

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

AUDITOR'S REPORT AND INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2019

(UNAUDITED/ REVIEWED ONLY)

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To The Shareholders of **EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED**

I have reviewed the accompanying statement of financial position in which the equity method is applied and separate statements of financial position of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED as at March 31, 2019, the related statement of comprehensive income in which the equity method is applied and separate statement of comprehensive income, statement of changes in shareholders' equity in which the equity method is applied and separate statements of changes in shareholders' equity, and statement of cash flows in which the equity method is applied and separate statements of cash flows for the three-month periods then ended and the summary of significant accounting policies and other notes. The Company's management is responsible for the preparation and presentation of these interim financial statements, in all material respects, in accordance with Thai Financial Reporting Standards. My responsibility is to express a conclusion on these interim financial statements based on my reviews.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements No. 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on these reviewed interim financial statements.

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial statements are not fairly presented, in all material respects, financial positions of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED as at March 31, 2019, the result of operations, and the cash flows for the three-month periods then ended, in accordance with Thai Financial Reporting Standards.

D I A International Audit Co., Ltd.

(Miss Somjintana Polhirunrat)

C.P.A. (Thailand)

Registration No.5599

May 14, 2019

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2019

(UNAUDITED/REVIEWED ONLY)

		Unit : Baht			
Assets	Note	Financial statements in which		Separate financial statements	
		the equity method is applied			
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Current assets					
Cash and cash equivalents	4	136,311,849.20	26,713,411.68	136,311,849.20	26,713,411.68
Hire purchase receivables due within 1 year	5	1,774,910,494.71	1,669,947,613.10	1,774,910,494.71	1,669,947,613.10
Loans and sale with right of redemption agreement receivables	6	24,057,632.31	24,621,348.62	24,057,632.31	24,621,348.62
Other current receivables	7	37,148,919.71	32,311,554.29	37,148,919.71	32,311,554.29
Short-term loans for joint venture	8	125,000,000.00	136,000,000.00	125,000,000.00	136,000,000.00
Properties foreclosed	9	38,478,588.35	31,270,204.94	38,478,588.35	31,270,204.94
Total current assets		2,135,907,484.28	1,920,864,132.63	2,135,907,484.28	1,920,864,132.63
Non-current assets					
Hire purchase receivables due over 1 year	5	4,461,698,560.81	4,288,677,778.94	4,461,698,560.81	4,288,677,778.94
Investment in joint venture	10	42,481,952.58	40,955,865.21	44,400,000.00	44,400,000.00
Other non-current receivables	11	5,703.00	31,576.67	5,703.00	31,576.67
Long-term loans for joint venture	8	50,000,000.00	64,000,000.00	50,000,000.00	64,000,000.00
Property, plant and equipment	12	49,007,264.90	43,832,341.70	49,007,264.90	43,832,341.70
Intangible assets	13	881,203.29	907,522.94	881,203.29	907,522.94
Deferred tax assets	30.3	41,229,981.31	34,287,631.96	41,229,981.31	34,287,631.96
Pledged deposit at financial institution	14	66,000.00	66,000.00	66,000.00	66,000.00
Other non-current assets		2,080,791.00	2,077,791.00	2,080,791.00	2,077,791.00
Total non-current assets		4,647,451,456.89	4,474,836,508.42	4,649,369,504.31	4,478,280,643.21
Total assets		6,783,358,941.17	6,395,700,641.05	6,785,276,988.59	6,399,144,775.84

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 MARCH 31, 2019

(UNAUDITED/REVIEWED ONLY)

		Unit : Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Note	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	15	287,786,052.17	301,853,815.24	287,786,052.17	301,853,815.24
Trade and other current payables	16	72,603,342.43	77,742,300.86	72,603,342.43	77,742,300.86
Current portion of long-term loans	18	1,347,548,784.00	1,212,746,784.00	1,347,548,784.00	1,212,746,784.00
Short-term loans from related persons	17.2	183,257,102.88	173,666,599.10	183,257,102.88	173,666,599.10
Accrued income tax		34,621,142.36	19,731,941.49	34,621,142.36	19,731,941.49
Total current liabilities		<u>1,925,816,423.84</u>	<u>1,785,741,440.69</u>	<u>1,925,816,423.84</u>	<u>1,785,741,440.69</u>
Non-current liabilities					
Long-term loans from financial institutions	18	2,423,293,830.78	2,215,941,525.82	2,423,293,830.78	2,215,941,525.82
Debentures	19	597,893,843.12	597,191,689.77	597,893,843.12	597,191,689.77
Non-current provisions for employee benefit	20	19,552,117.29	18,986,993.04	19,552,117.29	18,986,993.04
Deferred tax liabilities	30.3	21,077,925.39	20,245,262.97	21,077,925.39	20,245,262.97
Total non-current liabilities		<u>3,061,817,716.58</u>	<u>2,852,365,471.60</u>	<u>3,061,817,716.58</u>	<u>2,852,365,471.60</u>
Total liabilities		<u>4,987,634,140.42</u>	<u>4,638,106,912.29</u>	<u>4,987,634,140.42</u>	<u>4,638,106,912.29</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 MARCH 31, 2019

(UNAUDITED/REVIEWED ONLY)

		Unit : Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
Liabilities and shareholders' equity (Cont'd)	Note	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Shareholders' equity					
Share capital					
Authorized share capital					
1,110,614,740 common shares of Baht 1.00 each	21		1,110,614,740.00		1,110,614,740.00
1,663,285,866 common shares of Baht 1.00 each	21	1,663,285,866.00		1,663,285,866.00	
Issued and paid - up share capital					
1,108,857,244 common shares of Baht 1.00 each		1,108,857,244.00	1,108,857,244.00	1,108,857,244.00	1,108,857,244.00
Paid-in capital					
Premium on common share		279,957,364.10	279,957,364.10	279,957,364.10	279,957,364.10
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	23	39,044,760.54	37,214,511.31	39,044,760.54	37,214,511.31
Unappropriated		325,113,212.11	288,812,389.35	327,031,259.53	292,256,524.14
Total shareholders' equity		1,795,724,800.75	1,757,593,728.76	1,797,642,848.17	1,761,037,863.55
Total liabilities and shareholders' equity		6,783,358,941.17	6,395,700,641.05	6,785,276,988.59	6,399,144,775.84

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 THREE-MONTH PERIODS ENDED MARCH 31, 2019

(UNAUDITED/REVIEWED ONLY)

					Unit : Baht	
					Financial statements in which the equity method is applied	Separate financial statements
	Note	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
Revenues						
Realized selling interest under hire purchase agreement		158,852,546.97	107,104,426.05	158,852,546.97	107,104,426.05	
Interest income under sale with right of redemption agreement		727,349.00	556,697.00	727,349.00	556,697.00	
Interest income		2,764,654.96	56,019.23	2,764,654.96	56,019.23	
Other income						
Fee and services income		42,019,438.44	26,817,213.27	42,019,438.44	26,817,213.27	
Recovered bad debts		2,682,779.03	3,403,888.96	2,682,779.03	3,403,888.96	
Others		10,941,186.59	11,808,899.29	10,941,186.59	11,808,899.29	
Total revenues		<u>217,987,954.99</u>	<u>149,747,143.80</u>	<u>217,987,954.99</u>	<u>149,747,143.80</u>	
Expenses						
Finance costs		(53,050,392.67)	(31,323,888.81)	(53,050,392.67)	(31,323,888.81)	
Administrative expenses		(85,733,180.96)	(59,578,580.13)	(85,733,180.96)	(59,578,580.13)	
Bad debt and doubtful accounts		(33,119,007.41)	(20,301,011.60)	(33,119,007.41)	(20,301,011.60)	
Total expenses		<u>(171,902,581.04)</u>	<u>(111,203,480.54)</u>	<u>(171,902,581.04)</u>	<u>(111,203,480.54)</u>	
Profit before share of loss on investments in joint venture		46,085,373.95	38,543,663.26	46,085,373.95	38,543,663.26	
Share of loss on investment in joint venture by equity method		1,526,087.37	(574,629.20)	0.00	0.00	
Profit before income tax		47,611,461.32	37,969,034.06	46,085,373.95	38,543,663.26	
Tax expenses	30.1	(9,480,389.33)	(6,636,836.94)	(9,480,389.33)	(6,636,836.94)	
Profit for the period		<u>38,131,071.99</u>	<u>31,332,197.12</u>	<u>36,604,984.62</u>	<u>31,906,826.32</u>	
Total comprehensive income for the period		<u>38,131,071.99</u>	<u>31,332,197.12</u>	<u>36,604,984.62</u>	<u>31,906,826.32</u>	
Earnings per share						
Basis earnings per share	31	0.0344	0.0364	0.0330	0.0371	

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 THREE-MONTH PERIODS ENDED MARCH 31, 2019

(UNAUDITED/REVIEWED ONLY)

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, 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	185,237,653.00	0.00	0.00	0.00	0.00	185,237,653.00
Premium on common share	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	1,595,341.32	(1,595,341.32)	0.00
Total comprehensive income for the period	0.00	0.00	0.00	0.00	31,332,197.12	31,332,197.12
Balance as at March 31, 2018	1,108,857,244.00	279,957,364.10	42,752,220.00	31,669,156.15	227,778,820.84	1,691,014,805.09
Appropriated for legal reserve	0.00	0.00	0.00	5,545,355.16	(5,545,355.16)	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 period	0.00	0.00	0.00	0.00	110,931,497.43	110,931,497.43
Balance as at December 31, 2018	1,108,857,244.00	279,957,364.10	42,752,220.00	37,214,511.31	288,812,389.35	1,757,593,728.76
Balance as at January 1, 2019	1,108,857,244.00	279,957,364.10	42,752,220.00	37,214,511.31	288,812,389.35	1,757,593,728.76
Appropriated for legal reserve	0.00	0.00	0.00	1,830,249.23	(1,830,249.23)	0.00
Total comprehensive income for the period	0.00	0.00	0.00	0.00	38,131,071.99	38,131,071.99
Balance as at March 31, 2019	1,108,857,244.00	279,957,364.10	42,752,220.00	39,044,760.54	325,113,212.11	1,795,724,800.75

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 THREE-MONTH PERIODS ENDED MARCH 31, 2019
 (UNAUDITED/REVIEWED ONLY)

Unit : Baht

Note	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, 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	185,237,653.00	0.00	0.00	0.00	0.00	185,237,653.00
Premium on common share	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	1,595,341.32	(1,595,341.32)	0.00
Total comprehensive income for the period	0.00	0.00	0.00	0.00	31,906,826.32	31,906,826.32
Balance as at March 31, 2018	1,108,857,244.00	279,957,364.10	42,752,220.00	31,669,156.15	231,247,349.72	1,694,483,333.97
Appropriated for legal reserve	0.00	0.00	0.00	5,545,355.16	(5,545,355.16)	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 period	0.00	0.00	0.00	0.00	110,907,103.34	110,907,103.34
Balance as at December 31, 2018	1,108,857,244.00	279,957,364.10	42,752,220.00	37,214,511.31	292,256,524.14	1,761,037,863.55
Balance as at January 1, 2019	1,108,857,244.00	279,957,364.10	42,752,220.00	37,214,511.31	292,256,524.14	1,761,037,863.55
Appropriated for legal reserve	0.00	0.00	0.00	1,830,249.23	(1,830,249.23)	0.00
Total comprehensive income for the period	0.00	0.00	0.00	0.00	36,604,984.62	36,604,984.62
Balance as at March 31, 2019	1,108,857,244.00	279,957,364.10	42,752,220.00	39,044,760.54	327,031,259.53	1,797,642,848.17

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 THREE-MONTH PERIODS ENDED MARCH 31, 2019

(UNAUDITED/REVIEWED ONLY)

	Unit : Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Cash flows from operating activities				
Profit before income tax	47,611,461.32	37,969,034.06	46,085,373.95	38,543,663.26
Adjustments to net profit to cash receipt (disbursement)				
Depreciation and amortized expenses	2,739,183.79	2,128,636.55	2,739,183.79	2,128,636.55
Amortized expenses	13,744,277.03	9,088,990.28	13,744,277.03	9,088,990.28
Bad Debt	6,583,210.36	4,973,400.07	6,583,210.36	4,973,400.07
Doubtful accounts	26,536,926.74	15,517,524.13	26,536,926.74	15,517,524.13
Reversed doubtful accounts	-1,129.69	-189,912.60	-1,129.69	-189,912.60
(Gain) Loss on sales of current investment	0.00	(7,049.00)	0.00	(7,049.00)
Share of loss on investment in joint venture by equity method	-1,526,087.37	574,629.20	0.00	0.00
(Gain) Loss on sales of property, plant and equipment	(184,427.54)	-151,831.83	(184,427.54)	-151,831.83
(Gain) Loss on impairment of properties foreclosed	7,610,825.42	-947,916.70	7,610,825.42	-947,916.70
Amortized portion of deferred transaction costs	702,153.35	0.00	702,153.35	0.00
Employee benefit provisions	565,124.25	543,218.76	565,124.25	543,218.76
Finance costs	50,617,524.27	30,407,875.29	50,617,524.27	30,407,875.29
Profit (Loss) from operation before changes in current investment	154,999,041.93	99,906,598.21	154,999,041.93	99,906,598.21
(Increase) Decrease in hire purchase receivables	(307,867,117.50)	(333,950,141.29)	(307,867,117.50)	(333,950,141.29)
(Increase) Decrease in loans and sale with right of redemption receivables	564,846.00	5,189,194.00	564,846.00	5,189,194.00
(Increase) Decrease in other current receivables	(4,837,365.42)	(7,729,305.28)	(4,837,365.42)	(7,729,305.28)
(Increase) Decrease in properties foreclosed	(14,819,208.83)	(3,976,670.34)	(14,819,208.83)	(3,976,670.34)
(Increase) Decrease in other non-current receivables	(16,955,086.44)	(8,990,453.24)	(16,955,086.44)	(8,990,453.24)
Other non-current assets	(3,000.00)	(100,000.00)	(3,000.00)	(100,000.00)
Increase (Decrease) in trade and other current payables	-4,633,599.98	9,752,700.19	-4,633,599.98	9,752,700.19
Cash generated (paid) from operation	(193,551,490.24)	(239,898,077.75)	(193,551,490.24)	(239,898,077.75)
Interest paid	(51,532,378.94)	(30,083,428.80)	(51,532,378.94)	(30,083,428.80)
Corporate income tax paid	(700,875.39)	(302,884.80)	(700,875.39)	(302,884.80)
Net cash provided by (used in) operating activities	(245,784,744.57)	(270,284,391.35)	(245,784,744.57)	(270,284,391.35)

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 THREE-MONTH PERIODS ENDED MARCH 31, 2019

(UNAUDITED/REVIEWED ONLY)

	Unit : Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Cash flows from investing activities				
Proceeds from sales of current investment	0.00	14,098.00	0.00	14,098.00
Payments for loans to joint venture	25,000,000.00	0.00	25,000,000.00	0.00
Payments for acquire of investment in joint venture	0.00	(16,200,000.00)	0.00	(16,200,000.00)
Proceeds from sales of property, plant and equipment	3,013,935.88	768,555.14	3,013,935.88	768,555.14
Payment for acquire of property, plant and equipment	(10,717,295.68)	(3,495,140.68)	(10,717,295.68)	(3,495,140.68)
Net cash provided by (used in) investing activities	17,296,640.20	(18,912,487.54)	17,296,640.20	(18,912,487.54)
Cash flows from financing activities - increase (decrease)				
Increase (Decrease) in bank overdrafts	-28,230,763.07	34,871.37	-28,230,763.07	34,871.37
Proceeds from short-term loans from financial institutions	236,664,000.00	74,428,000.00	236,664,000.00	74,428,000.00
Payment for short-term loans from financial institutions	(222,501,000.00)	(91,917,000.00)	(222,501,000.00)	(91,917,000.00)
Proceeds from short-term loans from related persons	105,000,000.00	100,000,000.00	105,000,000.00	100,000,000.00
Payment for short-term loans from related persons	(95,000,000.00)	(75,000,000.00)	(95,000,000.00)	(75,000,000.00)
Proceeds from long-term loans from financial institutions	680,000,000.00	320,000,000.00	680,000,000.00	320,000,000.00
Payment for long-term loans from financial institutions	(337,845,695.04)	(213,906,360.70)	(337,845,695.04)	(213,906,360.70)
Proceeds from share capital payment	0.00	278,917,420.83	0.00	278,917,420.83
Net cash provided by (used in) financial activities	338,086,541.89	392,556,931.50	338,086,541.89	392,556,931.50
Net increase (decrease) in cash and cash equivalents	109,598,437.52	103,360,052.61	109,598,437.52	103,360,052.61
Cash and cash equivalents, as at January 1	26,713,411.68	48,562,686.80	26,713,411.68	48,562,686.80
Cash and cash equivalents, as at March 31	136,311,849.20	151,922,739.41	136,311,849.20	151,922,739.41

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 THREE-MONTH PERIODS ENDED MARCH 31, 2019

(UNAUDITED/REVIEWED ONLY)

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 Services 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 period

During the period, the Company have adopted a number of revised (revised 2018) and new financial reporting standards and interpretations which are effective for the financial statements for the period beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company financial statements. However, the new standard involves changes to key principles, which are summarized below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

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2.2. Financial reporting standards that became effective in the current period (CONT'D)

Thai Accounting Standards

- TAS 11 (Revised 2017) Construction contracts
- TAS 18 (Revised 2017) Revenue

Thai Standing Interpretations Committee

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

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

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Company adopted TFRS 15 that have no significantly impacts on the financial statements of the Company.

2.3. Financial reporting standards that will be effective for the financial statements that have accounting periods beginning on or after January 1, 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, 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

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2.3. Financial reporting standards that will be effective for the financial statements that have a accounting periods beginning on or after January 1, 2020 (CONT'D)

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model, calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements.

Thai Financial Reporting Standards No. 16: Leases

TFRS 16 Leases set out the principals of the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value. Accounting by lessors is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17. TFRS 16 supersedes the following accounting standards together with related interpretations.

Thai Accounting Standards

TAS 17 (Revised 2018) Leases

Thai Standing Interpretations Committee

TSIC 15 (Revised 2018) Operating Leases - Incentives

TSIC 27 (Revised 2018) Evaluating the Substance of Transactions Involving
the Legal Form of a Lease

Thai Financial Reporting Standards Interpretations

TFRIC 4 (Revised 2018) Determining Whether an Arrangement Contains a Lease

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.

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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 March 31, 2019 and December 31, 2018, the Company has overdue payment receivable exceeding 4 installments and the Company still recognize income in the amount of Baht 217,626,271.61 and Baht 204,517,603.69 respectively. If the Company recognized income on the requirement basis, revenues and receivables of the Company will be reduced by Baht 1,629,304.79 and Baht 1,455,726.74 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.

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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	2.57%
Salary increase rate	5%
Employee turnover	0 – 17%
Mortality	Thailand TMO2017 male and female tables

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	
	March 31, 2019	December 31, 2018
Cash on hand	276,178.00	90,577.00
Current accounts	130,984,467.05	25,134,727.75
Savings deposit	5,051,204.15	1,488,106.93
Total	136,311,849.20	26,713,411.68

5. 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	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Hire purchase receivables	2,379,319,300.28	2,237,574,385.11	5,250,674,620.58	5,040,014,196.47
<u>Less</u> Unrealized interest income	(579,715,618.03)	(549,155,331.27)	(752,515,452.71)	(724,793,240.66)
Net	1,799,603,682.25	1,688,419,053.84	4,498,159,167.87	4,315,220,955.81
<u>Less</u> Allowance for doubtful accounts	(24,693,187.54)	(18,471,440.74)	(36,460,607.06)	(26,543,176.87)
Hire purchase receivables – net	1,774,910,494.71	1,669,947,613.10	4,461,698,560.81	4,288,677,778.94

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5. HIRE PURCHASE 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 March 31, 2019					
Undue 1 installment	21,397	5,407,417,403.05	1,081,483,480.61	1%	10,814,834.81
Overdue 2 - 3 installments	2,528	669,708,908.16	133,941,781.63	2%	2,678,835.63
Overdue 4 - 6 installments	400	117,087,277.69	23,417,455.54	20%	4,683,491.10
Overdue 7 - 12 installments	284	98,044,001.68	68,630,801.16	50 – 100%	37,471,373.52
Overdue exceed					
12 installments	22	5,505,259.54	5,505,259.54	100%	5,505,259.54
Total	24,631	6,297,762,850.12	1,312,978,778.48		61,153,794.60

(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	22,870	6,003,640,009.65	1,233,322,617.81		45,014,617.61

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5. HIRE PURCHASE RECEIVABLES (CONT'D)

As at March 31, 2019, parts of hire purchase receivables (before less by unrealized interest) amount of Baht 5,898,091,408.31 were used as collateral against long-term loans from a bank as stated in note 18. (As at December 31, 2018, parts of hire purchase receivables amount of Baht 5,342,054,983.30 were used as collateral against bank overdrafts and long-term loans from a bank as stated in note 18).

6. LOANS AND SALE WITH RIGHT OF REDEMPTION AGREEMENT RECEIVABLES

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	March 31, 2019	December 31, 2018
Loans and sale with right of redemption agreement receivables	24,105,844.00	24,670,690.00
Total	24,105,844.00	24,670,690.00
<u>Less</u> Allowance for doubtful accounts	(48,211.69)	(43,341.38)
Loans and sale with right of redemption agreement receivables - net	<u>24,057,632.31</u>	<u>24,621,348.62</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 March 31, 2019					
Undue 2 installment	48	24,105,844.00	4,821,168.80	1%	48,211.69
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	<u>0</u>	<u>0.00</u>	<u>0.00</u>	100%	<u>0.00</u>
Total	<u>48</u>	<u>24,105,844.00</u>	<u>4,821,168.80</u>		<u>48,211.69</u>

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6. LOANS AND SALE WITH RIGHT OF REDEMPTION AGREEMENT 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, 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

As at March 31, 2019, 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, 2018, 9 individuals).

7. OTHER CURRENT RECEIVABLES

(Unit : Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	March 31, 2019	December 31, 2018
Accrued value added tax	5,733,802.26	5,310,697.09
Accrued insurance premium discount income	9,391,606.25	8,381,052.25
Loans receivable to employee	2,061,663.00	1,813,337.00
Amortized fee expenses	7,814,249.31	8,240,252.44
Others	12,289,598.89	8,566,215.51
Total	37,290,919.71	32,311,554.29
<u>Less</u> Allowance for doubtful accounts	(142,000.00)	0.00
Other current receivables - net	37,148,919.71	32,311,554.29

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8. LOANS FOR JOINT VENTURE

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	March 31, 2019	December 31, 2018
Short – term loans	125,000,000.00	136,000,000.00
Long – term loans	50,000,000.00	64,000,000.00
Total	175,000,000.00	200,000,000.00

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

9. PROPERTIES FORECLOSED

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	March 31, 2019	December 31, 2018
Properties foreclosed	63,906,294.23	49,087,085.40
<u>Less</u> Provision for impairment - properties foreclosed	(25,427,705.88)	(17,816,880.46)
Properties foreclosed - net	38,478,588.35	31,270,204.94

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10. 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)	
				Mar 31,2019	Dec 31,2018	Mar 31,2019	Dec 31,2018	Mar 31,2019	Dec 31,2018	Mar 31,2019	Dec 31,2018
1	Eastern Premium Services Co., Ltd.	Motor vehicles maintenance body repairing and printing	Joint venture	37,400.00	37,400.00	54.55	54.55	10,622,286.06	12,490,052.11	20,400,000.00	20,400,000.00
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	40,000.00	60.00	60.00	31,859,666.52	28,465,813.10	24,000,000.00	24,000,000.00
Total								42,481,952.58	40,955,865.21	44,400,000.00	44,400,000.00

10.1. Eastern Premium Services 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.

10.2. On September 6, 2018, Eastern Premium Services 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.

10.3. 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.

(Signature).....Director
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10. INVESTMENT IN JOINT VENTURE (CONT'D)

As at March 31, 2019, the Company recorded investment in joint venture 2 companies at cost in separate financial statements and recognized share of profit in joint venture for the three-month periods ended March 31, 2019, amount of Baht 1.53 million, or equal to 4.00% of profit for the periods in financial statements in which the equity method is applied.

11. OTHER NON-CURRENT RECEIVABLES

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	March 31, 2019	December 31, 2018
Receivables under lawsuit	91,196,255.65	79,716,896.94
<u>Less</u> Allowance for doubtful accounts	(91,196,255.65)	(79,716,896.94)
Net	0.00	0.00
Receivables under debt compromise agreement	8,362,627.43	9,444,236.39
<u>Less</u> Allowance for doubtful accounts	(8,362,627.43)	(9,444,236.39)
Net	0.00	0.00
Receivables - net	0.00	0.00
Others	272,897.00	440,770.67
<u>Less</u> Allowance for doubtful accounts	(267,194.00)	(409,194.00)
Total	5,703.00	31,576.67

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11. 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	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Receivable after unrealized interest income	125	96	91,196,255.65	79,716,896.94
Receivable for provide allowance for doubtful accounts			91,196,255.65	79,716,896.94
% of allowance for doubtful accounts			100%	100%
Allowance for doubtful accounts			(91,196,255.65)	(79,716,896.94)

Overdue receivable under debt compromise agreement and allowance for doubtful accounts as at March 31, 2019.

	(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	14	3,863,663.62	3,863,663.62	100%	3,863,663.62
Overdue 4 – 11 installments	8	4,144,748.90	4,144,748.90	100%	4,144,748.90
Overdue 12 installments onwards	2	354,214.91	354,214.91	100%	354,214.91
Total	24	8,362,627.43	8,362,627.43		8,362,627.43

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

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. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2019								(Unit : Baht)
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Assets under construction	Total
Cost									
As at December 31, 2018	7,324,162.50	8,977,783.71	1,972,952.03	5,947,921.60	14,480,312.47	10,632,123.99	38,055,359.67	0.00	87,390,615.97
Acquisition	0.00	0.00	0.00	0.00	829,829.77	144,346.96	6,687,618.95	3,042,500.00	10,717,295.68
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	0.00	0.00	(7,352,914.34)	0.00	(7,352,914.34)
As at March 31, 2019	<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>15,310,142.24</u>	<u>10,776,470.95</u>	<u>37,390,064.28</u>	<u>3,042,500.00</u>	<u>90,754,997.31</u>
Accumulated depreciation									
As at December 31, 2018	0.00	7,392,945.48	223,621.35	3,131,538.59	8,871,146.45	6,274,903.61	17,664,118.79	0.00	43,558,274.27
Depreciation	0.00	110,616.17	24,306.64	467,539.18	735,497.38	360,828.40	1,014,076.37	0.00	2,712,864.14
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	0.00	0.00	(4,523,406.00)	0.00	(4,523,406.00)
As at March 31, 2019	<u>0.00</u>	<u>7,503,561.65</u>	<u>247,927.99</u>	<u>3,599,077.77</u>	<u>9,606,643.83</u>	<u>6,635,732.01</u>	<u>14,154,789.16</u>	<u>0.00</u>	<u>41,747,732.41</u>
Net book value									
As at December 31, 2018	<u>7,324,162.50</u>	<u>1,584,838.23</u>	<u>1,749,330.68</u>	<u>2,816,383.01</u>	<u>5,609,166.02</u>	<u>4,357,220.38</u>	<u>20,391,240.88</u>	<u>0.00</u>	<u>43,832,341.70</u>
As at March 31, 2019	<u>7,324,162.50</u>	<u>1,474,222.06</u>	<u>1,725,024.04</u>	<u>2,361,843.83</u>	<u>5,703,498.41</u>	<u>4,140,738.94</u>	<u>23,235,275.12</u>	<u>3,042,500.00</u>	<u>49,007,264.90</u>

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

	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>7,324,162.50</u>	<u>1,584,838.23</u>	<u>1,749,330.68</u>	<u>2,816,383.01</u>	<u>5,609,166.02</u>	<u>4,357,220.38</u>	<u>20,391,240.88</u>	<u>0.00</u>	<u>43,832,341.70</u>

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

Depreciation for the three-month periods enden March 31, 2019 and 2018, amounted to Baht 2,712,864.14 and Baht 2,102,316.88 respectively.

As at March 31, 2019, the Company has fixed assets at cost of Baht 8,334,225.12 and net book value of Baht 852.00 which were fully depreciated but are still being operated (as at December 31, 2018, cost of Baht 7,817,699.96 and net book value of Baht 815.00).

Land and construction were mortgaged as guarantee for bank overdrafts and long-term loans from a bank as mentioned in notes 15 and 18.

13. INTANGIBLE ASSETS

	<u>(Unit : Baht)</u>
	<u>Computer software</u>
Cost	
As at December 31, 2018	1,438,000.00
Acquisition	0.00
Transfer in (out)	0.00
Disposal or write off	0.00
As at March 31, 2019	<u>1,438,000.00</u>
Accumulated amortization	
As at December 31, 2018	530,477.06
Amortization for the period	26,319.65
Transfer in (out)	0.00
Disposal or write off	0.00
As at March 31, 2019	<u>556,796.71</u>
Net book value	
As at December 31, 2018	<u>907,522.94</u>
As at March 31, 2019	<u>881,203.29</u>
Amortization for the period	
As at March 31, 2019	26,319.65
As at March 31, 2018	26,319.67

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13. INTANGIBLE ASSETS (CONT'D)

	<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

14. PLEDGED DEPOSIT AT FINANCIAL INSTITUTION

As at March 31, 2019, 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 32 (as at December 31, 2018, fixed deposit amount of Baht 66,000.00).

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

(Unit : Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	March 31, 2019	December 31, 2018
Bank overdrafts	36,052.17	28,266,815.24
Short-term loans - promissory notes	287,750,000.00	273,587,000.00
Total	<u>287,786,052.17</u>	<u>301,853,815.24</u>

15.1. As at March 31, 2019, the Company has overdrafts line with 5 banks totaling Baht 100 million mortgaging land with its construction in note 12 (as at December 31, 2018, the Company has overdrafts line with 5 banks totaling Baht 100 million mortgaging land with its construction in note 12).

15.2. As at March 31, 2019, the Company has loans from 3 banks by issuing promissory notes due on term of payment for credit line total amount of Baht 540 million (As at December 31, 2018, 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:

15.2.1 Loans from the 1nd bank for credit line amount of Baht 200 million were withdrawn and the remaining debt obligation amount of Baht 67.75 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 5.

15.2.2 Loans from the 2rd Foreign bank for credit line amount of Baht 300 million were withdrawn and the remaining debt obligation amount of Baht 220 million at the interest is charged at the rate of 2.75% per annum. These loans are guaranteed by related parties in foreign countries.

15.2.3 Loans from the 3st bank for credit line amount of Baht 40 million the Company has no withdrawn of loans, the interest is charged at the rate of 3.80% per annum. These loans are guaranteed by transferring the right on part of hire purchase receivable in note 5.

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16. TRADE AND OTHER CURRENT PAYABLES

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	March 31, 2019	December 31, 2018
Credit payable	5,541,971.48	4,457,990.44
Accrued interest expenses	8,610,163.75	9,115,522.20
Advance receipt	28,689,251.55	30,839,945.31
Revenue Department payable	16,234,384.74	14,726,473.30
Accrued expenses	5,698,488.78	3,596,774.32
Others	7,829,082.13	15,005,595.29
Total	<u>72,603,342.43</u>	<u>77,742,300.86</u>

17. 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 – 3.85% per annum
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

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

<u>Related person name</u>	<u>Relationship</u>	<u>Particulars and pricing policy</u>
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)

17.1 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.

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

17.2 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, 2018	Increase	Decrease	March 31, 2019
Mr. Preecha Veeraphong	175,000,000.00	105,000,000.00	(95,000,000.00)	185,000,000.00
Total	175,000,000.00	105,000,000.00	(95,000,000.00)	185,000,000.00
<u>Less</u> Prepaid interest expenses	(1,333,400.90)	(1,964,033.07)	(1,554,536.85)	(1,742,897.12)
Total	<u>173,666,599.10</u>			<u>183,257,102.88</u>

As at March 31, 2019, the Company has loans from 1 related persons by issuing bills of exchange matured in April 2019 to September 2019 at the interest rate of 3.75 – 3.85% per annum.

17.3 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 March 31, 2019

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

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

17.4 Revenues and expenses are as follows:

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements For the period ended	
	March 31, 2019	March 31, 2018
PFS (Thailand) Co., Ltd.		
Rental income	120,000.00	120,000.00
Premium Financial Services Co., Ltd.		
Remuneration under joint business agreement	1,800,000.00	1,800,000.00
Consulting services	300,000.00	0.00

18. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Loans from 7 banks consist of:

	As at March 31, 2019		Interest rate	(Unit : Baht)	
	Credit amount	Credit remaining		March 31, 2019	December 31, 2018
1st bank	500	111.10	4.40 to 4.92%, MLR-1.75%	388,901,000.00	439,212,000.00
2nd bank	2,990	290.00	THBFIX 1M+ (3.17%), THBFIX 6M+ (2.85 to 3.30%), Fixed Rate (IRS) (4.39 to 4.70%)	1,714,583,000.00	1,458,576,000.00
3rd bank	1,550	74.02	MLR – (2.25 to 2.625%)	1,138,542,615.00	949,093,310.00
4th bank	50	-	4%, (MLR – 1.50%)	14,240,000.00	18,200,000.00
5th bank	100	-	MLR – 2.00%	13,760,000.00	22,160,000.00
6th bank	150	-	BBL's MLR – 1.70%	95,833,333.16	105,208,333.19
7th bank	1,000	500.00	MLR – 1.50%	404,982,666.62	436,238,666.63
Total	6,340	975.12		3,770,842,614.78	3,428,688,309.82
<u>Less</u> Current portion of long-term debts				(1,347,548,784.00)	(1,212,746,784.00)
Net				2,423,293,830.78	2,215,941,525.82

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

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 three-month periods ended March 31, 2019, are as follows:

	<u>(Unit : Baht)</u>
	<u>Financial statements in which the equity method is applied and Separate financial statements</u>
Balance as at December 31, 2018	3,428,688,309.82
Additional proceeds during the period	680,000,000.00
Repayment during the period	<u>(337,845,695.04)</u>
Balance as at March 31, 2019	<u>3,770,842,614.78</u>

18.1 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 5.

18.2 The second bank, the Company has loans from bank amount of Baht 2,990 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 2,990 million dividend into credit line amount of Baht 1,500 million (remaining is Baht 290 million) and credit line amount of Baht 1,490 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 and mortgaging land with its construction as stated in note 5 and 12.

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

18.3 The third bank, the Company has loans from bank amount of Baht 1,550 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 1,550 million dividend into credit line amount of Baht 650 million and credit line amount of Baht 500 million from the loans withdrawal date in fully amount and credit line amount of Baht 400 million (remaining is Baht 74.02 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 5.

18.4 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 5.

18.5 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 5.

18.6 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 5.

18.7 The seventh bank, the Company has loans from bank amount of Baht 1,000 million dividend into credit line amount of Baht 500 million (remaining is Baht 500 million) and credit line 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 5.

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19. 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, 2018
Debentures # 1/2018	4.40% per annum	2 years	October 5, 2020	600,000,000.00	600,000,000.00
Total debentures, at face value				600,000,000.00	600,000,000.00
Less: Unamortized portion of deferred transaction costs				(2,106,156.88)	(2,808,310.23)
Debentures				<u>597,893,843.12</u>	<u>597,191,689.77</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.

20. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

The changes in present value of employee benefit obligations for the three-month periods ended March 31, 2019 and 2018, as follows:

			(Unit : Baht)	
			Financial statements in which the equity method is applied and Separate financial statements	
			March 31, 2019	March 31, 2018
Non-current provisions for employee benefit as at January 1			18,986,993.04	16,814,118.00
Recognition in profit or loss :				
Current cost of service and interest			565,124.25	543,218.76
Recognition in other comprehensive income :				
Re-measuring for post-employment benefit obligations			<u>0.00</u>	<u>0.00</u>
Non-current provisions for employee benefit as at March 31			<u>19,552,117.29</u>	<u>17,357,336.76</u>

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

Long-term employee benefit expense for the three-month periods ended March 31, 2019 and 2018.

Actuarial assumptions to use for calculation:

	2019	2018
	<u>Percentage</u>	<u>Percentage</u>
Discount rate	2.57	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 March 31, 2019, are summarized below:

	(Unit : Baht)	
	<u>Increase</u>	<u>Decrease</u>
Discount rate (0.5% moment)	(245,349.00)	262,707.00
Salary increase rate (0.5% moment)	295,651.25	(277,730.00)
Turnover rate (10% moment)	(123,275.50)	137,455.25

On April 5, 2019, new Labour Protection Act was published in the Royal Gazette is effective from 5 May 2019 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. The Company expects that it will have the effects in additionally providing non-current provisions for employee benefits amount of Baht 5.66 million. The Company, therefore, will record the effects of the aforementioned Labour Protection Act in the second quarter of 2019.

21. SHARE CAPITAL

Reconciliation of issued and paid-up share capital

	<u>Registered ordinary shares</u>		<u>Issued and paid-up ordinary shares</u>		
	Number of share (Share)	Amount (Baht)	Number of share (Share)	Paid-up share capital (Baht)	Premium on share capital (Baht)
As at January 1, 2019	1,110,614,740	1,110,614,740.00	1,108,857,244	1,108,857,244.00	279,957,364.10
Share capital decreased	(1,757,496)	(1,757,496.00)	-	-	-
Share capital increased	554,428,622	554,428,622.00	-	-	-
Increase from exercised of warrants	-	-	-	-	-
As at March 31, 2019	<u>1,663,285,866</u>	<u>1,663,285,866.00</u>	<u>1,108,857,244</u>	<u>1,108,857,244.00</u>	<u>279,957,364.10</u>

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21. SHARE CAPITAL (CONT'D)

21.1. Decrease share capital

21.1.1 On January 8, 2019, At the Extraordinary General Meeting of the shareholders No.1/2019 , 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.

21.2. Increase share capital

21.2.1 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 1,108,857,244.00 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.

21.2.2 On January 8, 2019, At the Extraordinary General Meeting of the shareholders No.1/2019, 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.

22. WARRANTS

On January 8, 2019, At the Extraordinary General Meeting of the shareholders No.1/2019, 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.

23. 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.

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24. 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.

25. 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 three-month periods ended March 31, 2019 and 2018, the Company paid the contribution to the fund of Baht 1,470,101.00 and Baht 1,234,550.00 respectively.

26. DIRECTORS' REMUNERATION AND MANAGEMENT BENEFIT EXPENSES

26.1. 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.

26.2. 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.

27. 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.

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28. DISCLOSURES OF FINANCIAL INSTRUMENTS

28.1. 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.

28.2. 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.

28.3. 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.

28.4. Exchange rate risk

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

28.5. 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.

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29. 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 three-month periods ended	
	March 31, 2019	March 31, 2018
Employees benefit expenses	35,757,247.49	26,421,044.43
Directors' remuneration	2,240,000.00	1,627,400.00
Management benefit expenses	8,843,100.00	7,619,011.00
Depreciation	2,739,183.79	2,128,636.55
Amortized commission expenses	13,744,277.03	9,088,990.28
Bad Debt	6,583,210.36	4,973,400.07
Doubtful accounts	26,535,797.05	15,327,611.53

30. INCOME TAX

30.1. Income tax expenses for the three-month periods ended March 31, 2019 and 2018, can be summarized as follows:

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the three-month periods ended	
	March 31, 2019	March 31, 2018
Current tax:		
Income tax for the period	15,590,076.26	8,423,967.82
Deferred tax:		
Deferred tax on temporary differences and reserved temporary differences	(6,109,686.93)	(1,787,130.88)
Income tax expenses presented in statement of comprehensive income	<u>9,480,389.33</u>	<u>6,636,836.94</u>
Income tax realized in other comprehensive income		
Deferred tax recognized to actuarial loss	<u>0.00</u>	<u>0.00</u>

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30. INCOME TAX (CONT'D)

30.2 Reconciliation amount between income tax expenses and multiplication of accounting profits and tax rates used for the three-month periods ended March 31, 2019 and 2018, can be presented as follows:

	(Unit : Baht)			
	Financial statements in which the equity method is applied		Separate financial statements	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Accounting profit before income tax	47,611,461.32	37,969,034.06	46,085,373.95	38,543,663.26
Income tax rates	20%	20%	20%	20%
Accounting profit before income tax multiply by tax rates	9,522,292.26	7,593,806.92	9,217,074.79	7,708,732.65
Taxable effect for:				
Prohibited taxable items	(41,902.93)	(956,969.98)	263,314.54	(1,071,895.71)
Effects to deferred tax from changes in tax rate	0.00	0.00	0.00	0.00
Income tax expenses presented in statement of income	9,480,389.33	6,636,836.94	9,480,389.33	6,636,836.94
Effective income tax rate (%)	19.91%	17.48%	20.57%	17.22%

30.3. Deferred tax assets and liabilities components as at March 31, 2019 and December 31, 2018, consist of the following transaction.

	(Unit : Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	March 31, 2019	December 31, 2018
Deferred tax assets		
Reserve for allowance for doubtful accounts - hire purchase receivable	12,230,758.92	9,002,923.52
Reserve for allowance for doubtful accounts - loans and sale with right of redemption receivable	9,642.34	9,868.28
Reserve for allowance for doubtful accounts - case receivables	18,239,251.13	15,943,379.38
Reserve for allowance for doubtful accounts - debt compromise receivables	1,672,525.48	1,888,847.28
Reserve for allowance for doubtful accounts - other receivables	81,838.80	81,838.80
Provision for impairment of assets - foreclosed	5,085,541.18	3,563,376.09
Non-current provisions for employee benefit	3,910,423.46	3,797,398.61
Total	41,299,981.31	34,287,631.96

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30. INCOME TAX (CONT'D)

(Unit : Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	March 31, 2019	December 31, 2018
Deferred tax liabilities		
Deferred commission	21,077,925.39	20,245,262.97
Total	21,077,925.39	20,245,262.97
Net	20,222,055.92	14,042,368.99

31. EARNINGS PER SHARE

Basic earnings per share is determined by dividing the net profit (loss) for the period 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 period.

Diluted earnings per share is calculated by dividing the profit for the period 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 for the three-month periods enden March 31, 2019 and 2018, can be presented as follows:

(Unit : Baht)

	Financial statements in which the equity method is applied					
	For the three-month periods ended					
	March 31, 2019			March 31, 2018		
Profit (Loss)	Number of share	Earnings per share	Profit (Loss)	Number of share	Earnings per share	
Basis earnings per share	38,131,071.99	1,108,857,244	0.0344	31,332,197.12	860,376,831	0.0364

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31. EARNINGS PER SHARE (CONT'D)

(Unit : Baht)

	Separate financial statements					
	For the three-month periods ended					
	March 31, 2019			March 31, 2018		
Profit (Loss)	Number	Earnings	Profit (Loss)	Number	Earnings	
	of share	per share		of share	per share	
Basis earnings per share	36,604,984.62	1,108,857,244	0.0330	31,906,826.32	860,376,831	0.0371

32. COMMITMENT AND CONTINGENT LIABILITIES

32.1 As at March 31, 2019, 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, 2018, of Baht 66,000.00).

32.2 As at March 31, 2019, the Company is liable on payment under rental agreement within 1 year in amount of Baht 6.22 million and over 1 year in amount of Baht 3.78 million.

32.3 As at March 31, 2019, the Company is liable on payment under joint-business operation contract within 1 year in amount of Baht 8.00 million.

33. SIGNIFICANT CONTRACT

Co-business investment contract

33.1 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)

33.2 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.

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34. 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 March 31, 2019, 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	2.78	2.77

35. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Company's Board of directors on May 14, 2019.

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