142,813,929.66
Balance as at December 31, 2018	<u>1,108,857,244.00</u>	<u>279,957,364.10</u>	<u>42,752,220.00</u>	<u>37,214,511.31</u>	<u>292,256,524.14</u>	<u>1,761,037,863.55</u>

Notes to financial statements are parts of these financial statements.

(Signature).....Director

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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Unit : Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Cash flows from operating activities				
Profit before income tax	175,835,086.02	160,221,420.41	176,385,321.13	159,157,137.91
Adjustments to net profit to cash receipt (disbursement)				
Depreciation and amortized expenses	9,475,665.32	8,187,829.19	9,475,665.32	8,187,829.19
Amortized expenses	42,841,200.30	28,624,923.99	42,841,200.30	28,624,923.99
Bad Debt	39,155,631.05	18,788,132.30	39,155,631.05	18,788,132.30
Doubtful accounts	45,289,185.37	11,060,091.74	45,289,185.37	11,060,091.74
Unrealized gain - current investment	-185,878.40	-392,724.25	-185,878.40	-392,724.25
(Gain) Loss on sales of current investment	-7,049.00	0.00	-7,049.00	0.00
Share of loss on investment in joint venture by equity method	550,235.11	3,218,603.72	0.00	0.00
(Gain) Loss on sales of property, plant and equipment	(165,367.51)	865,426.31	(165,367.51)	865,426.31
(Gain) Loss on impairment of properties foreclosed	11,094,656.94	1,687,751.86	11,094,656.94	1,687,751.86
Amortized portion of deferred transaction costs	791,689.77	0.00	791,689.77	0.00
(Gain) Loss on sales of investment in joint venture	0.00	(6,541,052.99)	0.00	(2,258,166.77)
Employee benefit provisions	2,172,875.04	1,629,295.00	2,172,875.04	1,629,295.00
Finance costs	151,645,335.15	95,778,420.16	151,645,335.15	95,778,420.16
Profit (Loss) from operation before changes in current investment	478,493,265.16	323,128,117.44	478,493,265.16	323,128,117.44
(Increase) Decrease in hire purchase receivables	(2,124,851,743.90)	(1,527,877,556.53)	(2,124,851,743.90)	(1,527,877,556.53)
(Increase) Decrease in loans and sale with right of redemption receivables	3,172,094.00	4,756,810.00	3,172,094.00	4,756,810.00
(Increase) Decrease in other current receivables	(19,433,231.77)	(3,320,960.00)	(19,433,231.77)	(3,320,960.00)
(Increase) Decrease in properties foreclosed	(31,849,462.66)	(5,221,806.67)	(31,849,462.66)	(5,221,806.67)
(Increase) Decrease in other non-current receivables	(55,951,189.26)	(28,342,487.21)	(55,951,189.26)	(28,342,487.21)
Other non-current assets	(1,200,286.00)	-201,000.00	(1,200,286.00)	-201,000.00
Increase (Decrease) in trade and other current payables	34,302,371.90	9,483,707.40	34,302,371.90	9,483,707.40
Cash generated (paid) from operation	(1,717,318,182.53)	(1,227,595,175.57)	(1,717,318,182.53)	(1,227,595,175.57)
Interest paid	(143,950,251.20)	(94,148,736.00)	(143,950,251.20)	(94,148,736.00)
Corporate income tax paid	(32,518,970.08)	(24,757,401.37)	(32,518,970.08)	(24,757,401.37)
Net cash provided by (used in) operating activities	(1,893,787,403.81)	(1,346,501,312.94)	(1,893,787,403.81)	(1,346,501,312.94)

Notes to financial statements are parts of these financial statements.

(Signature).....Director

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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	Financial statements in which the equity method is applied		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Cash flows from investing activities				
Proceeds from sales of current investment	14,098.00	0.00	14,098.00	0.00
Payments for loans to joint venture	(200,000,000.00)	0.00	(200,000,000.00)	0.00
Proceeds from sales of investment in joint venture	0.00	27,258,166.77	0.00	27,258,166.77
Payments for acquire of investment in joint venture	(34,200,000.00)	(5,050,000.00)	(34,200,000.00)	(5,050,000.00)
Payments for acquire of intangible assets	0.00	(1,068,000.00)	0.00	(1,068,000.00)
Proceeds from sales of property, plant and equipment	1,284,237.39	1,535,197.05	1,284,237.39	1,535,197.05
Payment for acquire of property, plant and equipment	(16,317,245.38)	(13,716,990.55)	(16,317,245.38)	(13,716,990.55)
Net cash provided by (used in) investing activities	(249,218,909.99)	8,958,373.27	(249,218,909.99)	8,958,373.27
Cash flows from financing activities - increase (decrease)				
Increase (Decrease) in bank overdrafts	28,186,986.10	-29,577,353.32	28,186,986.10	-29,577,353.32
Proceeds from short-term loans from financial institutions	838,561,000.00	536,187,000.00	838,561,000.00	536,187,000.00
Payment for short-term loans from financial institutions	-753,561,000.00	-517,718,000.00	-753,561,000.00	-517,718,000.00
Proceeds from short-term loans from related persons	238,000,000.00	295,000,000.00	238,000,000.00	295,000,000.00
Payment for short-term loans from related persons	-218,000,000.00	-252,000,000.00	-218,000,000.00	-252,000,000.00
Proceeds from short-term loans from unrelated persons	-45,000,000.00	80,000,000.00	-45,000,000.00	80,000,000.00
Payment for short-term loans from unrelated persons	0.00	-65,000,000.00	0.00	-65,000,000.00
Proceeds from long-term loans from financial institutions	2,260,000,000.00	1,810,000,000.00	2,260,000,000.00	1,810,000,000.00
Payment for long-term loans from financial institutions	-1,057,994,794.49	-628,085,442.69	-1,057,994,794.49	-628,085,442.69
Proceeds from debentures issuance	600,000,000.00	0.00	600,000,000.00	0.00
Payment of transaction costs related to debenture issuance	-3,600,000.00	0.00	-3,600,000.00	0.00
Dividend paid	-44,352,573.76	-39,915,920.00	-44,352,573.76	-39,915,920.00
Proceeds from share capital payment	278,917,420.83	191,023,163.79	278,917,420.83	191,023,163.79
Net cash provided by (used in) financial activities	2,121,157,038.68	1,379,913,447.78	2,121,157,038.68	1,379,913,447.78
Net increase (decrease) in cash and cash equivalents	(21,849,275.12)	42,370,508.11	(21,849,275.12)	42,370,508.11
Cash and cash equivalents, as at January 1	48,562,686.80	6,192,178.69	48,562,686.80	6,192,178.69
Cash and cash equivalents, as at December 31	26,713,411.68	48,562,686.80	26,713,411.68	48,562,686.80

Notes to financial statements are parts of these financial statements.

(Signature).....Director

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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. GENERAL INFORMATION

1.1. EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED ("The Company") was incorporated as a public limited company in Thailand on September 15, 2003, and as a listed company in the Stock Exchange of Thailand on March 22, 2004.

1.2. Head office is located at 976/1, Soi Rama 9 Hospital, Rim Klong Samsean Road, Bangkapi, Huaykwang, Bangkok.

1.3. The Company has 8 branches

1. Branch is located at 728/10, Sukhumvit Road, Bang-plasroy, Mueng, Chonburi.
2. Branch is located at 307, Ta-Chalab Road, Talad, Mueng, Chanthaburi.
3. Branch is located at 75, Ratbamrung Road, Neunpra, Mueng, Rayong.
4. Branch is located at 624/4, Kanchanaphisek Road, Bang Phai, Bang Khae, Bangkok.
5. Branch is located at 131/36, Moo.9, Nong Prue, Bang Lamung, Chonburi.
6. Branch is located at 25/177, Ratchada – Ramindra Road, Nuanchan, Bueng Kum, Bangkok.
7. Branch is located at 987-989, La Salle Road, Bang Na, Bang Na, Bangkok.
8. Branch is located at 18/42, Moo.4, Surasak, Sriracha, Chonburi.

1.4. The Company engaged in business of credit services to personal and juristic person in the form of hire purchase, loans and sale with right of redemption agreement.

1.5. Investment in joint venture

1.5.1 On November 16, 2016, the Company entered into joint venture agreement with Eastern Premium Service Company Limited in order to engage in business of motor vehicles maintenance, which held at 51% and on September 6, 2018, the increase its capital from the percentage of shareholding form 51% to 54.55%. Under the joint venture agreement, the Company agreed with another party to determine that both party commonly power to control such company

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1.5 Investment in joint venture (CONT'D)

1.5.2 On March 23, 2018, the Company entered into joint venture agreement with ECL Asset Company Limited in order to engage in business of providing credit, mortgage, sales with right of redemption of assets in the form of real estate, which held at 60%. Under the joint venture agreement, the Company agreed with another party to determine that both party commonly power to control such company

2. PREPARATION OF FINANCIAL STATEMENTS BASIS

2.1. Financial statements preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS) according to the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of the Department of Business Development, the Ministry of Commerce dated October 11, 2016, regarding the condensed form which should be included in the financial statements B.E. 2559. and applicable rules and regulations of the Thai Securities and Exchange Commission.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

2.2. Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiary have adopted a number of revised financial reporting standards and interpretations (revised 2017) which are effective for the financial statements for the year beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiary' financial statements.

2.3. Revised Financial reporting standards that will become effective in the future

1) Thai Financial Reporting Standards which will become effective for the financial statements for the accounting period beginning on or after January 1, 2019.

TFRS 15 Revenue from Contracts with Customers, establishes the principles that the information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer, is to be reported to the users of financial statements. The entity recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity applies a five-step model to account for revenue and exercise judgement, taking into consideration when applying each step of the model.

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2.3. Revised Financial reporting standards that will become effective in the future (CONT'D)

TFRS 15 Revenue from Contracts with Customers supersedes the Thai Accounting Standards, Thai Standing Interpretations Committee and Thai Financial Reporting Interpretations Committee as detailed below:

Thai Accounting Standards

TAS 11 (Revised 2017) Construction contracts

TAS 18 (Revised 2017) Revenue

Thai Financial Reporting Standards Interpretations

TFRIC 13 (Revised 2017) Customer Loyalty Programmes

TFRIC 15 (Revised 2017) Agreements for the Construction of Real Estate

TFRIC 18 (Revised 2017) Transfers of Assets from Customers

Thai Standing Interpretations Committee

TSIC 31 (Revised 2017) Revenue - Barter Transactions Involving Advertising Services

At present, the Management of the Company and subsidiaries has assessed that there is no impact of the above Thai Financial Reporting Standards on the financial statements which will become effective in the future.

2) Thai Financial Reporting Standards which will become effective for the financial statements for the accounting period beginning on or after January 1, 2020.

The Federation of Accounting Professions prepared new Thai Financial Reporting Standards based on International Financial Reporting Standards for the period ended December 31, 2017 (Bound Volume 2018 Consolidated without early application) as follows:

Thai Financial Reporting Standards

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Accounting Standards

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards Interpretations

TFRIC 16 Hedges of a Net Investments in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The above set of Thai Financial Reporting Standards (TFRSs) sets out the requirements for the classification and measurement of financial instrument at the fair value or amortized cost by considering from the type of instruments, contractual cash flow characteristics and the entity's business model, including the impairment methodology by using the expected credit loss, and the general hedge accounting, as well as the presentation and disclosures of financial instrument. When this set of TFRSs are effective, as a result, some currently effective accounting standards, interpretations and guidance will be cancelled.

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2.3. Revised Financial reporting standards that will become effective in the future (CONT'D)

At present, the Management of the Company is being assessed the impacts of those financial reporting standards which will be effective in the future on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Income and Expenses Recognition

3.1.1 The Company recognized hire purchase interest income as unrealized interest which is recognized on the effective interest rate method over the hire purchase term.

Revenues from installments will be stopped to recognize if the overdue 4 installments which different from the accounting method of revenues recognition and allowance for doubtful accounts provision for consumer finance as requirement of the Securities and Exchange Commission and the Institute of Certified Accountants and Auditors of Thailand (currently named the Federation of Accounting Professions) that required the Company to stop revenue recognition from the overdue payment of receivables exceeding 3 installments in accordance with the notification no. KorLorTor. ChorSor. (Wor) 2/2004 dated April 30, 2004. Since the past 5 years receivables data at the end of year represented 90.00% of overdue receivables exceeding 4 months could repay such debts. Nevertheless, as at December 31, 2018 and 2017, the Company has overdue payment receivable exceeding 4 installments and the Company still recognize income in the amount of Baht 204,517,603.69 and Baht 107,589,605.95 respectively. If the Company recognized income on the requirement basis, revenues and receivables of the Company will be reduced by Baht 1,455,726.74 and Baht 718,054.51 respectively.

3.1.2 The Company recognized interest income under sale with right of redemption agreement receivables on an accrual basis.

3.1.3 Other revenues and expenses are recognized on an accrual basis.

3.1.4 Deferred commission

The Company recognized initial commission of new hire purchase since January 2008 as deferred commission and amortized as expense over the hire purchase term according to the proportion of interest income recognition of each agreement. In case the hire purchase is terminated before the agreement term, the remaining deferred commission will be amortized as expense in full amount.

3.2. Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

(Signature).....Director
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3. Current investment

Investment in short-term debt securities fund is stated at fair value. Changes in fund value are recognized as gain or loss in statements of comprehensive income.

3.4. Allowance for doubtful accounts

The Company provided the allowance for doubtful accounts based on receivables aging report which calculated from receivables under hire purchase agreement, sale with right of redemption agreement and receivables under lawsuit deducted by deferred hire purchase interest and collaterals. The collaterals are calculated from the credit value at the rate of 30% - 80% by considering the comparative of repayable opportunity received from receivables and selling of collaterals. In addition, the Company will consider the repayment ability of each receivables for overdue receivables exceeding six installments, receivable under sale with right of redemption agreement overdue exceeding one installment and receivables under debt compromise agreement overdue exceeding twelve installments.

The basis of provision of allowance for doubtful accounts of hire purchase receivable, sale with right of redemption agreement receivable and receivable under lawsuit in each period are as follows:

	Percentage
Less Deferred hire purchase interest and collaterals	
Normal receivable and overdue 1 installment	1
Overdue 2 - 3 installments	2
Overdue 4 - 6 installments	20
Overdue 7 - 12 installments	50 – 100
Overdue exceed 12 installments	100

The above policy are determined which do not conform with the allowance for doubtful accounts provision for consumer finance as requirement of the Securities and Exchange Commission and the Institute of Certified Accountants and Auditors of Thailand (currently named the Federation of Accounting Professions) that required the Company to provide the allowance for doubtful accounts in whole amount without collaterals deducting. But the Company has taken the collateral to deduct such allowance for hire purchase receivables (prosecuted receivables) and receivables under loans agreement and sale with right of redemption agreement since the Company provided the allowance for doubtful accounts from the actual bad debt statistics in the past 5 years that the Company has the average yearly actual bad debt approximately 70 - 100% of provided doubtful accounts.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5. Investment in joint venture

This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognize its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied and at cost in the separate financial statements.

3.6. Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation except land are stated at cost. Impairment of assets will be provided (if any).

The Company depreciated all type of assets on over the estimated useful lives of the assets as follows:

	Number of years
Building and improvement	20
Temporary building	2 – 3
Furniture, fixture and office equipment	3 – 5
Office equipment	5
Vehicles	5

The Company include costs of asset dismantlement, removal and restoration as parts of cost of property, plant and equipment, the depreciation charge has to be determined separately for each significant parts of property, plant and equipment with a cost that is significant in relation to the total cost of assets item. In addition, the entity is required to estimate the recoverable amount in the current expected to be obtained from asset to bring the age and condition at the end of useful lives. Besides, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year-end.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7. Impairment of assets

The Company has considered the impairment of assets on property, plant and equipment, investment, properties foreclosed and other intangible assets whenever events or changes indicate that the recoverable value of the asset is lower than the book value. Loss from impairment of asset will be recognized in the statements of comprehensive income. The Company will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment as "other income".

Recoverable value means net selling price of the asset or its utilization value whichever is higher. The Company will consider the impairment for each asset item or each asset unit generating cash flow, whichever is practical.

3.8. Properties foreclosed

Properties foreclosed which seized from defaulting receivable are valued by the balance of receivable at the lower of net book value or net realizable value from selling assets. Net realizable value are evaluated by comparing with the used car price in the market and the past selling price which appraised by the Company's appraisal management.

3.9. Employee benefits

3.9.1 The Company recognized salaries, wages, bonus and contribution to social security fund as expenses in the period in which they are incurred.

3.9.2 Provident fund

The Company has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution payments to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

3.9.3 Employee benefits

The Company provide for post-employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the statements of financial position is estimated on an actuarial basis using Projected Unit Credit Method of which calculated by the Independent Actuary by using Actuarial Technique. The calculation was made from determining the present value of future cash flows expected to be required to settle the obligation and determines discount rate by reference to market yield of government bonds should have term to maturity approximately equal to the terms of such obligations. In determine the future cash flows expected to be required to settle is used from employees'salaries, turnover, length of services and other factors. Changes in actuarial gains or loss are recognixed in the period in which they are incurred in other comprehensive income.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Assumptions:

Discount rate	2.56%
Salary increase rate	5%
Employee turnover	0 – 17%
Mortality	Thailand TMO2017 male and female tables

On December 13, 2018, the National Legislative Assembly passed the resolution to approve the draft of new Labour Protection Act which determined the additional rate of severance pay in the case of termination of employment for a terminated employee who has worked for 20 consecutive years or more and shall be entitled to receive payment not less than the last rate of wages for 400 days. However, new Labour Protection Act is being announced in the Government Gazette. The Company, therefore, shall record the effects of new Labour Protection Act when it becomes effective.

3.10. Income tax

Income tax expense for the year comprises current income tax and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred tax is provided on temporary differences between their carrying amounts at the end of each reporting period and the tax bases of assets and liabilities by using the tax rates enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Nevertheless, unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Company recognized deferred tax directly to shareholders' equity, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Company intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3.11. Accounting estimates

Preparation of financial statements in conformity with Thai Financial Reporting Standards required the management to make several estimation and assumption which affect the reported amounts in the financial statements and notes to related thereto. Consequent actual results may differ from those estimates.

3.12. Provisions

The Company recognizes a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received.

3.13. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company have an established control framework with respect to the measurement of fair values. This includes a valuation that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuation should be classified.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

When measuring the fair value of an asset or a liability, the Company use market observable date as fair as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. observable prices).
- Level 3: inputs are unobservable for the asset or liability.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognized transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

3.14. Related person and parties transaction

Enterprise and individuals that directly, or indirectly control or are controlled by, or are under common control with the Company. Associates and individuals owning that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company which has a power in planning and operating control.

3.15. Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16. Earnings per share

Basic earnings per share as presented in the statements of comprehensive income is the basic earnings (loss) per share which is determined by dividing the net profit (loss) for the period by the weighted average number of common shares issued and paid-up during the period.

Diluted earnings per share is calculated by dividing profit (loss) for the period by the weighted average number of ordinary shares outstanding during the period plus the number of ordinary share issued in the conversion of potential ordinary shares to ordinary shares as assumption that the conversion is made at the beginning of year or at the issuance date of the potential ordinary shares.

3.17. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures, and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts for each type of receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profit.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

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4. CASH AND CASH EQUIVALENTS

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	December 31, 2018	December 31, 2017
Cash on hand	90,577.00	925,428.00
Current accounts	25,134,727.75	29,611,254.28
Savings deposit	1,488,106.93	18,026,004.52
Total	<u>26,713,411.68</u>	<u>48,562,686.80</u>

5. CURRENT INVESTMENT

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	December 31, 2018	December 31, 2017
Investment in debt securities fund	0.00	1,855.00
<u>Add</u> Increment from for revaluation of investment	0.00	5,194.00
Total	<u>0.00</u>	<u>7,049.00</u>

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6. HIRE PURCHASE RECEIVABLES

(Unit : Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	Due within 1 year		Due over 1 year	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Hire purchase receivables	2,237,574,385.11	1,523,660,188.27	5,040,014,196.47	3,205,405,972.97
<u>Less</u> Unrealized interest income	(549,155,331.27)	(359,154,218.28)	(724,793,240.66)	(448,282,476.91)
Net	1,688,419,053.84	1,164,505,969.99	4,315,220,955.81	2,757,123,496.06
<u>Less</u> Allowance for doubtful accounts	(18,471,440.74)	(10,011,087.82)	(26,543,176.87)	(13,737,397.15)
Hire purchase receivables – net	<u>1,669,947,613.10</u>	<u>1,154,494,882.17</u>	<u>4,288,677,778.94</u>	<u>2,743,386,098.91</u>

Receivable was separated by ageing overdue receivables and allowance for doubtful accounts

(Unit : Baht)

	Financial statements in which the equity method is applied and Separate financial statements				
	Number of receivable	Receivables less by unrealized interest - net	Receivables for provide allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
As at December 31, 2018					
Undue 1 installment	19,993	5,212,405,994.06	1,042,481,198.81	1%	10,424,811.99
Overdue 2 - 3 installments	2,175	583,262,771.19	116,652,554.24	2%	2,333,051.08
Overdue 4 - 6 installments	472	145,167,338.82	29,033,467.77	20%	5,806,693.56
Overdue 7 - 12 installments	222	58,828,361.92	41,179,853.33	50 – 100%	22,474,517.32
Overdue exceed 12 installments	8	3,975,543.66	3,975,543.66	100%	3,975,543.66
Total	<u>22,870</u>	<u>6,003,640,009.65</u>	<u>1,233,322,617.81</u>		<u>45,014,617.61</u>

(Signature).....Director

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6. HIRE PURCHASE RECEIVABLES (CONT'D)

(Unit : Baht)

	Financial statements in which the equity method is applied and Separate financial statements				
	Number of receivable	Receivables less by unrealized interest - net	Receivables for provide allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
As at December 31, 2017					
Undue 1 installment	12,628	3,422,359,858.95	684,471,971.79	1%	6,844,719.72
Overdue 2 - 3 installments	1,506	390,112,707.64	78,022,541.53	2%	1,560,450.83
Overdue 4 - 6 installments	280	86,401,238.11	17,280,247.62	20%	3,456,049.52
Overdue 7 - 12 installments	73	20,727,594.16	14,509,315.91	50 – 100%	9,859,197.71
Overdue exceed					
12 installments	15	2,028,067.19	2,028,067.19	100%	2,028,067.19
Total	14,502	3,921,629,466.05	796,312,144.04		23,748,484.97

As at December 31, 2018, parts of hire purchase receivables (before less by unrealized interest) amount of Baht 5,342,054,983.30 were used as collateral against long-term loans from a bank as stated in note 20. (As at December 31, 2017, parts of hire purchase receivables amount of Baht 3,861,035,040.31 were used as collateral against bank overdrafts and long-term loans from a bank as stated in note 20).

7. LOANS AND SALE WITH RIGHT OF REDEMPTION AGREEMENT RECEIVABLES

(Unit : Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	December 31, 2018	December 31, 2017
Loans and sale with right of redemption agreement receivables	24,670,690.00	29,465,890.00
Total	24,670,690.00	29,465,890.00
<u>Less</u> Allowance for doubtful accounts	(43,341.38)	(1,858,325.78)
Loans and sale with right of redemption agreement receivables - net	24,621,348.62	27,607,564.22

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7. LOANS AND SALE WITH RIGHT OF REDEMPTION AGREEMENT RECEIVABLES (CONT'D)

Receivable was separated by ageing overdue receivables and allowance for doubtful accounts

(Unit : Baht)

Financial statements in which the equity method is applied and Separate financial statements					
	Number of receivable	Receivables less by unrealized interest - net	Receivables for provide allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
As at December 31, 2018					
Undue 2 installment	50	24,670,690.00	4,934,138.00	1%	49,341.38
Overdue 3 installments	0	0.00	0.00	2%	0.00
Overdue 4 - 6 installments	0	0.00	0.00	20%	0.00
Overdue 7 - 12 installments	0	0.00	0.00	70%	0.00
Overdue exceed					
12 installments	0	0.00	0.00	100%	0.00
Total	50	24,670,690.00	4,934,138.00		49,341.38

(Unit : Baht)

Financial statements in which the equity method is applied and Separate financial statements					
	Number of receivable	Receivables less by unrealized interest - net	Receivables for provide allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
As at December 31, 2017					
Undue 2 installment	63	27,662,890.00	5,532,578.00	1%	55,325.78
Overdue 3 installments	0	0.00	0.00	2%	0.00
Overdue 4 - 6 installments	0	0.00	0.00	20%	0.00
Overdue 7 - 12 installments	0	0.00	0.00	70%	0.00
Overdue exceed					
12 installments	5	1,803,000.00	1,803,000.00	100%	1,803,000.00
Total	68	29,465,890.00	7,335,578.00		1,858,325.78

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7. LOANS AND SALE WITH RIGHT OF REDEMPTION AGREEMENT RECEIVABLES (CONT'D)

As at December 31, 2018, the Company has loans receivable to 9 individuals by entering into sale with right of redemption and loans agreement with the agreement period of 1 - 6 months at the interest rate of 7.20 - 12.00% per annum (as at December 31, 2017, 12 individuals).

8. OTHER CURRENT RECEIVABLES

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	December 31, 2018	December 31, 2017
Accrued value added tax	5,310,697.09	3,635,116.33
Accrued insurance premium discount income	8,381,052.25	2,108,861.78
Loans receivable to employee	1,813,337.00	1,918,821.00
Amortized fee expenses	8,240,252.44	2,510,872.05
Others	8,566,215.51	2,704,651.36
Total	<u>32,311,554.29</u>	<u>12,878,322.52</u>

9. LOANS FOR JOINT VENTURE

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	December 31, 2018	December 31, 2017
Short – term loans	136,000,000.00	0.00
Long – term loans	64,000,000.00	0.00
Total	<u>200,000,000.00</u>	<u>0.00</u>

As at December 31, 2018, the Company has loans to ECL ASSET Co., Ltd (joint venture) to engage in business of providing credit, mortgage, sales with right of redemption of assets in the form of real estate by issued promissory note 1-24 months and interest at 6.00% - 6.25% per annum

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10. PROPERTIES FORECLOSED

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Properties foreclosed	49,087,085.40	17,237,622.74
<u>Less</u> Provision for impairment - properties foreclosed	<u>(17,816,880.46)</u>	<u>(6,722,223.52)</u>
Properties foreclosed - net	<u>31,270,204.94</u>	<u>10,515,399.22</u>

(Signature).....Director
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11. INVESTMENT IN JOINT VENTURE

Investment in joint venture - under equity method											
No.	Company's name	Type of business	Relationship	Paid-up share capital		Percentage of investment		Financial statements in which the equity method is applied		Separate financial statements at cost method	
				(Thousand Baht)		(%)		(Baht)		(Baht)	
				Dec 31,2018	Dec 31,2017	Dec 31,2018	Dec 31,2017	Dec 31,2018	Dec 31,2017	Dec 31,2018	Dec 31,2017
1	Eastern Premium Service Co., Ltd.	Motor vehicles maintenance body repairing and printing	Joint venture	37,400.00	20,000.00	54.55	51.00	12,490,052.11	7,306,100.32	20,400,000.00	10,200,000.00
2	ECL Asset Co., Ltd.	providing credit, mortgage, sales with right of redemption of assets in the form of real estate	Joint venture	40,000.00	0.00	60.00	0.00	28,465,813.10	0.00	24,000,000.00	0.00
Total								40,955,865.21	7,306,100.32	44,400,000.00	10,200,000.00

11.1. Eastern Premium Service Co., Ltd., is a joint venture by Eastern Commercial Leasing Public Company Limited (ECL) and Premium Group Co., Ltd. (PG) and Rising Sun Trader Limited (Japan) entered into co-investment agreement to engage in business of motor vehicles maintenance on November 16, 2016, with the capital at 51: 36: 13% and have the representative of joint operation company to be authorized directors of such joint venture.

11.2. On September 6, 2018, Eastern Premium Service Co., Ltd. has registered the increase that Eastern Commercial Leasing Public Company Limited and Premium Group Co., Ltd. agreed to invest in that increase share capital. As a result, the percentage of investment is changed to 54.55: 38.50: 6.95.

11.3. ECL Asset Co., Ltd., is a joint venture by Eastern Commercial Leasing Public Company Limited (ECL) and Global Best Real Estate Loan Co., Ltd. Has jointly agreed for investment in order to engage in mortgaging credit, sale with right of redemption, asset as properties businesses on March 23, 2018 at the ratio of 60 : 40 which has representative from the joint companied to be director of such joint venture.

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11. INVESTMENT IN JOINT VENTURE (CONT'D)

As at December 31, 2018, the Company recorded investment in joint venture at cost in separate financial statements and recognized share of profit in joint venture for the year ended December 31, 2018, amount of Baht 0.55 million, or equal to 0.39% of profit (loss) for the year in financial statements in which the equity method is applied.

12. OTHER NON-CURRENT RECEIVABLES

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	December 31, 2018	December 31, 2017
Receivables under lawsuit	79,716,896.94	59,893,598.45
<u>Less</u> Allowance for doubtful accounts	(79,716,896.94)	(55,369,231.07)
Net	0.00	4,524,367.38
Receivables under debt compromise agreement	9,444,236.39	9,939,664.23
<u>Less</u> Allowance for doubtful accounts	(9,444,236.39)	(7,527,222.53)
Net	0.00	2,412,441.70
Receivables - net	0.00	6,936,809.08
Others	440,770.67	1,349,977.11
<u>Less</u> Allowance for doubtful accounts	(409,194.00)	(1,027,715.00)
Total	31,576.67	7,259,071.19

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12. OTHER NON-CURRENT RECEIVABLES (CONT'D)

Receivables under lawsuit and allowance for doubtful accounts.

	(Unit : Baht)			
	Number of receivable		Financial statements in which the equity method is applied and Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Receivable after unrealized interest income	96	74	79,716,896.94	59,893,598.45
Receivable for provide allowance for doubtful accounts			79,716,896.94	59,893,598.45
% of allowance for doubtful accounts			100%	70 - 100%
Allowance for doubtful accounts			(79,716,896.94)	(55,369,231.07)

Overdue receivable under debt compromise agreement and allowance for doubtful accounts as at December 31, 2018.

	(Unit : Baht)				
	Financial statements in which the equity method is applied and Separate financial statements				
	Number of receivable	Receivables less by unrealized interest	Receivables for provide allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
Undue 3 installments	19	5,897,927.10	5,897,927.10	100%	5,897,927.10
Overdue 4 – 11 installments	6	3,410,825.61	3,410,825.61	100%	3,410,825.61
Overdue 12 installments onwards	1	135,483.68	135,483.68	100%	135,483.68
Total	26	9,444,236.39	9,444,236.39		9,444,236.39

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12. OTHER NON-CURRENT RECEIVABLES (CONT'D)

Overdue receivable under debt compromise agreement and allowance for doubtful accounts as at December 31, 2017.

(Unit : Baht)

	Financial statements in which the equity method is applied and Separate financial statements				
	Number of receivable	Receivables less by unrealized interest	Receivables for provide allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
Undue 3 installments	21	9,407,564.79	9,407,564.79	75%	7,055,673.60
Overdue 4 – 11 installments	2	242,202.05	242,202.05	75%	181,651.54
Overdue 12 installments onwards	1	289,897.39	289,897.39	100%	289,897.39
Total	24	9,939,664.23	9,939,664.23		7,527,222.53

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13. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2018								(Unit : Baht)
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Assets under construction	Total
Cost									
As at December 31, 2017	7,324,162.50	8,977,783.71	1,669,982.03	3,274,407.60	10,670,727.25	8,513,388.17	33,538,959.54	281,880.00	74,251,290.80
Acquisition	0.00	0.00	302,970.00	1,888,904.90	3,970,936.58	2,187,178.37	7,464,526.43	502,729.10	16,317,245.38
Transfer in (out)	0.00	0.00	0.00	784,609.10	0.00	0.00	0.00	(784,609.10)	0.00
Written off	0.00	0.00	0.00	0.00	(161,351.36)	(68,442.55)	(2,948,126.30)	0.00	(3,177,920.21)
As at December 31, 2018	<u>7,324,162.50</u>	<u>8,977,783.71</u>	<u>1,972,952.03</u>	<u>5,947,921.60</u>	<u>14,480,312.47</u>	<u>10,632,123.99</u>	<u>38,055,359.67</u>	<u>0.00</u>	<u>87,390,615.97</u>
Accumulated depreciation									
As at December 31, 2017	0.00	6,944,335.44	132,531.29	1,512,425.92	6,451,896.08	5,039,149.10	16,168,062.29	0.00	36,248,400.12
Depreciation	0.00	448,610.04	91,090.06	1,619,112.67	2,575,686.94	1,302,474.64	3,331,950.13	0.00	9,368,924.48
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Written off	0.00	0.00	0.00	0.00	(156,436.57)	(66,720.13)	(1,835,893.63)	0.00	(2,059,050.33)
As at December 31, 2018	<u>0.00</u>	<u>7,392,945.48</u>	<u>223,621.35</u>	<u>3,131,538.59</u>	<u>8,871,146.45</u>	<u>6,274,903.61</u>	<u>17,664,118.79</u>	<u>0.00</u>	<u>43,558,274.27</u>
Net book value									
As at December 31, 2017	<u>7,324,162.50</u>	<u>2,033,448.27</u>	<u>1,537,450.74</u>	<u>1,761,981.68</u>	<u>4,218,831.17</u>	<u>3,474,239.07</u>	<u>17,370,897.25</u>	<u>281,880.00</u>	<u>38,002,890.68</u>
As at December 31, 2018	<u><u>7,324,162.50</u></u>	<u><u>1,584,838.23</u></u>	<u><u>1,749,330.68</u></u>	<u><u>2,816,383.01</u></u>	<u><u>5,609,166.02</u></u>	<u><u>4,357,220.38</u></u>	<u><u>20,391,240.88</u></u>	<u><u>0.00</u></u>	<u><u>43,832,341.70</u></u>

(Signature).....Director
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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

December 31, 2017

(Unit : Baht)

	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Assets under construction	Total
Cost									
As at December 31, 2016	7,324,162.50	8,977,783.71	398,686.00	1,855,607.60	14,779,391.26	1,514,085.07	31,537,464.40	136,000.00	66,523,180.54
Acquisition	0.00	0.00	957,796.03	735,222.50	3,311,589.58	687,734.80	6,881,690.14	1,142,957.50	13,716,990.55
Written off	0.00	0.00	313,500.00	683,577.50	(6,943,708.09)	6,573,708.09	0.00	(997,077.50)	(370,000.00)
Transfer in (out)	0.00	0.00	0.00	0.00	(476,545.50)	(262,139.79)	(4,880,195.00)	0.00	(5,618,880.29)
As at December 31, 2017	7,324,162.50	8,977,783.71	1,669,982.03	3,274,407.60	10,670,727.25	8,513,388.17	33,538,959.54	281,880.00	74,251,290.80
Accumulated depreciation									
As at December 31, 2016	0.00	6,495,563.94	80,481.58	715,302.59	8,806,727.77	1,229,316.14	14,375,172.06	0.00	31,702,564.08
Depreciation	0.00	448,771.50	52,049.71	797,123.33	1,671,301.60	891,623.94	4,273,222.89	0.00	8,134,092.97
Written off	0.00	0.00	0.00	0.00	(3,550,307.81)	3,180,308.81	0.00	0.00	(369,999.00)
Transfer in (out)	0.00	0.00	0.00	0.00	(475,825.48)	(262,099.79)	(2,480,332.66)	0.00	(3,218,257.93)
As at December 31, 2017	0.00	6,944,335.44	132,531.29	1,512,425.92	6,451,896.08	5,039,149.10	16,168,062.29	0.00	36,248,400.12
Net book value									
As at December 31, 2016	7,324,162.50	2,482,219.77	318,204.42	1,140,305.01	5,972,663.49	284,768.93	17,162,292.34	136,000.00	34,820,616.46
As at December 31, 2017	7,324,162.50	2,033,448.27	1,537,450.74	1,761,981.68	4,218,831.17	3,474,239.07	17,370,897.25	281,880.00	38,002,890.68

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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation for the year ended December 31, 2018 and 2017, amounted to Baht 9,368,924.48 and Baht 8,134,092.97 respectively.

As at December 31, 2018, the Company has fixed assets at cost of Baht 7,817,699.96 and net book value of Baht 815.00 which were fully depreciated but are still being operated (as at December 31, 2017, cost of Baht 7,582,010.85 and net book value of Baht 786.00).

Land and construction were mortgaged as guarantee for bank overdrafts and long-term loans from a bank as mentioned in notes 16 and 20.

14. INTANGIBLE ASSETS

	<u>(Unit : Baht)</u>
	<u>Computer software</u>
Cost	
As at December 31, 2017	1,438,000.00
Acquisition	0.00
Transfer in (out)	0.00
Disposal or write off	0.00
As at December 31, 2018	<u>1,438,000.00</u>
Accumulated amortization	
As at December 31, 2017	423,736.22
Amortization for the year	106,740.84
Transfer in (out)	0.00
Disposal or write off	0.00
As at December 31, 2018	<u>530,477.06</u>
Net book value	
As at December 31, 2017	<u>1,014,263.78</u>
As at December 31, 2018	<u>907,522.94</u>
Amortization for the year	
As at December 31, 2018	106,740.84
As at December 31, 2017	53,736.22

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14. INTANGIBLE ASSETS (CONT'D)

	<u>(Unit : Baht)</u>
	<u>Computer software</u>
Cost	
As at December 31, 2016	0.00
Acquisition	1,068,000.00
Transfer in (out)	370,000.00
Disposal or write off	0.00
As at December 31, 2017	<u>1,438,000.00</u>
Accumulated amortization	
As at December 31, 2016	0.00
Amortization for the year	53,736.22
Transfer in (out)	370,000.00
Disposal or write off	0.00
As at December 31, 2017	<u>423,736.22</u>
Net book value	
As at December 31, 2016	<u>0.00</u>
As at December 31, 2017	<u>1,014,263.78</u>

15. PLEDGED DEPOSIT AT FINANCIAL INSTITUTION

As at December 31, 2018, the Company's fixed deposit amount of Baht 66,000.00 is used as guarantee against loans from bank and electricity usage as mentioned in note 34 (as at December 31, 2017, fixed deposit amount of Baht 66,000.00).

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16. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTION

(Unit : Baht)

	December 31, 2018	December 31, 2017
	Financial statements in which the equity method is applied and Separate financial statements	
	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Bank overdrafts	28,266,815.24	79,829.14
Short-term loans - promissory notes	<u>273,587,000.00</u>	<u>188,587,000.00</u>
Total	<u>301,853,815.24</u>	<u>188,666,829.14</u>

16.1. As at December 31, 2018, the Company has overdrafts line with 5 banks totaling Baht 100 million mortgaging land with its construction in note 13 (as at December 31, 2017, the Company has overdrafts line with 4 banks totaling Baht 80 million mortgaging land with its construction in note 13).

16.2. As at December 31, 2018 and 2017, the Company has loans from 3 banks by issuing promissory notes due on term of payment for credit line total amount of Baht 390 million as detailed below:

16.2.1 Loans from the 1st bank for credit line amount of Baht 40 million were withdrawn in full amount by charging interest at market rate per annum. These loans are guaranteed by transferring the right on part of hire purchase receivable in note 6.

16.2.2 Loans from the 2nd bank for credit line amount of Baht 200 million were withdrawn and the remaining debt obligation amount of Baht 83.59 million at the interest rate of MLR-1.125% per annum. These loans are guaranteed by transferring the right on part of hire purchase receivable in note 6.

16.2.3 Loans from the 3rd Foreign bank for credit line amount of Baht 150 million were withdrawn and the remaining debt obligation amount of Baht 150 million at the interest is charged at the rate of 2.75% per annum. These loans are guaranteed by related parties in foreign countries.

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17. TRADE AND OTHER CURRENT PAYABLES

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	December 31, 2018	December 31, 2017
Credit payable	4,457,990.44	3,231,871.53
Accrued interest expenses	9,115,522.20	2,169,717.85
Advance receipt	30,839,945.31	13,708,867.73
Revenue Department payable	14,726,473.30	10,699,811.82
Accrued expenses	3,596,774.32	2,277,431.61
Others	15,005,595.29	4,406,424.07
Total	<u>77,742,300.86</u>	<u>36,494,124.61</u>

18. TRANSACTION WITH RELATED PERSONS AND PARTIES

Parts of the Company's assets, liabilities, revenues and expenses arose from the transactions with related Parts of the Company's assets, liabilities, revenues and expenses arose from the transactions with related

Relationship of the Company and related persons is summarized as follows:

<u>Related person name</u>	<u>Relationship</u>	<u>Particulars and pricing policy</u>
Mr. Preecha Veeraphong	Major shareholder and president	Loans is repayable on maturity, interest is prepaid at the rate of 3.75% per annum
Mrs. Sumalee Veeraphong	Major shareholder and near relative of president	Loans is repayable on maturity, interest is prepaid at the rate of 4.00% per annum
Ms. Bangonsiri Veeraphong	Major shareholder and near relative of president	Loans is repayable on maturity, interest is prepaid at the rate of 4.00% per annum

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18. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT'D)

<u>Related person name</u>	<u>Relationship</u>	<u>Particulars and pricing policy</u>
Mr. Prapakorn Veeraphong	Major shareholder and managing director	At the rental fee as agreed, averaged by the independent appraiser
Premium Financial Services Co., Ltd. (Japaneses)	Shareholder at 25.40% shareholding	Remuneration under joint-business agreement
PFS (Thailand) Co., Ltd.	Held by Premium Group Co., Ltd. at 48% shareholding	Rental income at the agreed price and closed to the same space
ECL Asset Co., Ltd.	Associate	Loans are charged the interest at the rate of cost plus margin less than 1.50% (total interest rate not lower than 5.75%)
NNC One Co., Ltd.	Has shareholder and common directors with ECL Asset Co., Ltd. (joint venture)	Sale land to ECL Asset Co., Ltd. (joint venture) in the price of Baht 35 million which is lower than the appraisal value of the independent appraiser (appraisal value amount of Baht 85.20 million)

18.1 In the second quarter of 2018, ECL Asset Co., Ltd. (joint venture) has acquired land from NNC One Co., Ltd. In the price of Baht 35 million which is lower than the appraisal value of the independent appraiser (appraisal value amount of Baht 85.20 million) and ECL Asset Co., Ltd. (joint venture) has provided loans by entering into hire purchase agreement for selling such plot of land to an individual in the price of Baht 50 million” The interest is payable on monthly basis at the rate 15% per annum and the principal is repayable when the maturity of two years. Such loans were repaid by the joint venture to the leader by cash amount of Baht 15 million, such land was repurchased by the remaining amount of Baht 35 million from NNC One Co., Ltd. Fir which such individual has made the sale with right of redemption.

(Signature).....Director

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18. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT'D)

18.2 Short-term loans from related person

(Unit : Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	Balance			Balance
	December 31, 2017	Increase	Decrease	December 31, 2018
Mr. Preecha Veeraphong	105,000,000.00	338,000,000.00	(268,000,000.00)	175,000,000.00
Mrs.Sumalee Veeraphong	40,000,000.00	0.00	(40,000,000.00)	0.00
Ms.Bangonsiri Veeraphong	10,000,000.00	0.00	(10,000,000.00)	0.00
Total	155,000,000.00	338,000,000.00	(318,000,000.00)	175,000,000.00
<u>Less</u> Prepaid interest expenses	(1,484,658.61)	(5,981,529.40)	(6,132,787.11)	(1,333,400.90)
Total	<u>153,515,341.39</u>			<u>173,666,599.10</u>

As at December 31, 2018, the Company has loans from 1 related persons by issuing bills of exchange matured in February 2018 to May 2019 at the interest rate of 3.75% per annum.

18.3 Rental

The Company has entering into lease land agreement in order to use as car parking and lease office premise agreement for using as branch office from 2 related party and person as detailed following:

(Unit : Baht)

As at December 31, 2018

Plot	Location	Area	Agreement period	Period	Rental/month (Average)
1	Bangkok	280 Square wah	3 years	September 1, 2017 - August 31, 2020	48,505.26
2	Chonburi	244.05 Square meter	3 years	June 1, 2017 - May 31, 2020	44,817.54

(Signature).....Director
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18. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT'D)

18.4 Revenues and expenses are as follows:

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the year ended	
	December 31, 2018	December 31, 2017
PFS (Thailand) Co., Ltd.		
Rental income	360,000.00	360,000.00
Premium Financial Services Co., Ltd.		
Remuneration under joint business agreement	7,200,000.00	7,200,000.00
Consulting services	700,000.00	0.00

19. SHORT-TERM LOANS FROM UNRELATED PERSONS

	(Unit : Baht)			
	Financial statements in which the equity method is applied and Separate financial statements			
	December 31, 2018		December 31, 2017	
	Principal	Maturity	Principal	Maturity
Persons	0.00		45,000,000.00	April 30, 2018 to May 21, 2018
<u>Less</u> Prepaid interest expenses	0.00		(598,021.89)	
Net	0.00		44,401,978.11	

The Company has made repayment for short-term borrowings from personal in full.

(Signature).....Director
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20. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Loans from 7 banks consist of:

As at December 31, 2018					
(Unit : Million Baht)			(Unit : Baht)		
	Credit amount	Credit remaining	Interest rate	December 31, 2018	December 31, 2017
1st bank	500	60.79	4.40 - 5.08%, MLR-1.75%	439,212,000.00	419,881,000.00
2nd bank	3,170	690.00	THBFIX 1M+ (3.17%), THBFIX 6M+ (2.85 to 3.30%), Fixed Rate (IRS) (4.39 to 5.07%)	1,458,576,000.00	1,120,725,000.00
3rd bank	1,650	324.29	MLR - (1.50 to 2.625%)	949,093,310.00	447,088,771.00
4th bank	50	-	4%, (MLR - 1.50%)	18,200,000.00	40,520,000.00
5th bank	100	-	MLR - 2.00%	22,160,000.00	55,760,000.00
6th bank	150	-	BBL's MLR - 1.70%	105,208,333.19	142,708,333.31
7th bank	500	-	MLR - 1.50%	436,238,666.63	0.00
Total	<u>6,120</u>	<u>1,075.08</u>		3,428,688,309.82	2,226,683,104.31
<u>Less</u> Current portion of long-term debts				(1,212,746,784.00)	(790,081,465.00)
Net				<u>2,215,941,525.82</u>	<u>1,436,601,639.31</u>

The loans agreement have various limitation that the Company must comply with the maintain of financial ratio etc.

Moments in long-term loan for the year ended December 31, 2018, are as follows:

	(Unit : Baht)
	Financial statements in which the equity method is applied and Separate financial statements
Balance as at December 31, 2017	2,226,683,104.31
Additional proceeds during the year	2,260,000,000.00
Repayment during the year	(1,057,994,794.49)
Balance as at December 31, 2018	<u>3,428,688,309.82</u>

(Signature).....Director

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20. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS (CONT'D)

20.1 The first bank, the Company has loans from bank amount of Baht 500 million which were withdrawn.

Where the repayment is made that the credit line can be reutilized. These loans are guaranteed by transferring the right on part of hire purchase receivable as stated in note 6.

20.2 The second bank, the Company has loans from bank amount of Baht 3,170 million which were gradually withdrawn of each not exceeds 75% of hire purchase receivable. The principal and interest are monthly repayable within 3-4 years from the loans withdrawal date in fully amount. Credit line total amount of Baht 3,170 million dividend into credit line amount of Baht 1,500 million (remaining is Baht 690 million) and credit line amount of Baht 1,670 million from the loans withdrawal date in fully amount. The loans are guaranteed by transferring the right on payment of hire purchase receivable as stated in note 6 and mortgaging land with its construction as stated in note 6 and 13

20.3 The third bank, the Company has loans from bank amount of Baht 1,650 million which were gradually withdrawn of each not exceeds 75% of hire purchase receivable under hire purchase agreement. The principal and interest are monthly repayable within 4 years from the loans withdrawal date. Credit line total amount of Baht 1,650 million dividend into credit line amount of Baht 750 million from the loans withdrawal date in fully amount and credit line amount of Baht 500 million (remaining is Baht 280 million) and credit line amount of Baht 400 million (remaining is Baht 44.29 million) were already withdrawn, when the repayment is made that the withdrawal can be renewed. The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 6.

20.4 The fourth bank, the Company has loans from bank amount of Baht 50 million which were withdrawn in fully amount. The principal and interest are repayable on a monthly basis within 7 years from the loan withdrawal date, guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 6.

20.5 The fifth bank, the Company has loans from bank amount of Baht 100 million which were withdrawn in fully amount, guaranteed by transferring the right on payment of same hire purchase receivable as stated in note 6.

20.6 The sixth bank, the Company has loans from bank amount of Baht 150 million which were withdrawn in fully amount. which were gradually withdrawn of each not exceeds 80% of hire purchase receivable. The principal and interest are monthly repayable within 4 years from the loans withdrawal date. The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 6.

(Signature).....Director
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20. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS (CONT'D)

20.7 The seventh bank, the Company has loans from bank amount of Baht 500 million from the loans withdrawal date in fully amount, which were gradually withdrawn of each not exceeds 80% of hire purchase receivable. The principal and interest are monthly repayable within 4 years. The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 6.

21. DEBENTURES

The Company issued debentures in the form of specific name, unsubordinated, unsecured and holders representative are summarised below:

				(Unit : Baht)	
				Financial statements in which the equity method is applied and Separate financial statements	
Debentures	Interest rate	Terms	Due date	December 31, 2018	December 31, 2017
Debentures # 1/2018	4.40% per annum	2 years	October 5, 2020	600,000,000.00	0.00
Total debentures, at face value				600,000,000.00	0.00
Less: Unamortized portion of deferred transaction costs				(2,808,310.23)	0.00
Debentures				<u>597,191,689.77</u>	<u>0.00</u>

Under rights and responsibilities of debenture issuer, the Company has to comply with certain covenants and restrictions including maintenance of a interest bearing debt to equity ratio of consolidated financial statements with no excess of 5:1 along with debentures' periods.

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22. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

The changes in present value of employee benefit obligations for the year ended December 31, 2018 and 2017, as follows:

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Non-current provisions for employee benefit as at January 1	16,814,118.00	10,826,852.00
Recognition in profit or loss :		
Current cost of service and interest	2,172,875.04	1,629,295.00
Recognition in other comprehensive income :		
Re-measuring for post-employment benefit obligations	0.00	4,357,971.00
Non-current provisions for employee benefit as at December 31	<u>18,986,993.04</u>	<u>16,814,118.00</u>

Long-term employee benefit expense for the year ended December 31, 2018 and 2017.

Actuarial assumptions to use for calculation:

	2018	2017
	<u>Percentage</u>	<u>Percentage</u>
Discount rate	2.56	2.56
Salary increase rate	5.00%	5.00%
Mortality rate	Thailand TMO2017 tables	Thailand TMO2017 tables

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2018, are summarized below:

	(Unit : Baht)	
	<u>Increase</u>	<u>Decrease</u>
Discount rate (0.5% moment)	(962,244.00)	1,032,690.00
Salary increase rate (0.5% moment)	1,054,393.00	(991,638.00)
Turnover rate (10% moment)	(418,515.00)	464,920.00

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22. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT (CONT'D)

As stated in notes 3.9.3 to financial statements, the Company shall record the effects of new Labour Protection Act when it is announced in the Government Gazette which may be effective in 2019. At present, the Company expects that the additional employee benefits to be paid amount of Baht 5,663,306.00 will be provided when it becomes effective.

23. SHARE CAPITAL

Reconciliation of issued and paid-up share capital

	Registered ordinary shares		Issued and paid-up ordinary shares		
	Number of share (Share)	Amount (Baht)	Number of share (Share)	Paid-up share capital (Baht)	Premium on share capital (Baht)
As at January 1, 2018	1,110,614,740	1,110,614,740.00	923,619,591	923,619,591.00	186,277,596.27
Share capital increased	-	-	-	-	-
Increase from exercised of warrants	-	-	185,237,653	185,237,653.00	93,679,767.83
As at December 31, 2018	<u>1,110,614,740</u>	<u>1,110,614,740.00</u>	<u>1,108,857,244</u>	<u>1,108,857,244.00</u>	<u>279,957,364.10</u>

23.1. Increase share capital

23.1.1 On September 12, 2017, the Company passed the resolution to increase its share capital from issued and paid - up shares amount of Baht 798,358,500.00 to new issued and paid - up shares amount of Baht 923,619,591.00 by exercise ration of warrants to purchase ordinary shares ECL-W2 for 125,261,091 shares of Baht 1 each in the price of Baht 1.525 each. The Company has received the payment for such share capital and registered the change issued and paid-up share capital with the Ministry of Commerce on September 12, 2017.

23.1.2 On September 29, 2017, At the Extraordinary General Meeting of the shareholders No.1/2017, the Company passed the resolution to increase its share capital from registered shares amount of Baht 1,095,745,395.00 to new registered shares amount of Baht 1,110,614,740.00, by issuing new ordinary shares for 14,869,345 shares of Baht 1 each to support the exercise ration of warrants to purchase ordinary shares ECL-W2. The Company has received the payment for such share capital and registered the change issued with the Ministry of Commerce on October 11, 2017.

(Signature).....Director
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23. SHARE CAPITAL (CONT'D)

23.1.4 On February 23, 2018, the Company passed the resolution to increase its share capital from issued and paid - up shares amount of Baht 923,619,591.00 to new issued and paid - up shares amount of Baht 1,108,824,244.00 by exercise ration of warrants to purchase ordinary shares ECL-W2 for 185,237,653 shares of Baht 1 each in the price of Baht 1.525 each. The Company has received the payment for such share capital and registered the change issued and paid-up share capital with the Ministry of Commerce on March 7, 2018.

24. WARRANTS

On May 9, 2016, the Company has adjusted the exercise price and exercise ration of warrants to purchase ordinary shares ECL-W2 from 1 unit of warrant for 1 ordinary share at the exercise price of Baht 1.60 per share to 1 unit of warrant for 1.050 ordinary share at the exercise price of Baht 1.525 per share in order to preserve the benefit not less than original granted to warrant holders caused by the Company has issued the increased share capital offering to Private Placement (PP)

Warrants ECL-W2 has been completed during the year.

25. LEGAL RESERVE

According to the Public Company Limited Act B.E. 2535, the Company is required to set aside a legal reserve at least 5% of annual net profit after deduction with deficit brought forwards (if any) until the reserve reach an amount of 10% of the authorized share capital. Such legal real reserve is not available for dividend distribution.

26. DIVIDEND

At the Annual General Meeting of shareholders for the year 2018 held on April 23, 2018, passed the resolution to pay dividend from net profit for the year ended December 31, 2017, at Baht 0.04 per share amounting to Baht 44.35 million. The dividend payment is made on May 7, 2018.

At the Annual General Meeting of shareholders for the year 2017 held on April 25, 2017, passed the resolution to pay dividend from net profit for the year ended December 31, 2016, at Baht 0.05 per share amounting to Baht 39.92 million. The dividend payment is made on May 9, 2017.

(Signature).....Director

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27. PROVIDENT FUND

The Company and employees have jointed to be member of provident fund in accordance with the Provident Fund Act B.E. 2530. Under the fund regulation, the employees have to contribute to the fund at the rate of 3% - 15% of their salaries and the Company's contribution at the rate of 3% - 10%. The benefits will be paid to the members upon the condition of length of work on their retirement, death or resignation from the members.

For the year ended December 31, 2018 and 2017, the Company paid the contribution to the fund of Baht 5,309,264.00 and Baht 4,022,833.00 respectively.

28. DIRECTORS' REMUNERATION AND MANAGEMENT BENEFIT EXPENSES

27.1. Directors' remuneration

Directors' remuneration is contributed to directors of the Company under Section 90 of the Public Company Act excluding salaries and related fringe benefit paid to directors.

27.2. Management benefit expenses

Management benefit expenses focuses expenses relating to salaries, remunerations and other benefits to the directors and management, in accordance with the definitions of the Office of the Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels.

29. FINANCIAL INFORMATION BY SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company's operation involve virtually a single credit providing business in the form of hire purchasing to ordinary person and juristic person and operated in one geographical segment in domestic, hence, all of revenues, gain and assets presented in the financial statements are related to the said business and geographical segment.

(Signature).....Director

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30. DISCLOSURES OF FINANCIAL INSTRUMENTS

30.1. Accounting policy

The significant accounting policies and methods adopted the basis of recognition and measurement relating to each class of financial assets and liabilities have been disclosed in notes to financial statements No. 3.

30.2. Credit risk

Credit risk derives from failure by counterparties to discharge their obligations. The Company has no material credit risk and has policy to hedge credit risk by providing guarantor and down payment from each hire purchase receivable.

30.3. Interest rate risk

Interest rate risk may derive from changes in market interest rate. The Company has no interest rate risk because of the Company has long-term loans with the fixed and floating interest rate.

30.4. Exchange rate risk

The Company have no foreign currency exchange rate risk since there are no receivables and payables transaction denominated in foreign currencies.

30.5. Fair value of financial instruments

Financial assets shown in statements of financial position consist of cash, deposit at bank, receivables and properties foreclosed. Financial liabilities shown in statements of financial position consist of bank overdrafts and long-term loans.

The book value of financial assets and liabilities are close to fair value. In addition, the management believes that there is no material risk financial instruments.

(Signature).....Director
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31. EXPENSES ANALYZED BY NATURE

The significant expenses analyzed by nature are as follows:

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the year ended	
	December 31, 2018	December 31, 2017
Employees benefit expenses	121,702,893.01	81,805,556.45
Directors' remuneration	8,143,200.00	5,836,800.00
Management benefit expenses	32,697,782.00	27,143,552.00
Depreciation	9,475,665.32	8,187,829.19
Amortized commission expenses	42,841,200.30	28,624,923.99
Bad Debt	39,155,631.05	18,788,132.30
Doubtful accounts	45,103,306.97	10,667,367.49

32. INCOME TAX

32.1. Income tax expenses for the year ended December 31, 2018 and 2017, can be summarized as follows:

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the year ended	
	December 31, 2018	December 31, 2017
Current tax:		
Income tax for the year	37,915,870.19	28,941,808.27
Deferred tax:		
Deferred tax on temporary differences and reserved temporary differences	(4,344,478.72)	2,558,250.54
Income tax expenses presented in statement of comprehensive income	33,571,391.47	31,500,058.81
Income tax realized in other comprehensive income		
Deferred tax recognized to actuarial loss	0.00	(871,594.20)

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32. INCOME TAX (CONT'D)

32.2 Reconciliation amount between income tax expenses and multiplication of accounting profits and tax rates used for the year ended December 31, 2018 and 2017, can be presented as follows:

	(Unit : Baht)			
	Financial statements in which the equity method is applied		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Accounting profit before income tax	175,835,086.02	160,221,420.41	176,385,321.13	159,157,137.91
Income tax rates	20%	20%	20%	20%
Accounting profit before income tax multiply by tax rates	35,167,017.20	32,044,284.08	35,277,064.23	31,831,427.58
Taxable effect for:				
Prohibited taxable items	2,748,852.99	(3,102,475.81)	2,638,805.96	(2,889,619.31)
Effects to deferred tax from changes in tax rate	(4,344,478.72)	2,558,250.54	(4,344,478.72)	2,558,250.54
Income tax expenses presented in statement of income	33,571,391.47	31,500,058.81	33,571,391.47	31,500,058.81
Effective income tax rate (%)	19.09%	19.66%	19.03%	19.79%

32.3. Deferred tax assets and liabilities components as at December 31, 2018 and 2017, consist of the following transaction.

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	December 31, 2018	December 31, 2017
Deferred tax assets		
Reserve for allowance for doubtful accounts - hire purchase receivable	9,002,923.52	4,749,696.99
Reserve for allowance for doubtful accounts - loans and sale with right of redemption receivable	9,868.28	371,665.16
Reserve for allowance for doubtful accounts - case receivables	15,943,379.38	11,073,846.21
Reserve for allowance for doubtful accounts - debt compromise receivables	1,888,847.28	1,505,444.51
Reserve for allowance for doubtful accounts - other receivables	81,838.80	205,543.00
Provision for impairment of assets - foreclosed	3,563,376.09	1,344,444.70
Non-current provisions for employee benefit	3,797,398.61	3,362,823.60
Provision for revaluation of investment	0.00	1,038.80
Total	34,287,631.96	22,614,502.97

(Signature).....Director

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32. INCOME TAX (CONT'D)

(Unit : Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	December 31, 2018	December 31, 2017
Deferred tax liabilities		
Deferred commission	20,245,262.97	12,916,612.70
Total	20,245,262.97	12,916,612.70
Net	14,042,368.99	9,697,890.27

33. EARNINGS PER SHARE

Basic earnings per share is determined by dividing the net profit (loss) for the year attributable to the shareholders of the Company (excluding other comprehensive income) by the weighted average number of common shares issued and paid-up during the year.

Diluted earnings per share is calculated by dividing the profit for the year attributable to shareholders of the Company (excluding other comprehensive income) by sum of the weighted average number of ordinary shares issue during the period which is increased shares by the weighted average number of additional ordinary shares that would result from the conversation of all dilutive potential ordinary shares to ordinary shares at the beginning of the year or at the potential ordinary shares issuance date.

Basic earnings per share and Diluted earnings per shares for the year ended December 31, 2018 and 2017, can be presented as follows:

(Unit : Baht)

	Financial statements in which the equity method is applied					
	For the year ended					
	December 31, 2018			December 31, 2017		
	Profit (Loss)	Number of share	Earnings per share	Profit (Loss)	Number of share	Earnings per share
Basis earnings per share	142,263,694.55	1,081,959,722	0.1315	128,721,361.60	841,599,315	0.1529
Effects of dilutive potential ordinary shares	-	-	-	-	95,212,850	-
Diluted earnings per shares	142,263,694.55	1,081,959,722	0.1315	-	936,812,165	0.1374

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33. EARNINGS PER SHARE (CONT'D)

(Unit : Baht)

	Separate financial statements					
	For the year ended					
	December 31, 2018			December 31, 2017		
	Profit (Loss)	Number	Earnings	Profit (Loss)	Number	Earnings
		of share	per share		of share	per share
Basis earnings per share	142,813,929.66	1,081,959,722	0.1320	127,657,079.10	841,599,315	0.1517
Effects of dilutive potential						
ordinary shares	-	-	-	-	95,212,850	-
Diluted earnings per shares	142,813,929.66	1,081,959,722	0.1320	-	936,812,165	0.1363

34. COMMITMENT AND CONTINGENT LIABILITIES

34.1 As at December 31, 2018, the Company has contingent liabilities from bank's issuance of letter of guarantee for electricity usage amount of Baht 66,000.00 (as at December 31, 2017, of Baht 66,000.00).

34.2 As at December 31, 2018, the Company is liable on payment under rental agreement within 1 year in amount of Baht 6.50 million and over 1 year in amount of Baht 5.80 million.

34.3 As at December 31, 2018, the Company is liable on payment under joint-business operation contract within 1 year in amount of Baht 2.90 million.

35. SIGNIFICANT CONTRACT

Co-business investment contract

35.1 The Company and Premium Financial Services Co., Ltd. ("PFS") are investors entered into contract for co-business investment for the period of 2 years and renewed for the next 1 year each with the objective to develop the business of the Company by taking Know-How of PFS and appointed the representative of PFS to be director and employee for rendered the services for the Company. The remuneration is determined in the amount of Baht 600,000.00 per month (exclude tax/this amount is included salaries and other expenses of which the Company has paid to the representative of PFS from get into employee position of the Company)

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35. SIGNIFICANT CONTRACT (CONT'D)

35.2 As at June 8, 2018, Warranty business consultant contract for the period of 1 year and renewed for the next 1 year in the next times. The remuneration is determined in the amount of Baht 100,000.00 per month.

36. CAPITAL MANAGEMENT

The objective of financial management of the Company is to preserve the ability to continue its operation as a going concern and capital structure to be properly appropriated.

As at December 31, 2018, the Company has debt to equity ratio as summarized below:

	Financial statements in which the equity method is applied	Separate financial statements
Debt to equity ratio	2.64	2.63

37. EVENTS AFTER REPORTING PERIOD

37.1 On January 8, 2019, At the Extraordinary General Meeting of the shareholders No.1/2019, the Company passed as follows:

37.1.1 The resolution to decrease its share capital from registered shares amount of Baht 1,110,614,740.00 to new registered shares amount of Baht 1,108,857,244.00 by cutting unissued 1,757,496 shares of Baht 1 each. The Company has registered such decreased share capital with the Ministry of Commerce on January 17, 2019.

37.1.2 The resolution to issue warrants to purchase ordinary shares (ECL-W3) for 554,428,622 units to the existing shareholders without offering price at the ratio of 2 existing shares per 1 unit of warrant and had the right to purchase ordinary shares in the price of Baht 1.85 each. The exercise period of warrants is 2 years from the issuance date.

37.1.3 The resolution to increase its share capital from registered shares amount of Baht 1,108,857,244.00 to new registered shares amount of Baht 1,663,285,866.00, by issuing new ordinary shares for 554,428,622 shares of Baht 1 each to support the exercise ration of warrants to purchase ordinary shares ECL-W3. The Company has registered such increased share capital with the Ministry of Commerce on January 18, 2019.

38. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Company's Board of directors on February 27, 2019.

(Signature).....Director
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