

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

AND SUBSIDIARIES

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

INDEPENDENT AUDITOR'S REPORT

To The Shareholders of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated and separate financial statements of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES (“the Group”) and of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED (“the Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2019, and the consolidated and separate statement of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED as at December 31, 2019, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters included Auditing Procedures are as follows:

Allowance for doubtful accounts of receivables under hire purchase agreement (consolidated and separate financial statements)

As stated in notes 4.4 and 6 to financial statements, the provisions of allowance for doubtful accounts of receivable under hire purchase agreement is material since the Company has a lot of minor receivables under hire purchase agreement with long-time installment and having material outstanding amounts to the financial statements (as at December 31, 2019, receivables under hire purchase agreement on the consolidated and separate financial statements total amount of Baht 6,900.78 million equal to 92.90% and equal to 93.10% of total assets respectively). Therefore, the Group has to consider the adequacy and appropriation of providing allowance for doubtful accounts such as consideration of the previous bad debt statistics, the estimates the value of salable collateral. In addition, by gathering statistics of such receivables, there is a lot of minor receivables and long-time installment. Therefore, the internal control of such gathering should be made. Accordingly, I have addressed the adequacy of allowance for doubtful accounts of such receivable as key audit matter.

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

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

Recognition of revenues from hire purchase interest (consolidated and separate financial statements)

The Company has policy for recognition of revenues from hire purchase interest as stated in notes 4.1.1 to financial statements (in 2019, has revenues from hire purchase interest on the consolidated and separate financial statements amount of Baht 674.33 million or equal to 73.71% and equal to 73.89% of total revenues respectively). The amounts of revenues from hire purchase interest is material and arose from a lot of minor receivable under hire purchase agreement and long-time installment. Recognition of hire purchase interest is used information technology in processing. Accordingly, I have addressed such recognition of revenues from hire purchase interest as key audit matter.

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

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

Other Information

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

My opinion on the consolidated and separate financial statements does not cover the other information and I do not and will not express any form of assurance conclusion thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

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

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

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

D I A International Audit Co., Ltd.

(Miss Somjintana Pholhirunrat)

C.P.A. Thailand

Registration No. 5599

February 26, 2020

13.3 FINANCE STATEMENT FOR THE YEAR 2019 IN COMPARISON WITH THAT OF 2018

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Assets	Note	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Current assets					
Cash and cash equivalents	5	17,858,752.03	26,713,411.68	16,367,132.03	26,713,411.68
Hire purchase receivables due within 1 year	6	2,034,113,564.74	1,669,947,613.10	2,034,113,564.74	1,669,947,613.10
Loans and sale with right of redemption agreement re	7	24,177,148.80	24,621,348.62	24,177,148.80	24,621,348.62
Other current receivables	8	38,695,974.51	32,311,554.29	38,695,974.51	32,311,554.29
Short-term loans for joint venture	9	169,500,000.00	136,000,000.00	169,500,000.00	136,000,000.00
Properties foreclosed	10	43,389,931.50	31,270,204.94	43,389,931.50	31,270,204.94
Total current assets		2,327,735,371.58	1,920,864,132.63	2,326,243,751.58	1,920,864,132.63
Non-current assets					
Hire purchase receivables due over 1 year	6	4,866,668,072.53	4,288,677,778.94	4,866,668,072.53	4,288,677,778.94
Investments in subsidiaries	11	0.00	0.00	2,500,000.00	0.00
Investment in joint venture	12	53,065,664.76	40,955,865.21	36,000,000.00	44,400,000.00
Other long-term investments	13	2,694,292.72	0.00	2,694,292.72	0.00
Other non-current receivables	14	28,788.00	31,576.67	28,788.00	31,576.67
Long-term loans for joint venture	9	62,000,000.00	64,000,000.00	62,000,000.00	64,000,000.00
Property, plant and equipment	15	54,343,404.50	43,832,341.70	54,343,404.50	43,832,341.70
Intangible assets	16	5,966,146.24	907,522.94	5,966,146.24	907,522.94
Deferred tax assets	33.3	52,721,038.59	34,287,631.96	53,436,774.14	34,287,631.96
Pledged deposit at financial institution	17	1,066,000.00	66,000.00	66,000.00	66,000.00
Other non-current assets		2,157,449.00	2,077,791.00	2,157,449.00	2,077,791.00
Total non-current assets		5,100,710,856.34	4,474,836,508.42	5,085,860,927.13	4,478,280,643.21
Total assets		7,428,446,227.92	6,395,700,641.05	7,412,104,678.71	6,399,144,775.84

Notes to financial statements are parts of these financial statements.

13.3 FINANCE STATEMENT FOR THE YEAR 2019 IN COMPARISON WITH THAT OF 2018 (Cont'd)

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Liabilities and shareholders' equity	Note	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Current liabilities					
Bank overdrafts and short-term loans from financial ir	18	396,097,052.24	301,853,815.24	396,097,052.24	301,853,815.24
Trade and other current payables	19	66,915,446.06	77,742,300.86	66,890,446.06	77,742,300.86
Current portion of long-term loans	21	1,684,748,534.00	1,212,746,784.00	1,684,748,534.00	1,212,746,784.00
Short-term loans from related persons	20.2	217,982,231.70	173,666,599.10	217,982,231.70	173,666,599.10
Current portion of Debentures	22	599,423,566.43	0.00	599,423,566.43	0.00
Accrued income tax		16,093,361.03	19,731,941.49	16,100,037.03	19,731,941.49
Total current liabilities		2,981,260,191.46	1,785,741,440.69	2,981,241,867.46	1,785,741,440.69
Non-current liabilities					
Long-term loans from financial institutions	21	2,508,803,284.98	2,215,941,525.82	2,508,803,284.98	2,215,941,525.82
Debentures	22	0.00	597,191,689.77	0.00	597,191,689.77
Non-current provisions for employee benefit	23	30,371,754.00	18,986,993.04	30,371,754.00	18,986,993.04
Deferred tax liabilities	33.3	22,696,620.34	20,245,262.97	22,696,620.34	20,245,262.97
Total non-current liabilities		2,561,871,659.32	2,852,365,471.60	2,561,871,659.32	2,852,365,471.60
Total liabilities		5,543,131,850.78	4,638,106,912.29	5,543,113,526.78	4,638,106,912.29

Notes to financial statements are parts of these financial statements.

13.3 FINANCE STATEMENT FOR THE YEAR 2019 IN COMPARISON WITH THAT OF 2018 (Cont'd)

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Liabilities and shareholders' equity (Cont'd)	Note	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Shareholders' equity					
Share capital					
Authorized share capital					
1,110,614,740 common shares of Baht 1.00 each	24		1,110,614,740.00		1,110,614,740.00
1,663,285,866 common shares of Baht 1.00 each	24	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	26	42,730,600.41	37,214,511.31	42,730,600.41	37,214,511.31
Unappropriated		411,016,948.63	288,812,389.35	394,693,723.42	292,256,524.14
Total shareholders' equity		1,885,314,377.14	1,757,593,728.76	1,868,991,151.93	1,761,037,863.55
Total liabilities and shareholders' equity		7,428,446,227.92	6,395,700,641.05	7,412,104,678.71	6,399,144,775.84

Notes to financial statements are parts of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Note		2019	2018	2019	2018
Revenues					
	Realized selling interest under hire purchase agreeme	674,329,874.42	499,900,328.26	674,329,874.42	499,900,328.26
	Interest income under sale with right of redemption aç	3,035,818.00	2,673,152.00	3,035,818.00	2,673,152.00
	Interest income	13,464,990.94	6,425,242.98	13,464,990.94	6,425,242.98
	Other income				
	Fee and services income	165,127,730.91	135,469,943.98	165,127,730.91	135,469,943.98
	Recovered bad debts	10,116,784.94	10,019,055.28	10,116,784.94	10,019,055.28
	Gain on sales of investment in joint venture	2,187,595.94	0.00	0.00	0.00
	Others	46,586,826.23	45,856,582.57	46,586,826.23	45,856,582.57
	Total revenues	914,849,621.38	700,344,305.07	912,662,025.44	700,344,305.07
Expenses					
	Finance costs	#####	(157,849,538.97)	(228,320,320.66)	(157,849,538.97)
	Administrative expenses	#####	(281,850,506.95)	(395,901,978.90)	(281,850,506.95)
	Bad debt and doubtful accounts	#####	(84,258,938.02)	(141,538,033.28)	(84,258,938.02)
	Loss on sales of investment in joint venture	0.00	0.00	(7,247,100.00)	0.00
	Total expenses	(762,215,035.07)	(523,958,983.94)	(773,007,432.84)	(523,958,983.94)
	Profit before share of gain (loss) on investments in joint ven	152,634,586.31	176,385,321.13	139,654,592.60	176,385,321.13
	Share of gain (loss) on investment in joint venture by equity	7,496,425.84	(550,235.11)	0.00	0.00
	Profit before income tax	160,131,012.15	175,835,086.02	139,654,592.60	176,385,321.13
	Tax expenses	33.1 (30,041,870.17)	(33,571,391.47)	(29,332,810.62)	(33,571,391.47)
	Profit for the yeat	130,089,141.98	142,263,694.55	110,321,781.98	142,813,929.66
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
	Actuarial gain (loss) on defined employee benefit plan	-2,960,617.00	0.00	-2,960,617.00	0.00
	Less : Taxable effects	592,123.40	0.00	592,123.40	0.00
	Other comprehensive income for the period	(2,368,493.60)	0.00	(2,368,493.60)	0.00
	Total comprehensive income for the year	127,720,648.38	142,263,694.55	107,953,288.38	142,813,929.66
Earnings per share					
	Basis earnings per share	34 0.1173	0.1315	0.0995	0.1320

Notes to financial statements are parts of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

Unit : Baht

	Consolidated 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	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	7,140,696.48	(7,140,696.48)	0.00
Dividend paid	0.00	0.00	0.00	0.00	(44,352,573.76)	(44,352,573.76)
Total comprehensive income for the year	0.00	0.00	0.00	0.00	142,263,694.55	142,263,694.55
Balance as at December 31, 2018	<u>1,108,857,244.00</u>	<u>279,957,364.10</u>	<u>42,752,220.00</u>	<u>37,214,511.31</u>	<u>288,812,389.35</u>	<u>1,757,593,728.76</u>
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	5,516,089.10	(5,516,089.10)	0.00
Total comprehensive income for the year	0.00	0.00	0.00	0.00	130,089,141.98	130,089,141.98
Re-measuring for post-employment benefit obligations	0.00	0.00	0.00	0.00	(2,368,493.60)	(2,368,493.60)
Balance as at December 31, 2019	<u>1,108,857,244.00</u>	<u>279,957,364.10</u>	<u>42,752,220.00</u>	<u>42,730,600.41</u>	<u>411,016,948.63</u>	<u>1,885,314,377.14</u>

Notes to financial statements are parts of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Cont'd)

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

Unit : Baht

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Reserve for Equity- Settled Share-Based Payment	Retained earnings (Deficit)		
				Appropriated	Unappropriated	
Balance as at January 1, 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	7,140,696.48	(7,140,696.48)	0.00
Dividend paid	0.00	0.00	0.00	0.00	(44,352,573.76)	(44,352,573.76)
Total comprehensive income for the year	0.00	0.00	0.00	0.00	142,813,929.66	142,813,929.66
Balance as at December 31, 2018	<u>1,108,857,244.00</u>	<u>279,957,364.10</u>	<u>42,752,220.00</u>	<u>37,214,511.31</u>	<u>292,256,524.14</u>	<u>1,761,037,863.55</u>
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	5,516,089.10	(5,516,089.10)	0.00
Total comprehensive income for the year	0.00	0.00	0.00	0.00	110,321,781.98	110,321,781.98
Re-measuring for post-employment benefit obligations	0.00	0.00	0.00	0.00	(2,368,493.60)	(2,368,493.60)
Balance as at December 31, 2019	<u>1,108,857,244.00</u>	<u>279,957,364.10</u>	<u>42,752,220.00</u>	<u>42,730,600.41</u>	<u>394,693,723.42</u>	<u>1,868,991,151.93</u>

Notes to financial statements are parts of these financial statements.

STATEMENTS OF CASH FLOWS

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before income tax	160,131,012.15	175,835,086.02	139,654,592.60	176,385,321.13
Adjustments to net profit to cash receipt (disbursement)				
Depreciation and amortized expenses	13,000,484.04	9,475,665.32	13,000,484.04	9,475,665.32
Amortized expenses	60,418,799.37	42,841,200.30	60,418,799.37	42,841,200.30
Bad Debt	76,607,240.76	39,155,631.05	76,607,240.76	39,155,631.05
Doubtful accounts	64,981,682.70	45,289,185.37	64,981,682.70	45,289,185.37
Reversed doubtful accounts	-50,890.18	-185,878.40	-50,890.18	-185,878.40
(Gain) Loss on sales of current investment	0.00	(7,049.00)	0.00	(7,049.00)
Share of (gain) loss on investment in joint venture by equity r	-7,496,425.84	550,235.11	0.00	0.00
(Gain) Loss on sales of property, plant and equipment	493,633.26	(165,367.51)	493,633.26	(165,367.51)
(Gain) Loss on impairment of properties foreclosed	14,663,150.14	11,094,656.94	14,663,150.14	11,094,656.94
Amortized portion of deferred transaction costs	2,231,876.66	791,689.77	2,231,876.66	791,689.77
(Gain) Loss on sales of investment in joint venture	-2,187,595.94	0.00	7,247,100.00	0.00
(Gain) Loss on impairment of other long-term investments	1,188,329.51	0.00	4,767,007.28	0.00
Employee benefit provisions	8,424,143.96	2,172,875.04	8,424,143.96	2,172,875.04
Finance costs	217,282,833.93	151,645,335.15	217,282,833.93	151,645,335.15
Profit (Loss) from operation before changes in current investmer	609,688,274.52	478,493,265.16	609,721,654.52	478,493,265.16
(Increase) Decrease in hire purchase receivables	#####	(2,124,851,743.90)	(1,034,701,357.78)	(2,124,851,743.90)
(Increase) Decrease in loans and sale with right of redemption receivables	445,090.00	3,172,094.00	445,090.00	3,172,094.00
(Increase) Decrease in other current receivables	(6,384,420.22)	(19,433,231.77)	(6,384,420.22)	(19,433,231.77)
(Increase) Decrease in properties foreclosed	(26,782,876.70)	(31,849,462.66)	(26,782,876.70)	(31,849,462.66)
(Increase) Decrease in other non-current receivables	(109,409,821.61)	(55,951,189.26)	(109,409,821.61)	(55,951,189.26)
Pledged deposit at financial institution	(1,000,000.00)	0.00	0.00	0.00
Other non-current assets	(79,658.00)	(1,200,286.00)	(79,658.00)	(1,200,286.00)
Increase (Decrease) in trade and other current payables	(10,958,166.11)	34,302,371.90	(10,983,166.11)	34,302,371.90
Cash generated (paid) from operation	(579,182,935.90)	(1,717,318,182.53)	(578,174,555.90)	(1,717,318,182.53)
Interest paid	(217,835,890.02)	(143,950,251.20)	(217,835,890.02)	(143,950,251.20)
Corporate income tax paid	(49,070,376.49)	(32,518,970.08)	(49,070,376.49)	(32,518,970.08)
Net cash provided by (used in) operating activities	(846,089,202.41)	(1,893,787,403.81)	(845,080,822.41)	(1,893,787,403.81)

Notes to financial statements are parts of these financial statements.

STATEMENTS OF CASH FLOWS

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	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	(31,500,000.00)	(200,000,000.00)	(31,500,000.00)	(200,000,000.00)
Payments for acquire of investment in joint venture	(12,000,000.00)	(34,200,000.00)	(12,000,000.00)	(34,200,000.00)
Proceeds from sales of investment in joint venture	7,542,900.00	0.00	7,542,900.00	0.00
Payments for acquire of investments in subsidiaries	0.00	0.00	(2,500,000.00)	0.00
Payments for acquire of other long-term investments	(1,851,300.00)	0.00	(1,851,300.00)	0.00
Payments for acquire of intangible assets	(5,167,680.00)	0.00	(5,167,680.00)	0.00
Proceeds from sales of property, plant and equipment	5,211,105.05	1,284,237.39	5,211,105.05	1,284,237.39
Payment for acquire of property, plant and equipment	(29,107,228.45)	(16,317,245.38)	(29,107,228.45)	(16,317,245.38)
Net cash provided by (used in) investing activities	(66,872,203.40)	(249,218,909.99)	(69,372,203.40)	(249,218,909.99)
Cash flows from financing activities - increase (decrease)				
Increase (Decrease) in bank overdrafts	7,591,237.00	28,186,986.10	7,591,237.00	28,186,986.10
Proceeds from short-term loans from financial institutions	1,402,714,000.00	838,561,000.00	1,402,714,000.00	838,561,000.00
Payment for short-term loans from financial institutions	#####	(753,561,000.00)	(1,316,062,000.00)	(753,561,000.00)
Proceeds from short-term loans from related persons	220,000,000.00	238,000,000.00	220,000,000.00	238,000,000.00
Payment for short-term loans from related persons	(175,000,000.00)	(218,000,000.00)	(175,000,000.00)	(218,000,000.00)
Payment for short-term loans from unrelated persons	0.00	(45,000,000.00)	0.00	(45,000,000.00)
Proceeds from long-term loans from financial institutions	2,251,459,000.00	2,260,000,000.00	2,251,459,000.00	2,260,000,000.00
Payment for long-term loans from financial institutions	#####	(1,057,994,794.49)	(1,486,595,490.84)	(1,057,994,794.49)
Proceeds from debentures issuance	0.00	600,000,000.00	0.00	600,000,000.00
Payment of transaction costs related to debenture issuance	0.00	-3,600,000.00	0.00	-3,600,000.00
Dividend paid	0.00	(44,352,573.76)	0.00	(44,352,573.76)
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	904,106,746.16	2,121,157,038.68	904,106,746.16	2,121,157,038.68
Net increase (decrease) in cash and cash equivalents	(8,854,659.65)	(21,849,275.12)	(10,346,279.65)	(21,849,275.12)
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 December 31	17,858,752.03	26,713,411.68	16,367,132.03	26,713,411.68

Notes to financial statements are parts of these financial statements.

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 9 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 18/42, Moo.4, Surasak, Sriracha, Chonburi.
8. Branch is located at 89 AIA Capital Center Tower, 12A floor, Room No.12A05, Ratchadapisek Road, Din Daeng, Din Daeng, Bangkok.

The Company has cancelled Srinakarin branch with the Ministry of Commerce on January 10, 2020.

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.

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 of the Group's have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

(Signature).....Director

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

During the period, the Group 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 Group’s financial statements. However, the new standard involves changes to key principles, which are summarized below:

IFRS 15 Revenue from Contracts with Customers

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

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 IFRS 15 that have no significantly impacts on the financial statements of the Group’s.

(Signature).....Director
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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. 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. Except for the following new standard involves changes to key principles, which are summarized 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

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.

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

The management of the Group's expected that the adoption of these standards will have the impact on the financial statements from the transactions following:

- Classification and measurement of investments in equity instruments of non-listed companies. The Group have to measure investments in equity instruments of non-listed companies at fair value and elected to classify those investments as financial assets which are measured at fair value through either profit or loss, or through other comprehensive income. If those investments were elected to present subsequent changes in the fair value through other comprehensive income, therefore an irrevocable election is made.
- Recognition of credit losses - The Group have to recognize expected credit losses on financial assets, it is no longer necessary for a credit - impaired event to have occurred. A general approach is required for measuring the expected loss allowance in the lifetime for trade receivables.

The management of the Group's is currently evaluating the impact of these standards to the financial statements.

Thai Financial Reporting Standards No. 16: Leases

IFRS 16 Leases set out the principles 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 IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under IAS 17. IFRS 16 supersedes the following accounting standards together with related interpretations.

Thai Accounting Standards

IFRS 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

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

At present, the management of the Group's is currently evaluating the impact of those financial reporting standards to the financial statements in the year when it is adopted.

(Signature).....Director
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3. PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS BASIS

3.1 Investments in subsidiaries

- On November 20, 2019, the Company entered into Mighty Broker Co., Ltd. in order to engage in business of insurance broker, which held at 100%.
- The consolidated financial statements incorporate the financial statements of Eastern Commercial Leasing Public Company Limited and its subsidiaries, control is achieved where the Company has the power to govern the financial and operating policies until the control is ceased as follows:

Shareholding percentage (%)				
	Established in	December 31, 2019	December 31, 2018	Type of business
Subsidiaries				
Mighty Broker Co., Ltd.	Thailand	100.00	0.00	Insurance broker
(Registration on November 20, 2019)				

- The consolidated financial statements have been prepared in conformity with the same accounting policy for the same accounts and accounting events of the Company and subsidiaries.
- The balance of accounts and transactions between the Company and its subsidiaries, unrealized gain between of the Company and net assets of subsidiaries have been eliminated from the consolidated financial statements.

3.2 Investment in joint venture

- On November 16, 2016, the Company entered into joint venture agreement with Premium Service (Thailand) 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.
- On July 31, 2019, the Company has disposed investments in Premium Service (Thailand) Company Limited For 147,900 shares, as a result, it incurred the decrease in shareholding proportion from 54.55% to 15% of the paid-up share capital. After the decrease of shareholding proportion that the Company has no significant influence over such company, the Company therefore reclassified investments accounts form investments in joint venture to other long-term investments as stated in note 13.
- 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.

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4. SIGNIFICANT ACCOUNTING POLICIES

4.1. Income and Expenses Recognition

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

Revenues from installments will be stopped to recognize if the overdue 4 installments which different from the accounting method of revenues recognition and allowance for doubtful accounts provision for consumer finance as requirement of the Securities and Exchange Commission and the Institute of Certified Accountants and Auditors of Thailand (currently named the Federation of Accounting Professions) that required the Company to stop revenue recognition from the overdue payment of receivables exceeding 3 installments in accordance with the notification no. KorLorTor. ChorSor. (Wor) 2/2004 dated April 30, 2004. Since the past 5 years receivables data at the end of year represented 90.00% of overdue receivables exceeding 4 months could repay such debts. Nevertheless, as at December 31, 2019 and 2018, The Group has overdue payment receivable exceeding 4 installments and the Company still recognize income in the amount of Baht 294,770,360.74 and Baht 204,517,603.69 respectively. If recognized income on the requirement basis, revenues and receivables will be reduced by Baht 2,104,763.35 and Baht 1,455,726.74 respectively.

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

4.1.3 The Group recognized other revenues and expenses are recognized on an accrual basis.

4.2. 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.

4.3. Hire purchase receivables

Hire purchase receivables are stated at the contract value net of unearned hire purchase income, which is presented after netting deferred commission and initial direct costs at the inception of the contracts.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4. Allowance for doubtful accounts

The Group 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 Group will consider the repayment ability of each receivables for overdue receivables and receivables under debt compromise agreement overdue.

The basis of provision of allowance for doubtful accounts of hire purchase receivable and sale with right of redemption agreement receivable 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 Group 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 Group 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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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5. 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 consolidated financial statements and at cost in the separate financial statements.

4.6. 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 Group 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 Group 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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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7. Impairment of assets

The Group 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 Group 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.

4.8. 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 Group's appraisal management.

4.9. Employee benefits

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

4.9.2 Provident fund

The Group 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 Group and employees made contribution into such provident fund. The Group's contribution payments to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

4.9.3 Employee benefits

The Group 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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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Assumptions:

Discount rate	1.65%
Salary increase rate	5%
Employee turnover	0 – 17%
Mortality	Thailand TMO2017 male and female tables

4.10. 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.

The Group 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 Group intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11. 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.

4.12. Provisions

The Group 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.

4.13. Measurement of fair values

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

The Group 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.

When measuring the fair value of an asset or a liability, the Group 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

4.14. Related person and parties transaction

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

4.15. 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.

4.16. 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 year by the weighted average number of common shares issued and paid-up during the year.

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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17. 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.

5. CASH AND CASH EQUIVALENTS

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Cash on hand	842,193.00	90,577.00	842,193.00	90,577.00
Current accounts	14,832,794.82	25,134,727.75	14,812,794.82	25,134,727.75
Savings deposit	2,183,764.21	1,488,106.93	712,144.21	1,488,106.93
Total	17,858,752.03	26,713,411.68	16,367,132.03	26,713,411.68

(Signature).....Director

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6. HIRE PURCHASE RECEIVABLES

(Unit : Baht)

	Consolidated and Separate financial statements			
	Due within 1 year		Due over 1 year	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Hire purchase receivables	2,719,330,219.20	2,237,574,385.11	5,740,486,048.64	5,040,014,196.47
<u>Less</u> Unrealized interest income	(653,522,341.38)	(549,155,331.27)	(828,371,358.40)	(724,793,240.66)
Net	2,065,807,877.82	1,688,419,053.84	4,912,114,690.24	4,315,220,955.81
<u>Less</u> Allowance for doubtful accounts	(31,694,313.08)	(18,471,440.74)	(45,446,617.71)	(26,543,176.87)
Hire purchase receivables – net	<u>2,034,113,554.74</u>	<u>1,669,947,613.10</u>	<u>4,866,668,072.53</u>	<u>4,288,677,778.94</u>

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

(Unit : Baht)

	Consolidated 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, 2019					
Undue 1 installment	24,638	5,941,169,213.49	1,188,233,842.70	1%	11,882,338.43
Overdue 2 - 3 installments	2,892	737,488,994.83	147,497,798.97	2%	2,949,955.98
Overdue 4 - 6 installments	682	177,975,773.12	35,595,154.62	20%	7,119,030.92
Overdue 7 - 12 installments	376	113,504,859.30	79,453,401.48	50 – 100%	47,405,878.14
Overdue exceed 12 installments	29	7,783,727.32	7,783,727.32	100%	7,783,727.32
Total	<u>28,617</u>	<u>6,977,922,568.06</u>	<u>1,458,563,925.09</u>		<u>77,140,930.79</u>

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6. HIRE PURCHASE RECEIVABLES (CONT'D)

(Unit : Baht)

	Consolidated 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

As at December 31, 2019, parts of hire purchase receivables (before less by unrealized interest) amount of Baht 6,665,325,711.44 were used as collateral against long-term loans from a bank as stated in note 21. (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 21).

7. LOANS AND SALE WITH RIGHT OF REDEMPTION AGREEMENT RECEIVABLES

(Unit : Baht)

	Consolidated and Separate financial statements	
	December 31, 2019	December 31, 2018
Loans and sale with right of redemption agreement receivables	24,225,600.00	24,670,690.00
Total	24,225,600.00	24,670,690.00
Less Allowance for doubtful accounts	(48,451.20)	(49,341.38)
Loans and sale with right of redemption agreement receivables - net	24,177,148.80	24,621,348.62

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

(Unit : Baht)

Consolidated and Separate financial statements					
	Number of contract	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, 2019					
Undue 2 installment	41	24,225,600.00	4,845,120.00	1%	48,451.20
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	41	24,225,600.00	4,845,120.00		48,451.20

(Unit : Baht)

Consolidated and Separate financial statements					
	Number of contract	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 December 31, 2019, the Company has loans receivable to 8 individuals (amount 41 contract) 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).

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8. OTHER CURRENT RECEIVABLES

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2019	December 31, 2018
Accrued value added tax	6,985,980.71	5,310,697.09
Accrued insurance premium discount income	6,190,113.00	8,381,052.25
Loans receivable to employee	1,789,214.00	1,813,337.00
Amortized fee expenses	9,345,025.23	8,240,252.44
Others	14,527,641.57	8,566,215.51
Total	38,837,974.51	32,311,554.29
<u>Less</u> Allowance for doubtful accounts	(142,000.00)	0.00
Other current receivables - net	38,695,974.51	32,311,554.29

9. LOANS FOR JOINT VENTURE

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2019	December 31, 2018
Short – term loans	169,500,000.00	136,000,000.00
Long – term loans	62,000,000.00	64,000,000.00
Total	231,500,000.00	200,000,000.00

As at December 31, 2019, 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 3-24 months and interest at 6.00% - 7.00% per annum

10. PROPERTIES FORECLOSED

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2019	December 31, 2018
Properties foreclosed	75,869,962.10	49,087,085.40
<u>Less</u> Provision for impairment - properties foreclosed	(32,480,030.60)	(17,816,880.46)
Properties foreclosed - net	43,389,931.50	31,270,204.94

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11. INVESTMENT IN SUBSIDIARIES

No.	Company's name	Type of business	Paid-up share capital		Percentage of investment		Separate financial statements (Baht)	
			(Thousand Baht)		(%)		cost method	
			Dec 31,2019	Dec 31,2018	Dec 31,2019	Dec 31,2018	Dec 31,2019	Dec 31,2018
1	Mighty Broker Co., Ltd.	Insurance broker	2,500.00	0.00	100.00	0.00	2,500,000.00	0.00
Total							2,500,000.00	0.00

11.1 Mighty Broker Co., Ltd. was registered as a company limited on November 20, 2019, share capital from registered shares amount of 50,000 shares of Baht 100 each , share capital from issued and paid - up shares of Baht 50 each.

12. 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		Consolidated		Separate financial statements	
				(Thousand Baht)		(%)		(Baht)		at cost method	
				Dec 31,2019	Dec 31,2018	Dec 31,2019	Dec 31,2018	Dec 31,2019	Dec 31,2018	Dec 31,2019	Dec 31,2018
1	Premium Service (Thailand) Co., Ltd. (Formerly named Eastern Premium Services Co., Ltd.)	Motor vehicles maintenance body repairing	Joint venture	32,912.00	37,400.00	15.00	54.55	0.00	12,490,052.11	0.00	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	80,000.00	40,000.00	60.00	60.00	53,065,664.76	28,465,813.10	36,000,000.00	24,000,000.00
Total								53,065,664.76	40,955,865.21	36,000,000.00	44,400,000.00

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12. INVESTMENT IN JOINT VENTURE (CONT'D)

12.1. Premium Service (Thailand) 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.

12.2. On September 6, 2018, Premium Service (Thailand) 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

12.3. On June 26, 2019, the Company entered into a memorandum to buy and to sell share capital of Premium Service (Thailand) Co., Ltd. to Premium Asset Management (Thailand) Co., Ltd. (Formerly named PFS (Thailand) Co., Ltd.) for 147,900 shares at Baht 51 each amounting to Baht 7,542,900.00 and already received the payment for such share capital on July 31, 2019. As a result, the investment proportion of the Company is reduced from 54.55% to 15.00%, the Company therefore reclassified investments accounts form investments in joint venture to other long-term investments as stated in note 13.

12.4. 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.

12.5. On May 23, 2019, ECL Asset Co., Ltd. has increased its share capital that Eastern Commercial Leasing Public Company Limited and Global Best Real Estate Loan Co., Ltd. agreed to invest in that increase share capital at the existing investment proportion.

As at December 31, 2019, the Company recorded investment in joint venture 1 company at cost in separate financial statements and recognized share of profit in joint venture 2 companies for the year ended December 31, 2019, amount of Baht 7.49 million, or equal to 5.73% of profit for the periods in financial statements in which the equity method is applied.

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13. LONG-TERM INVESTMENTS

No.	Company's name	Type of business	Paid-up share capital		Percentage of investment		Consolidated		Separate financial statements at cost method	
			(Thousand Baht)		(%)		(Baht)		(Baht)	
			Dec 31,2019	Dec 31,2018	Dec 31,2019	Dec 31,2018	Dec 31,2019	Dec 31,2018	Dec 31,2019	Dec 31,2018
1	Premium Services (Thailand) Co., Ltd. (Formerly named Eastern Premium Services Co., Ltd.)	Motor vehicles maintenance body repairing and printing	32,912.00	0.00	15.00	0.00	3,882,622.23	0.00	7,461,300.00	0.00
	<u>Less</u> allowance for impairment					(1,188,329.51)	0.00	(4,767,007.28)	0.00	
	Other long-term investments - net					2,694,292.72	0.00	2,694,292.72	0.00	

13.1 The Company therefore reclassified investments in Premium Services (Thailand) Co., Ltd. from investments in joint venture to other long-term investments as stated in note 12.3.

13.2 On October 16, 2019, Premium Services (Thailand) Co., Ltd. increase its share capital from issued and paid - up shares amount of 224,400 shares, amount of Baht 12,342,000 that Eastern Commercial Leasing Public Company Limited agreed to invest in that increase share capital.

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14. OTHER NON-CURRENT RECEIVABLES

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2019	December 31, 2018
Receivables under lawsuit	109,613,350.44	79,716,896.94
<u>Less</u> Allowance for doubtful accounts	(109,613,350.44)	(79,716,896.94)
Net	0.00	0.00
Receivables under debt compromise agreement	12,353,152.41	9,444,236.39
<u>Less</u> Allowance for doubtful accounts	(12,353,152.41)	(9,444,236.39)
Net	0.00	0.00
Receivables - net	0.00	0.00
Others	295,982.00	440,770.67
<u>Less</u> Allowance for doubtful accounts	(267,194.00)	(409,194.00)
Total	28,788.00	31,576.67

Receivables under lawsuit and allowance for doubtful accounts.

	(Unit : Baht)			
	Number of receivable		Consolidated and Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Receivable after unrealized				
interest income	124	96	109,613,350.44	79,716,896.94
Receivable for provide				
allowance for doubtful accounts			109,613,350.44	79,716,896.94
% of allowance for doubtful accounts			100%	100%
Allowance for doubtful accounts			(109,613,350.44)	(79,716,896.94)

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

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

(Unit : Baht)

	Consolidated 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	18	5,653,581.50	5,653,581.50	100%	5,653,581.50
Overdue 4 – 11 installments	15	3,850,391.60	3,850,391.60	100%	3,850,391.60
Overdue 12 installments onwards	5	2,849,179.31	2,849,179.31	100%	2,849,179.31
Total	38	12,353,152.41	12,353,152.41		12,353,152.41

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

(Unit : Baht)

	Consolidated 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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15. PROPERTY, PLANT AND EQUIPMENT

	December 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	157,840.00	3,625,955.81	2,284,602.30	3,776,779.21	15,399,866.58	3,862,184.55	29,107,228.45
Transfer in (out)	0.00	0.00	0.00	3,862,184.55	0.00	0.00	0.00	(3,862,184.55)	0.00
Written off	0.00	0.00	0.00	(108,000.00)	(379,196.98)	(367,313.33)	(14,607,983.36)	0.00	(15,462,493.67)
As at December 31, 2019	0.00	8,977,783.71	2,130,792.03	13,328,061.96	16,385,717.79	14,041,589.87	38,847,242.89	0.00	101,035,350.75
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	448,610.07	101,623.44	3,025,314.25	3,031,315.44	1,756,822.88	4,527,741.26	0.00	12,891,427.34
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	(61,236.42)	(334,896.15)	(258,760.16)	(9,102,862.63)	0.00	(9,757,755.36)
As at December 31, 2019	0.00	7,841,555.55	325,244.79	6,095,616.42	11,567,565.74	7,772,966.33	13,088,997.42	0.00	46,691,946.25
Net book value									
As at December 31, 2018	7,324,162.50	1,584,838.23	1,749,330.68	2,816,383.01	5,609,166.02	4,357,220.38	20,391,240.88	0.00	43,832,341.70
As at December 31, 2019	7,324,162.50	1,136,228.16	1,805,547.24	7,232,445.54	4,818,152.05	6,268,623.54	25,758,245.47	0.00	54,343,404.50

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

Depreciation for the year ended December 31, 2019 and 2018, amounted to Baht 12,891,427.34 and Baht 9,368,924.48 respectively.

As at December 31, 2019, has fixed assets at cost of Baht 10,697,900.39 and net book value of Baht 1,051.00 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 18 and 21.

16. INTANGIBLE ASSETS

	Computer software	Computer software under installation	(Unit : Baht) Total
Cost			
As at December 31, 2018	1,438,000.00	0.00	1,438,000.00
Acquisition	67,680.00	5,100,000.00	5,167,680.00
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2019	<u>1,505,680.00</u>	<u>5,100,000.00</u>	<u>6,605,680.00</u>
Accumulated amortization			
As at December 31, 2018	530,477.06	0.00	530,477.06
Amortization for the year	109,056.70	0.00	109,056.70
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2019	<u>639,533.76</u>	<u>0.00</u>	<u>639,533.76</u>
Net book value			
As at December 31, 2018	<u>907,522.94</u>	<u>0.00</u>	<u>907,522.94</u>
As at December 31, 2019	<u>866,146.24</u>	<u>5,100,000.00</u>	<u>5,966,146.24</u>
Amortization for the year			
As at December 31, 2019	109,056.70	0.00	109,056.70
As at December 31, 2018	106,740.84	0.00	106,740.84

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16. 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

17. PLEDGED DEPOSIT AT FINANCIAL INSTITUTION

As at December 31, 2019, the Group's has fixed deposit in the accompanying consolidated and separate financial statements amount of Million Baht 1.07 and Million Baht 0.07 respectively is used as guarantee from Office of Insurance Commission and as guarantee against loans from bank and electricity usage as mentioned in note 35 (as at December 31, 2018, fixed deposit amount of Million Baht 0.07).

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

(Unit : Baht)

	Consolidated and Separate financial statements	
	December 31, 2019	December 31, 2018
	Bank overdrafts	35,858,052.24
Short-term loans - promissory notes	360,239,000.00	273,587,000.00
Total	396,097,052.24	301,853,815.24

18.1. As at December 31, 2019 and 2018, the Company has overdrafts line with 5 banks totaling Baht 100 million mortgaging land with its construction in note 15.

18.2. As at December 31, 2019, 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, 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:

18.2.1 Loans from the 1st bank for credit line amount of Baht 200 million were withdrawn and the remaining debt obligation amount of Baht 20.24 million at the interest rate of MLR-1.125% per annum. These loans are guaranteed by transferring the right on part of hire purchase receivable in note 6.

18.2.2 Loans from the 2nd Foreign bank for credit line amount of Baht 300 million were withdrawn and the remaining debt obligation amount of Baht 300 million at the interest is charged at the rate of 2.25% per annum. These loans are guaranteed by related parties in foreign countries.

18.2.3 Loans from the 3rd bank for credit line amount of Baht 40 million the Company has no withdrawn of loans, the interest is charged at the rate of 3.55% per annum. These loans are guaranteed by transferring the right on part of hire purchase receivable in note 6.

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19. TRADE AND OTHER CURRENT PAYABLES

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Credit payable	2,600.00	4,457,990.44	2,600.00	4,457,990.44
Accrued interest expenses	9,246,833.51	9,115,522.20	9,246,833.51	9,115,522.20
Advance receipt	25,033,668.02	30,839,945.31	25,033,668.02	30,839,945.31
Revenue Department payable	17,963,897.68	14,726,473.30	17,963,897.68	14,726,473.30
Accrued expenses	4,032,819.72	3,596,774.32	4,007,819.72	3,596,774.32
Others	10,635,627.13	15,005,595.29	10,635,627.13	15,005,595.29
Total	66,915,446.06	77,742,300.86	66,890,446.06	77,742,300.86

20. TRANSACTION WITH RELATED PERSONS AND PARTIES

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

Relationship of the Group 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 3.45 - 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 and consultant contract at the agreed price. Borrowing guarantee fee at the rate of 1.20 per annum.

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

<u>Related person name</u>	<u>Relationship</u>	<u>Particulars and pricing policy</u>
Premium Asset Management (Thailand) Co., Ltd. (Formerly named 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 1.75% (total interest rate not lower than 6.33%) Rental income at the agreed price.
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)

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

20.2 Short-term loans from related person

(Unit : Baht)

	Consolidated and Separate financial statements			
	Balance		Balance	
	December 31, 2018	Increase	Decrease	December 31, 2019
Mr. Preecha Veeraphong	175,000,000.00	420,000,000.00	(375,000,000.00)	220,000,000.00
Total	175,000,000.00	420,000,000.00	(375,000,000.00)	220,000,000.00
<u>Less</u> Prepaid interest expenses	(1,333,400.90)	(7,632,924.36)	6,948,556.96	(2,017,768.30)
Total	<u>173,666,599.10</u>			<u>217,982,231.70</u>

As at December 31, 2019, loans from 1 related person by issuing bills of exchange matured in January to May 2020 at the interest rate of 3.45 - 3.85% per annum.

20.3 Rental

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

(Unit : Baht)

As at December 31, 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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20. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT'D)

20.4 Other receivables

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2019	December 31, 2018
Premium Financial Services Co., Ltd.		
Borrowing guarantee fee	1,379,372.58	960,669.56

20.5 Revenues and expenses are as follows:

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2019	December 31, 2018
Premium Asset Management (Thailand) Co., Ltd.		
(Formerly named PFS (Thailand) Co., Ltd.)		
Rental income	120,000.00	360,000.00
ECL Asset Co., Ltd.		
Rental income	280,000.00	0.00
Premium Financial Services Co., Ltd.		
Remuneration under joint business agreement	7,200,000.00	7,200,000.00
Consulting services	1,200,000.00	700,000.00
Borrowing guarantee fee	3,516,638.95	1,122,891.44

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21. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Loans from 7 banks consist of:

As at December 31, 2019					
(Unit : Million Baht)			(Unit : Baht)		
	Credit amount	Credit remaining	Interest rate	December 31, 2019	December 31, 2018
1st bank	500	245.41	4.40 to 4.90%, MLR-1.75%	254,587,000.00	439,212,000.00
2nd bank	3,790	500.00	THBFIX 1M+ (3.17%), THBFIX 6M+ (2.85 to 3.30%), Fixed Rate (IRS) (4.39 to 4.58%)	1,780,960,000.00	1,458,576,000.00
3rd bank	2,050	193.74	MLR – (2.25 to 2.625%)	1,303,206,530.00	949,093,310.00
4th bank	50	-	4%, (MLR – 1.50%)	4,520,000.00	18,200,000.00
5th bank	200	-	MLR – 2.00%	194,444,000.00	22,160,000.00
6th bank	150	-	BBL's MLR – 1.70%	67,708,333.07	105,208,333.19
7th bank	1,000	200.00	MLR – 1.50%	588,125,955.91	436,238,666.63
Total	<u>7,740</u>	<u>1,139.15</u>		<u>4,193,551,818.98</u>	<u>3,428,688,309.82</u>
<u>Less</u> Current portion of long-term debts				<u>(1,684,748,534.00)</u>	<u>(1,212,746,784.00)</u>
Net				<u>2,508,803,284.98</u>	<u>2,215,941,525.82</u>

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

Moments in long-term loan for the year ended December 31, 2019, are as follows:

	(Unit : Baht)
	Consolidated and Separate financial statements
Balance as at December 31, 2018	3,428,688,309.82
Additional proceeds during the year	2,251,459,000.00
Repayment during the year	(1,486,595,490.84)
Balance as at December 31, 2019	<u>4,193,551,818.98</u>

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

- 21.1 The first bank, loans from bank amount of Baht 500 million which were withdrawn. Where the repayment is made that the credit line can be reutilized. These loans are guaranteed by transferring the right on part of hire purchase receivable as stated in note 6.
- 21.2 The second bank, loans from bank amount of Baht 3,790 million which were gradually withdrawn of each not exceeds 75% of hire purchase receivable. The principal and interest are monthly repayable within 3-4 years from the loans withdrawal date in fully amount. Credit line total amount of Baht 3,790 million dividend into credit line amount of Baht 800 million (remaining is Baht 500 million) and credit line amount of Baht 2,990 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 6 and 15.
- 21.3 The third bank, loans from bank amount of Baht 2,050 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 2,050 million dividend into credit line amount of Baht 1,150 million from the loans withdrawal date in fully amount and credit line amount of Baht 500 million (remaining is Baht 120.00 million) and credit line amount of Baht 400 million (remaining is Baht 73.74 million) were already withdrawn, when the repayment is made that the withdrawal can be renewed. The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 6.
- 21.4 The fourth bank, loans from bank amount of Baht 50 million which were withdrawn in fully amount. The principal and interest are repayable on a monthly basis within 7 years from the loan withdrawal date, guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 6.
- 21.5 The fifth bank, loans from bank amount of Baht 200 million which were withdrawn in fully amount, guaranteed by transferring the right on payment of same hire purchase receivable as stated in note 6.
- 21.6 The sixth bank, loans from bank amount of Baht 150 million which were withdrawn in fully amount, which were gradually withdrawn of each not exceeds 80% of hire purchase receivable. The principal and interest are monthly repayable within 4 years from the loans withdrawal date. The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 6.

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

21.7 The seventh bank, loans from bank amount of Baht 1,000 million divided into credit line amount of Baht 500 million (remaining is Baht 200 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 75-80% of hire purchase receivable. The principal and interest are monthly repayable within 4 years. The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 6.

22. DEBENTURES

Debentures in the form of specific name, unsubordinated, unsecured and holders representative are summarised below:

				(Unit : Baht)	
				Consolidated and Separate financial statements	
Debentures	Interest rate	Terms	Due date	December 31, 2019	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				(576,433.57)	(2,808,310.23)
				599,423,566.43	597,191,689.77
Less: Current portion of debentures				(599,423,566.43)	0.00
Debentures				0.00	597,191,689.77

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

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23. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

The changes in present value of employee benefit obligations for the year ended December 31, 2019 and 2018, as follows:

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2019	December 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	2,760,837.96	2,172,875.04
Previous service costs and interest	5,663,306.00	0.00
Recognition in other comprehensive income :		
Re-measuring for post-employment benefit obligations	2,960,617.00	0.00
Non-current provisions for employee benefit as at December 31	<u>30,371,754.00</u>	<u>18,986,993.04</u>

Long-term employee benefit expense for the year ended December 31, 2019 and 2018.

Actuarial assumptions to use for calculation:

	2019	2018
	<u>Percentage</u>	<u>Percentage</u>
Discount rate	1.65	2.56
Salary increase rate	5.00%	5.00%
Mortality rate	Thailand TMO2017 tables	Thailand TMO2017 tables

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

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2019, are summarized below:

	(Unit : Baht)	
	Increase	Decrease
Discount rate (changed at 0.5%)	(665,257.00)	728,910.00
Salary increase rate (changed at 0.5%)	728,786.00	(724,937.00)
Turnover rate (changed at 10%)	(790,309.00)	887,229.00

On 5 April 2019, the Labor Protection Act (No. 7) B.E. 2562 was published in the Royal Gazette which is effective from 5 May 2019 onwards that 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. Therefore, such changes have affected to the additional providing employee benefit amount of Baht 5.66 million has recognized the previous service costs as expenses immediately in the statement of comprehensive income.

24. SHARE CAPITAL

Reconciliation of issued and paid-up share capital

	Registered ordinary shares		Issued and paid-up ordinary shares		
	Number of share (Share)	Amount (Baht)	Number of share (Share)	Paid-up share capital (Baht)	Premium on share capital (Baht)
As at January 1, 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 December 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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24. SHARE CAPITAL (CONT'D)

24.1. Decrease share capital

24.1.1 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.

24.2. Increase share capital

24.2.1 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.

24.2.2 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.

25. 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.

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26. 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.

27. 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.

28. PROVIDENT FUND

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

For the year ended December 31, 2019 and 2018, the Company paid the contribution to the fund of Baht 5,997,029.00 and Baht 5,309,264.00 respectively.

29. DIRECTORS' REMUNERATION AND MANAGEMENT BENEFIT EXPENSES

29.1 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.

29.2 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.

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30. 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.

31. DISCLOSURES OF FINANCIAL INSTRUMENTS

31.1. 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.

31.2. Credit risk

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

31.3. Interest rate risk

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

31.4. Exchange rate risk

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

31.5. 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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32. EXPENSES ANALYZED BY NATURE

The significant expenses analyzed by nature are as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Employees benefit expenses	150,812,806.63	121,702,893.01	150,812,806.63	121,702,893.01
Directors' remuneration	8,960,000.00	8,143,200.00	8,960,000.00	8,143,200.00
Management benefit expenses	34,370,400.00	32,697,782.00	34,370,400.00	32,697,782.00
Depreciation	13,000,484.04	9,475,665.32	13,000,484.04	9,475,665.32
Amortized commission expenses	60,418,799.37	42,841,200.30	60,418,799.37	42,841,200.30
Loss on impairment of other				
long-term investments	1,188,329.51	0.00	4,767,007.28	0.00
Bad Debt	76,607,240.76	39,155,631.05	76,607,240.76	39,155,631.05
Doubtful accounts	64,930,792.52	45,103,306.97	64,930,792.52	45,103,306.97

33. INCOME TAX

33.1. Income tax expenses for the nine-month periods ended September 30, 2019 and 2018, can be summarized as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Current tax:				
Income tax for the year	45,431,796.03	37,915,870.19	45,431,796.03	37,915,870.19
Deferred tax:				
Deferred tax on temporary differences and reserved temporary differences	(15,389,925.86)	(4,344,478.72)	(16,105,661.41)	(4,344,478.72)
Income tax expenses presented in statement of comprehensive income	30,041,870.17	33,571,391.47	29,332,810.62	33,571,391.47
Income tax realized in other comprehensive income				
Deferred tax recognized to actuarial loss	592,123.40	0.00	592,123.40	0.00

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33. INCOME TAX (CONT'D)

33.2. Reconciliation amount between income tax expenses and multiplication of accounting profits and tax rates

used for the year ended December 31, 2019 and 2018, can be presented as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Accounting profit before income tax	160,131,012.15	175,835,086.02	139,654,592.60	176,385,321.13
Income tax rates	20%	20%	20%	20%
Accounting profit before income tax multiply by tax rates	32,026,202.43	35,167,017.20	27,930,918.52	35,277,064.23
Taxable effect for:				
Prohibited taxable items	13,405,593.60	2,748,852.99	17,507,553.51	2,638,805.96
Effects to deferred tax from changes in tax rate	(15,389,925.86)	(4,344,478.72)	(16,105,661.41)	(4,344,478.72)
Income tax expenses presented in statement of income	30,041,870.17	33,571,391.47	29,332,810.62	33,571,391.47
Effective income tax rate (%)	18.76%	19.09%	21.00%	19.03%

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33. INCOME TAX (CONT'D)

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

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Deferred tax assets				
Reserve for allowance for doubtful accounts - hire purchase receivable	15,428,186.16	9,002,923.52	15,428,186.16	9,002,923.52
Reserve for allowance for doubtful accounts - loans and sale with right of redemption receivable	9,690.24	9,868.28	9,690.24	9,868.28
Reserve for allowance for doubtful accounts - Receivables under lawsuit	20,987,078.29	15,943,379.38	20,987,078.29	15,943,379.38
Reserve for allowance for doubtful accounts - debt compromise receivables	2,470,630.48	1,888,847.28	2,470,630.48	1,888,847.28
Reserve for allowance for doubtful accounts - other receivables	81,838.80	81,838.80	81,838.80	81,838.80
Reserve for allowance for doubtful accounts - Receivables under lawsuit – car loan	935,591.80	0.00	935,591.80	0.00
Provision for impairment of assets – foreclosed	6,496,006.12	3,563,376.09	6,496,006.12	3,563,376.09
Non-current provisions for employee benefit	6,074,350.80	3,797,398.61	6,074,350.80	3,797,398.61
Provision for impairment of investment	237,665.90	0.00	953,401.46	0.00
Total	<u>52,721,038.59</u>	<u>34,287,631.96</u>	<u>53,436,774.14</u>	<u>34,287,631.96</u>
Deferred tax liabilities				
Deferred commission	22,696,620.34	20,245,262.97	22,696,620.34	20,245,262.97
Total	<u>22,696,620.34</u>	<u>20,245,262.97</u>	<u>22,696,620.34</u>	<u>20,245,262.97</u>
Net	<u>30,024,418.25</u>	<u>14,042,368.99</u>	<u>30,740,153.80</u>	<u>14,042,368.99</u>

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34. EARNINGS PER SHARE

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

Diluted earnings per share is calculated by dividing the profit for the year attributable to shareholders (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 year ended December 31, 2019 and 2018, can be presented as follows:

(Unit : Baht)

	Consolidated financial statements					
	For the year ended					
	December 31, 2019			December 31, 2018		
Profit (Loss)	Number	Earnings	Profit (Loss)	Number	Earnings	
	of share	per share		of share	per share	
Basis earnings per share	130,089,141.98	1,108,857,244	0.1173	142,263,694.55	1,081,959,722	0.1315

(Unit : Baht)

	Separate financial statements					
	For the year ended					
	December 31, 2019			December 31, 2018		
Profit (Loss)	Number	Earnings	Profit (Loss)	Number	Earnings	
	of share	per share		of share	per share	
Basis earnings per share	110,321,781.98	1,108,857,244	0.0995	142,813,929.66	1,081,959,722	0.1320

(Signature).....Director
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35. COMMITMENT AND CONTINGENT LIABILITIES

- 35.1 As at December 31, 2019, 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).
- 35.2 As at December 31, 2019, contingent liabilities from Office of Insurance Commission amount of Million Baht 1.00.
- 35.3 As at December 31, 2019, liable on payment under rental agreement within 1 year in amount of Baht 9.81 million and over 1 year in amount of Baht 7.29 million.
- 35.4 As at December 31, 2019, liable on payment under joint-business operation contract within 1 year in amount of Baht 2.90 million.

36. SIGNIFICANT CONTRACT

Co-business investment contract

- 36.1 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)
- 36.2 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.

(Signature).....Director
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37. CAPITAL MANAGEMENT

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

As at December 31, 2019, the Company has debt to equity ratio as summarized below:

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Debt to equity ratio	2.94	2.97

38. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Company's Board of directors on February 26, 2020.

(Signature).....Director
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