

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

AND SUBSIDIARIES

AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020

(UNAUDITED/ REVIEWED ONLY)

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated statements of financial position of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES and separate statements of financial position of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED as at June 30, 2020, the related consolidated and separate statements of comprehensive income for the three-month and six-month periods then ended, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the six-month periods then ended and the notes to interim consolidated financial statements. The Company's management is responsible for the preparation and presentation of these interim financial information, in all material respects, in accordance with Thai Accounting Standard No.34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of Review

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

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No.34 Interim Financial Reporting.

Emphasis of matters

I draw attention to Note 2 to the interim consolidated financial statements. Due to the impact of the Coronavirus 2019 outbreak, in preparing the interim financial information for the three-month and six-month period ended June 30, 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of Coronavirus 2019 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

D I A International Audit Co., Ltd.

(Miss Somjintana Polhirunrat)

C.P.A. (Thailand)

Registration No.5599

August 13, 2020

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2020

(UNAUDITED/REVIEWED ONLY)

		Unit : Baht			
Assets	Note	Consolidated financial statements		Separate financial statements	
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Current assets					
Cash and cash equivalents	7	72,662,587.71	17,858,752.03	68,805,721.47	16,367,132.03
Hire purchase receivables due within 1 year	8	1,992,235,628.41	2,034,113,564.74	1,992,235,628.41	2,034,113,564.74
Loans and sale with right of redemption agreement receivables	10	8,786,339.68	24,177,148.80	8,786,339.68	24,177,148.80
Other current receivables	11	31,598,444.69	38,695,974.51	31,594,947.29	38,695,974.51
Short-term loans for joint venture	12	239,500,000.00	169,500,000.00	239,500,000.00	169,500,000.00
Properties foreclosed	13	55,544,812.17	43,389,931.50	55,544,812.17	43,389,931.50
Total current assets		2,400,327,812.66	2,327,735,371.58	2,396,467,449.02	2,326,243,751.58
Non-current assets					
Hire purchase receivables due over 1 year	8	4,249,880,595.96	4,866,668,072.53	4,249,880,595.96	4,866,668,072.53
Investments in subsidiaries	15	0.00	0.00	5,000,000.00	2,500,000.00
Investment in joint venture	16	58,859,592.02	53,065,664.76	36,000,000.00	36,000,000.00
Other non-current financial asset	14	2,022,840.45	2,694,292.72	2,022,840.45	2,694,292.72
Other non-current receivables	17	65,747.47	28,788.00	65,747.47	28,788.00
Long-term loans for joint venture	12	12,000,000.00	62,000,000.00	12,000,000.00	62,000,000.00
Property, plant and equipment	18	47,674,892.41	54,343,404.50	47,674,892.41	54,343,404.50
Right-of-use assets	19	31,085,178.74	0.00	31,085,178.74	0.00
Intangible assets	20	5,962,610.35	5,966,146.24	5,909,550.08	5,966,146.24
Deferred tax assets	37.3	121,306,039.09	52,721,038.59	122,021,774.64	53,436,774.14
Pledged deposit at financial institution	21	1,066,000.00	1,066,000.00	66,000.00	66,000.00
Other non-current assets		2,041,786.52	2,157,449.00	2,041,786.52	2,157,449.00
Total non-current assets		4,531,965,283.01	5,100,710,856.34	4,513,768,366.27	5,085,860,927.13
Total assets		6,932,293,095.67	7,428,446,227.92	6,910,235,815.29	7,412,104,678.71

Notes to financial statements are parts of these financial statements.

(Signature).....Director

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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT JUNE 30, 2020

(UNAUDITED/REVIEWED ONLY)

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Liabilities and shareholders' equity	Note	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	22	40,994,791.44	396,097,052.24	40,994,791.44	396,097,052.24
Trade and other current payables	23	51,574,378.73	66,915,446.06	51,453,594.08	66,890,446.06
Current portion of long-term loans	25	1,796,292,144.00	1,684,748,534.00	1,796,292,144.00	1,684,748,534.00
Short-term loans from related persons	24.3	123,944,949.87	217,982,231.70	123,944,949.87	217,982,231.70
Current portion of lease liabilities	26	8,286,125.28	0.00	8,286,125.28	0.00
Current portion of Debentures	27	494,421,096.33	599,423,566.43	494,421,096.33	599,423,566.43
Accrued income tax		22,017,944.22	16,093,361.03	22,059,416.37	16,100,037.03
Total current liabilities		<u>2,537,531,429.87</u>	<u>2,981,260,191.46</u>	<u>2,537,452,117.37</u>	<u>2,981,241,867.46</u>
Non-current liabilities					
Long-term loans from financial institutions	25	2,632,898,995.57	2,508,803,284.98	2,632,898,995.57	2,508,803,284.98
Lease Liabilities	26	23,127,416.61	0.00	23,127,416.61	0.00
Debentures	27	0.00	0.00	0.00	0.00
Non-current provisions for employee benefit	28	30,966,410.89	30,371,754.00	30,966,410.89	30,371,754.00
Deferred tax liabilities	37.3	19,072,270.87	22,696,620.34	19,072,270.87	22,696,620.34
Total non-current liabilities		<u>2,706,065,093.94</u>	<u>2,561,871,659.32</u>	<u>2,706,065,093.94</u>	<u>2,561,871,659.32</u>
Total liabilities		<u>5,243,596,523.81</u>	<u>5,543,131,850.78</u>	<u>5,243,517,211.31</u>	<u>5,543,113,526.78</u>

Notes to financial statements are parts of these financial statements.

(Signature).....Director

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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT JUNE 30, 2020

(UNAUDITED/REVIEWED ONLY)

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Liabilities and shareholders' equity (Cont'd)	Note	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Shareholders' equity					
Share capital					
Authorized share capital					
1,663,285,866 common shares of Baht 1.00 each	29	1,663,285,866.00	1,663,285,866.00	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	29	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	29	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	31	43,137,975.49	42,730,600.41	42,730,600.41	42,730,600.41
Unappropriated	5	213,991,768.27	411,016,948.63	192,421,175.47	394,693,723.42
Total shareholders' equity		1,688,696,571.86	1,885,314,377.14	1,666,718,603.98	1,868,991,151.93
Total liabilities and shareholders' equity		6,932,293,095.67	7,428,446,227.92	6,910,235,815.29	7,412,104,678.71

Notes to financial statements are parts of these financial statements.

(Signature).....Director

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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2020
(UNAUDITED/REVIEWED ONLY)

	Note	Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenues					
Realized selling interest under hire purchase agreement		171,696,891.07	165,564,607.74	171,696,891.07	165,564,607.74
Interest income under sale with right of redemption agreement		469,562.00	728,795.00	469,562.00	728,795.00
Interest income		4,225,197.48	3,295,861.41	4,225,197.48	3,295,861.41
Other income					
Fee and services income		27,648,568.28	36,981,570.24	27,648,568.28	36,981,570.24
Recovered bad debts		4,782,344.50	3,168,530.84	4,782,344.50	3,168,530.84
Others		10,505,147.37	10,695,247.95	10,500,957.68	10,695,247.95
Total revenues		219,327,710.70	220,434,613.18	219,323,521.01	220,434,613.18
Expenses					
Finance costs		(56,585,671.23)	(55,688,583.98)	(56,585,671.23)	(55,688,583.98)
Administrative expenses		(113,490,733.64)	(102,095,837.04)	(113,374,822.21)	(102,095,837.04)
Expected credit losses		(64,640,976.49)	0.00	(64,640,976.49)	0.00
Bad debt and doubtful accounts		0.00	(28,420,014.45)	0.00	(28,420,014.45)
Total expenses		(234,717,381.36)	(186,204,435.47)	(234,601,469.93)	(186,204,435.47)
Profit before share of gain (loss) on investments in joint venture		(15,389,670.66)	34,230,177.71	(15,277,948.92)	34,230,177.71
Share of gain (loss) on investment in joint venture by equity method		2,669,970.35	91,085.91	0.00	0.00
Profit before income tax		(12,719,700.31)	34,321,263.62	(15,277,948.92)	34,230,177.71
Tax expenses		2,247,028.09	(7,401,974.28)	2,224,683.74	(7,401,974.28)
Profit for the period		(10,472,672.22)	26,919,289.34	(13,053,265.18)	26,828,203.43
Other comprehensive income for the period		0.00	0.00	0.00	0.00
Total comprehensive income for the period		(10,472,672.22)	26,919,289.34	(13,053,265.18)	26,828,203.43
Earnings per share					
Basis earnings per share	38	(0.0094)	0.0243	(0.0118)	0.0242

Notes to financial statements are parts of these financial statements.

(Signature).....Director

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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020

(UNAUDITED/REVIEWED ONLY)

	Note	Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenues					
Realized selling interest under hire purchase agreement		354,619,089.98	324,417,154.71	354,619,089.98	324,417,154.71
Interest income under sale with right of redemption agreement		1,107,259.00	1,456,144.00	1,107,259.00	1,456,144.00
Interest income		8,322,804.71	6,060,516.37	8,322,804.71	6,060,516.37
Other income					
Fee and services income		66,513,552.99	79,001,008.68	66,513,552.99	79,001,008.68
Recovered bad debts		9,190,896.35	5,851,309.87	9,190,896.35	5,851,309.87
Others		22,735,710.85	21,636,434.54	22,731,521.16	21,636,434.54
Total revenues		462,489,313.88	438,422,568.17	462,485,124.19	438,422,568.17
Expenses					
Finance costs		(118,115,393.21)	(108,738,976.65)	(118,115,393.21)	(108,738,976.65)
Administrative expenses		(225,784,604.56)	(187,829,018.00)	(225,606,434.13)	(187,829,018.00)
Expected credit losses		(123,635,209.64)	0.00	(123,635,209.64)	0.00
Bad debt and doubtful accounts		0.00	(61,539,021.86)	0.00	(61,539,021.86)
Total expenses		(467,535,207.41)	(358,107,016.51)	(467,357,036.98)	(358,107,016.51)
Profit before share of gain (loss) on investments in joint venture		(5,045,893.53)	80,315,551.66	(4,871,912.79)	80,315,551.66
Share of gain (loss) on investment in joint venture by equity method		5,793,927.26	1,617,173.28	0.00	0.00
Profit before income tax		748,033.73	81,932,724.94	(4,871,912.79)	80,315,551.66
Tax expenses	37.1	945.28	(16,882,363.61)	(33,850.87)	(16,882,363.61)
Profit for the period		748,979.01	65,050,361.33	(4,905,763.66)	63,433,188.05
Other comprehensive income for the period		0.00	0.00	0.00	0.00
Total comprehensive income for the period		748,979.01	65,050,361.33	(4,905,763.66)	63,433,188.05
Earnings per share					
Basis earnings per share	38	0.0007	0.0587	(0.0044)	0.0572

Notes to financial statements are parts of these financial statements.

(Signature).....Director

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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020

(UNAUDITED/REVIEWED ONLY)

Unit : Baht

Note	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, 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	3,171,659.41	(3,171,659.41)	0.00
Total comprehensive income for the period	0.00	0.00	0.00	0.00	65,050,361.33	65,050,361.33
Balance as at June 30, 2019	1,108,857,244.00	279,957,364.10	42,752,220.00	40,386,170.72	350,691,091.27	1,822,644,090.09
Appropriated for legal reserve	0.00	0.00	0.00	2,344,429.69	(2,344,429.69)	0.00
Total comprehensive income for the period	0.00	0.00	0.00	0.00	65,038,780.65	65,038,780.65
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	1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	411,016,948.63	1,885,314,377.14
Balance as at January 1, 2020	1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	411,016,948.63	1,885,314,377.14
Cumulative effect of change in accounting policy	5	0.00	0.00	0.00	(197,366,784.29)	(197,366,784.29)
Balance as at January 1, 2020 - as restated	1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	213,650,164.34	1,687,947,592.85
Appropriated for legal reserve	0.00	0.00	0.00	407,375.08	(407,375.08)	0.00
Total comprehensive income for the period	0.00	0.00	0.00	0.00	748,979.01	748,979.01
Balance as at June 30, 2020	1,108,857,244.00	279,957,364.10	42,752,220.00	43,137,975.49	213,991,768.27	1,688,696,571.86

Notes to financial statements are parts of these financial statements.

(Signature).....Director

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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020

(UNAUDITED/REVIEWED ONLY)

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, 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	3,171,659.41	(3,171,659.41)	0.00
Total comprehensive income for the period	0.00	0.00	0.00	0.00	63,433,188.05	63,433,188.05
Balance as at June 30, 2019	1,108,857,244.00	279,957,364.10	42,752,220.00	40,386,170.72	352,518,052.78	1,824,471,051.60
Appropriated for legal reserve	0.00	0.00	0.00	2,344,429.69	(2,344,429.69)	0.00
Total comprehensive income for the period	0.00	0.00	0.00	0.00	46,888,593.93	46,888,593.93
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	1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	394,693,723.42	1,868,991,151.93
Balance as at January 1, 2020	1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	394,693,723.42	1,868,991,151.93
Cumulative effect of change in accounting policy	5 0.00	0.00	0.00	0.00	(197,366,784.29)	(197,366,784.29)
Balance as at January 1, 2020 - as restated	1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	197,326,939.13	1,671,624,367.64
Appropriated for legal reserve	0.00	0.00	0.00	0.00	0.00	0.00
Total comprehensive income for the period	0.00	0.00	0.00	0.00	(4,905,763.66)	(4,905,763.66)
Balance as at June 30, 2020	1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	192,421,175.47	1,666,718,603.98

Notes to financial statements are parts of these financial statements.

(Signature).....Director
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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020

(UNAUDITED/REVIEWED ONLY)

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Cash flows from operating activities				
Profit for the period	748,979.01	65,050,361.33	(4,905,763.66)	63,433,188.05
Adjustments to net profit to cash receipt (disbursement)				
Tax expenses	(945.28)	16,882,363.61	33,850.87	16,882,363.61
Depreciation and amortized expenses	11,597,960.93	5,725,770.14	11,597,960.93	5,725,770.14
Amortized expenses	37,501,040.92	28,328,037.64	37,501,040.92	28,328,037.64
Expected credit losses	123,635,209.64	0.00	123,635,209.64	0.00
Bad debt and doubtful accounts	0.00	61,539,021.86	0.00	61,539,021.86
Difference from decrease rentals	3,687.33	0.00	3,687.33	0.00
Share of (gain) loss on investment in joint venture by equity method	(5,793,927.26)	(1,617,173.28)	0.00	0.00
(Gain) Loss on sales of property, plant and equipment	(1,201.44)	(265,725.85)	(1,201.44)	(265,725.85)
(Gain) Loss on disposal of property, plant and equipment	142,553.01	0.00	142,553.01	0.00
(Gain) Loss on impairment of properties foreclosed	8,783,997.45	13,313,218.56	8,783,997.45	13,313,218.56
Amortized portion of deferred transaction costs	497,529.90	1,310,878.69	497,529.90	1,310,878.69
(Gain) Loss on impairment of Other non-current financial asset	671,452.27	0.00	671,452.27	0.00
Employee benefit provisions	1,421,992.18	7,059,315.48	1,421,992.18	7,059,315.48
Finance costs	113,552,569.62	103,931,178.82	113,552,569.62	103,931,178.82
Profit (Loss) from operation before changes in current investment	292,760,898.28	301,257,247.00	292,934,879.02	301,257,247.00
(Increase) Decrease in hire purchase receivables	296,783,600.72	(471,659,085.14)	296,783,600.72	(471,659,085.14)
(Increase) Decrease in loans and sale with right of redemption receivables	15,286,400.00	(478,764.00)	15,286,400.00	(478,764.00)
(Increase) Decrease in other current receivables	5,384,101.12	(2,423,769.48)	5,387,598.52	(2,423,769.48)
(Increase) Decrease in properties foreclosed	(20,938,878.12)	(17,494,499.19)	(20,938,878.12)	(17,494,499.19)
(Increase) Decrease in other non-current receivables	(44,165,050.09)	(36,954,602.81)	(44,165,050.09)	(36,954,602.81)
Other non-current assets	115,662.48	(32,100.00)	115,662.48	(32,100.00)
Increase (Decrease) in trade and other current payables	(12,259,865.08)	(9,462,049.32)	(12,355,649.73)	(9,462,049.32)
Increase (Decrease) in lease liabilities	(5,162,294.03)	0.00	(5,162,294.03)	0.00
Increase (Decrease) in employee benefits	(827,335.29)	0.00	(827,335.29)	0.00
Cash generated (paid) from operation	526,977,239.99	(237,247,622.94)	527,058,933.48	(237,247,622.94)
Interest paid	(114,873,645.90)	(104,863,337.63)	(114,873,645.90)	(104,863,337.63)
Corporate income tax paid	(16,942,125.42)	(21,110,778.32)	(16,942,125.42)	(21,110,778.32)
Net cash provided by (used in) operating activities	395,161,468.67	(363,221,738.89)	395,243,162.16	(363,221,738.89)

Notes to financial statements are parts of these financial statements.

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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020

(UNAUDITED/REVIEWED ONLY)

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Cash flows from investing activities				
Payments for loans to joint venture	(20,000,000.00)	(14,000,000.00)	(20,000,000.00)	(14,000,000.00)
Payments for acquire of investment in joint venture	0.00	(12,000,000.00)	0.00	(12,000,000.00)
Payments for acquire of investments in subsidiaries	0.00	0.00	(2,500,000.00)	0.00
Payments for acquire of intangible assets	(53,060.27)	(4,420,000.00)	0.00	(4,420,000.00)
Proceeds from sales of property, plant and equipment	1,251,271.04	3,251,618.12	1,251,271.04	3,251,618.12
Payment for acquire of property, plant and equipment	(1,575,913.24)	(18,210,552.42)	(1,575,913.24)	(18,210,552.42)
Net cash provided by (used in) investing activities	(20,377,702.47)	(45,378,934.30)	(22,824,642.20)	(45,378,934.30)
Cash flows from financing activities - increase (decrease)				
Increase (Decrease) in bank overdrafts	(34,863,260.80)	(23,590,089.81)	(34,863,260.80)	(23,590,089.81)
Proceeds from short-term loans from financial institutions	1,340,000,000.00	687,194,000.00	1,340,000,000.00	687,194,000.00
Payment for short-term loans from financial institutions	(1,660,239,000.00)	(608,868,000.00)	(1,660,239,000.00)	(608,868,000.00)
Proceeds from short-term loans from related persons	125,000,000.00	200,000,000.00	125,000,000.00	200,000,000.00
Payment for short-term loans from related persons	(220,000,000.00)	(175,000,000.00)	(220,000,000.00)	(175,000,000.00)
Proceeds from long-term loans from financial institutions	1,170,000,000.00	1,070,000,000.00	1,170,000,000.00	1,070,000,000.00
Payment for long-term loans from financial institutions	(934,360,679.41)	(703,335,390.08)	(934,360,679.41)	(703,335,390.08)
Payments for acquire of debentures	(105,500,000.00)	0.00	(105,500,000.00)	0.00
Net cash provided by (used in) financial activities	(319,962,940.21)	446,400,520.11	(319,962,940.21)	446,400,520.11
<u>Less</u> Allowance for expected credit loss	(16,990.31)	0.00	(16,990.31)	0.00
Net increase (decrease) in cash and cash equivalents	54,803,835.68	37,799,846.92	52,438,589.44	37,799,846.92
Cash and cash equivalents, as at January 1	17,858,752.03	26,713,411.68	16,367,132.03	26,713,411.68
Cash and cash equivalents, as at June 30	72,662,587.71	64,513,258.60	68,805,721.47	64,513,258.60

Notes to financial statements are parts of these financial statements.

(Signature).....Director
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EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020

(UNAUDITED/REVIEWED ONLY)

1. GENERAL INFORMATION

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

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

1.3. The Company has 5 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 624/4, Kanchanaphisek Road, Bang Phai, Bang Khae, Bangkok.

4. Branch is located at 131/36, Moo.9, Nong Prue, Bang Lamung, Chonburi.

5. 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.

The Company has cancelled Rayong branch with the Ministry of Commerce on July 9, 2020.

The Company has cancelled Ratchada – Ramindra branch with the Ministry of Commerce on July 9, 2020.

The Company has cancelled Sriracha branch with the Ministry of Commerce on July 9, 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.

1.5. Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

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2. PREPARATION OF FINANCIAL STATEMENTS BASIS

2.1. Basis financial statements presentation

The condensed interim financial statements, are prepared in accordance with TAS 34 “Interim Financial Reporting” under the Accounting Professions Act B.E. 2547.and the regulations the Securities and Exchange Commission regarding the preparation and of the financial reporting under there Securities and Exchange Act B.E.2535

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

These interim financial statements are prepared to provide an additional information on the recent financial statements to ensure that data is current. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements. Therefore, these interim financial statements should be read in conjunction with the financial statements of the Company for the latest year.

2.2. New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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. However, the new standard involves changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

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

Financial Reporting Standards

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting Standard

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Group’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.

The impact of the adoption of these standards on the Group’s financial statements is as follows.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value through profit or loss.
- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group recognises allowance for expected credit losses on hire purchase receivables, financial lease receivables and loan receivables using a general approach, with the allowance equal to the expected credit losses in the next 12 months, except in cases where credit risk has increased significantly since the initial recognition date and cases where the financial assets are impaired, when the allowance equal to the expected credit losses over the lifetime of the financial assets.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change in accounting policy is described in Note 5 to financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings or other components of owners’ equity as at January 1, 2020, and the comparative information was not restated.

The cumulative effect of the change in accounting policy is described in Note 5 to financial statements.

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

Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy

The Federation of Accounting Professions announced the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the Bank of Thailand No. BOT.RPD. (23) C.276/2563 “Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy” and the circular of the Bank of Thailand No. BOT.RPD. (01) C.380/2563 “Measures to provide additional assistance to debtors during the COVID-19 situation” or any other measures announced by the Bank of Thailand. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations, personal loan businesses under the supervision of the Bank of Thailand and certain entities not under the supervision of the Bank of Thailand, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses. Entities providing assistance to debtors in accordance with the Bank of Thailand’s measures and electing to apply this Accounting Guidance have to apply all temporary relief measures in this guidance.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for entities providing assistance to debtors impacted by situations that affect the Thai economy during the period from 1 January 2020 to 31 December 2021 or until the Bank of Thailand makes changes, with which the entities are to comply. The guidance applies to large debtors, small and medium debtors and retail debtors who have the ability to run a business or to pay debts in the future and who have been impacted directly or indirectly by such situations, considering the following guidelines.

- Debtors who were not yet non-performing (Stage 1 or Stage 2) on or after 1 January 2020
- Debtors who became non-performing (Stage 3) on or after 1 January 2019, however the entity is able to prove that the debtors becoming non-performing before 1 January 2019 are non-performing loans affected by the economic conditions

Since the Group is an entity providing assistance to affected debtors in accordance with the Bank of Thailand’s guidelines, it applies these procedures.

- Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that analysis of its status and business shows that the

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

debtor is able to comply with the debt restructuring agreement without compliance monitoring and the debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring. If it provides assistance to debtors in accordance with the circular of the Bank of Thailand No. BOT.RPD. (01) C. 380/2563, classification of the debtor remains at the same stage as before.

- Non-performing loans (NPL) are classified as performing loans if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.
- The guidelines specified in the appendix of the circular of the Bank of Thailand relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is moving to Stage 2.
- Expected credit losses are determined based on the outstanding balance of the drawn down portion only.
- If the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan, The Group can apply a newly calculated effective interest rate to determine the present value of loans that have been restructured and can recognise interest income on the basis of this new effective interest rate during the grace period, or in accordance with the Bank of Thailand’s guidelines if there are changes.
- Consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience, in cases where a general approach is used in determining expected credit losses.

Measures to assist debtors

The Group has measures to assist debtors who are affected from the situation of Thai economic by dividing into two measures as follows:

- To suspend the repayment of principal and interest for three months.
- To extend the installment period by changing agreement in order to make declining installment.

From aforementioned measures to assist was considered for the debtors who had registered to exercise the right since April 1, 2020 to June 30, 2020.

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Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives.

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.
- To measure the fair value of investments in unquoted equity instruments using the fair value as at January 1, 2020.
- Not to account for any reduction in lease payments by lessors (if any) as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019, except for the following changes in accounting policies that were applied from 1 January 2020.

3.1. Allowance for expected credit losses on receivables (formerly called as allowance for doubtful accounts)

The Group recognises an allowance for expected credit losses for hire purchase receivables, loans and sale with right of redemption agreement receivables using a general approach. The Group considers changes in credit risk and groups its receivables into 3 stages as described below.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- Stage 1: Receivables with no significant increase in credit risk (Performing) - The Group recognises expected credit losses in an amount equal to the expected credit losses in the next 12 months. For receivables under loan agreements with remaining periods of less than 12 months
- Stage 2: Receivables with a significant increase in credit risk (Under-performing) - The Group recognises expected credit losses in an amount equal to the expected credit losses over the lifetime of the receivable.
- Stage 3: Receivables that are credit-impaired (Non-performing) - The Group recognises expected credit losses in an amount equal to the expected credit losses over the lifetime of the receivable.

The Group performs an assessment, at the end of each reporting period, of whether a receivable's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life and the credit risk at the date of initial recognition. The Group applies both its own internal quantitative and qualitative criteria and forward-looking information in assessing whether there has been a decrease in the credit quality of the receivables.

The Group assesses whether there has been a significant increase in credit risk since initial recognition on an individual or a collective basis. When assessing for impairment on a collective basis for a group of assets, those with similar credit risk characteristics are grouped together, according to collateral type, time remaining to maturity, initial recognition date and other relevant factors.

The Group considers a receivable to be credit-impaired when one or more events occur affecting the estimated future cash flows of the receivable, and there is evidence that the receivable is credit-impaired, such as the receivable being 90 days past due, indications that the borrower has financial difficulties, a breach of contract, the legal status of the receivable or repossession of a vehicle before the receivable is 90 days past due.

The Group sometimes makes modifications to the original terms of loans as a response to the borrower's financial difficulties. These are considered to be loans with a significant increase in credit risk or credit-impaired, unless there is evidence that the risk that contractual cash flows will not be received has decreased significantly and no other impairment indicators exist.

In order to estimate expected credit losses, the Group considers historically collected loss data, adjusted on the basis of current observable data. In addition, the Group applies forward-looking macroeconomic information that is supportable and reasonable and appropriately exercises judgement. At least once a year the Group also considers whether to adjust forward-looking information and the weighting of the probability of each scenario used in determining the expected credit losses. Most of the information used by the Group

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

is announced by the Bank of Thailand or other government agencies and adjusted to reflect the Group's internal perspective.

If the credit quality of a receivable improves in a subsequent period and the assessment is that it is no longer a receivable whose credit risk has significantly increased since initial recognition, as assessed in a previous period, the Group will change the basis for recognising expected credit losses from the lifetime expected credit losses to the 12-month expected credit losses, or the remaining period if that is less than 12 months.

Expected credit gains or losses are recognised in profit or loss. Receivables are written off either only when the Group has made efforts at collection appropriate to the circumstances, with clear evidence of follow up and no receipt of settlement.

3.2. Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss or through other comprehensive income.

Financial liabilities are classified and measured at amortised cost.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in 3 stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage as discussed in Note 3.1 to financial statements.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3. Financial assets with modifications of terms/Debt restructuring

When a financial asset's terms of repayment are renegotiated or modified, or debt is restructured, or existing financial asset is replaced with a new financial asset because the debtor is having financial problem, the Bank assesses whether to derecognise the financial asset and measure the expected credit losses, as follows:

- If the modification of terms does not result in derecognition of the financial asset, the Group calculates the gross book value of the new financial asset based on the present value of the new or modified cash flows, discounted using the original effective interest rate of the financial asset, and recognises gain or loss on contract modification of terms in profit or loss.
- If the modification of terms results in derecognition of the financial asset, the fair value of the new financial asset is the latest cash flows of the original financial asset on the date of derecognition. The difference between the book value and the fair value of the financial asset is recognised in profit or loss.

In cases where debt restructuring does not result in derecognition, a debtor is classified in the stage where there has been a significant increase in credit risk (Stage 2) or that is credit-impaired (Stage 3) until the repayment is made in compliance with the new debt restructuring agreement for not less than 12 months from the restructuring date. The financial asset is therefore classified in the stage where there has not been a significant increase in credit risk (Stage 1).

3.4. Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The interim financial statements are prepared using the same accounting judgements and estimates as were used for the financial statements for the year ended 31 December 2019, except for the following change in accounting judgement and estimate that was applied from 1 January 2020.

Allowance for expected credit losses

The management have to exercise judgement in estimating allowance for credit losses on hire purchase receivables, loans and sale with right of redemption agreement receivables and interest receivables. In order to estimate allowance for credit losses the Group exercises judgement in assessing the financial situation of the borrower and the net value of collateral, as well as in the use of forward-looking information. Such estimates involve many relevant variables and actual results may differ from the estimates.

5. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 2.2 to the interim consolidated financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of

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5. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (CONT'D)

initially applying these standards is recognised as an adjustment to retained earnings as at January 1, 2020.

Therefore, the comparative information was not restated

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit : Baht)

	Consolidated financial statements			January 1, 2020
	December 31, 2019	The impacts of Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Hire purchase receivables due				
within 1 year	2,034,113,564.74	(50,668,915.99)	0.00	1,983,444,648.75
Loans and sale with right of				
redemption agreement receivables	24,177,148.80	(365,806.56)	0.00	23,811,342.24
Other non-current receivables	38,695,974.51	(1,134,462.60)	0.00	37,561,511.91
Non-current assets				
Hire purchase receivables due				
over 1 year	4,866,668,072.53	(194,539,295.22)	0.00	4,672,128,777.31
Right-of-use assets	0.00	0.00	37,946,964.43	37,946,964.43
Deferred tax assets	52,721,038.59	49,341,696.08	0.00	102,062,734.67

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5. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF
NEW FINANCIAL REPORTING STANDARDS (CONT'D)

(Unit : Baht)

	Consolidated financial statements			
	The impacts of			
	Financial reporting standards related to financial			
	December 31, 2019	instruments	TFRS 16	January 1, 2020
Liability and shareholders' equity				
Current liability				
Current portion of lease liabilities	0.00	0.00	9,148,024.01	9,148,024.01
Non-current liability				
Lease Liabilities due over 1 year	0.00	0.00	28,798,940.42	28,798,940.42
Shareholders' equity				
Retained earnings - unappropriated	411,016,948.63	(197,366,784.29)	0.00	213,650,164.34

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5. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF
NEW FINANCIAL REPORTING STANDARDS (CONT'D)

(Unit : Baht)

	Separate financial statements			January 1, 2020
	December 31, 2019	The impacts of		
		Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Hire purchase receivables due				
within 1 year	2,034,113,564.74	(50,668,915.99)	0.00	1,983,444,648.75
Loans and sale with right of				
redemption agreement receivables	24,177,148.80	(365,806.56)	0.00	23,811,342.24
Other non-current receivables	38,695,974.51	(1,134,462.60)	0.00	37,561,511.91
Non-current assets				
Hire purchase receivables due				
over 1 year	4,866,668,072.53	(194,539,295.22)	0.00	4,672,128,777.31
Right-of-use assets	0.00	0.00	37,946,964.43	37,946,964.43
Deferred tax assets	53,436,774.14	49,341,696.08	0.00	102,778,470.22

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5. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (CONT'D)

(Unit : Baht)

	Separate financial statements			
	The impacts of			
	Financial reporting standards related to financial			
	December 31, 2019	instruments	TFRS 16	January 1, 2020
Liability and shareholders' equity				
Current liability				
Current portion of lease liabilities	0.00	0.00	9,148,024.01	9,148,024.01
Non-current liability				
Lease Liabilities due over 1 year	0.00	0.00	28,798,940.42	28,798,940.42
Shareholders' equity				
Retained earnings - unappropriated	394,693,723.42	(197,366,784.29)	0.00	197,326,939.13

5.1 Financial instruments

Details of the impact on retained earnings as at January 1, 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit : Baht)
	Consolidated/Separate financial statements
Recognition of an allowance for expected credit losses on financial assets	(197,366,784.29)
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	(197,366,784.29)

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5. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS
(CONT'D)

The classification and measurement basis, and carrying values of financial assets in accordance with TFRS 9 as at January 1, 2020, and with the carrying amounts under the former basis, are as follows:

(Unit : Baht)

	Consolidated financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total
Financial assets as at January 1, 2020					
Cash and cash equivalents	17,858,752.03	-	-	17,858,752.03	17,858,752.03
Hire purchase receivables	6,900,781,637.27	-	-	6,655,573,426.06	6,655,573,426.06
Loans and sale with right of redemption agreement receivables	24,177,148.80	-	-	23,811,342.24	23,811,342.24
Other non-current receivables	38,695,974.51			37,561,511.91	37,561,511.91
Short-term loans for joint venture	169,500,000.00	-	-	169,500,000.00	169,500,000.00
Other non-current financial asset	2,694,292.72	2,694,292.72	-	-	2,694,292.72
Long-term loans for joint venture	62,000,000.00	-	-	62,000,000.00	62,000,000.00
Pledged deposit at financial institution	1,066,000.00	-	-	1,066,000.00	1,066,000.00
Total financial assets	7,216,773,805.33	2,694,292.72	-	6,967,371,032.24	6,970,065,324.96

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5. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS
(CONT'D)

(Unit : Baht)

	Separate financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive		Total
			income	Amortized cost	
Financial assets as at January 1, 2020					
Cash and cash equivalents	16,367,132.03	-	-	16,367,132.03	
Hire purchase receivables	6,900,781,637.27	-	-	6,655,573,426.00	
Loans and sale with right of redemption agreement receivables	24,177,148.80	-	-	23,811,342.24	
Other non-current receivables	38,695,974.51			37,561,511.91	
Short-term loans for joint venture	169,500,000.00	-	-	169,500,000.00	
Other non-current financial asset	2,694,292.72	2,694,292.72	-	2,694,292.72	
Long-term loans for joint venture	62,000,000.00	-	-	62,000,000.00	
Pledged deposit at financial institution	66,000.00	-	-	66,000.00	
Total financial assets	7,175,586,210.82	2,694,292.72	-	6,964,879,412.18	

As at January 1, 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

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5. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (CONT'D)

5.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit : Baht)
	Consolidated and Separate financial statements
Operating lease commitments as at December 31, 2019	17,093,969.72
Less: Short-term leases and leases of low-value assets	(1,180,704.00)
Add: Extension option of the lease term	25,941,560.69
Less: Deferred interest expenses	(3,907,861.98)
Increase in lease liabilities due to TFRS 16 adoption	37,946,964.43
Liabilities under finance lease agreements as at December 31, 2019	0.00
Lease liabilities as at 1 January 2020	37,946,964.43
The above lease liabilities comprise of:	
Current lease liabilities	9,148,024.01
Non-current lease liabilities	28,798,940.42
	37,946,964.43

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5. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (CONT'D)

The adjustments of right-of-use assets due to TFRS 16 adoption as at January 1, 2020 are summarised below:

	(Unit : Baht)
	Consolidated and Separate financial statements
Land	4,230,315.85
Buildings	31,199,541.48
Office equipment	2,517,107.10
Total right-of-use assets	37,946,964.43

6. PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS BASIS

6.1 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	June 30, 2020	December 31, 2019	
Subsidiaries				
Mighty Broker Co., Ltd. (Registration on November 20, 2019)	Thailand	100.00	100.00	Insurance broker

- 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.

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6. PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS BASIS (CONT'D)

6.2 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.

7. CASH AND CASH EQUIVALENTS

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Cash on hand	386,507.25	842,193.00	381,789.75	842,193.00
Current accounts	55,740,692.56	14,832,794.82	55,710,962.56	14,812,794.82
Savings deposit	16,552,108.21	2,183,764.21	12,729,959.47	712,144.21
Total	72,679,578.02	17,858,752.03	68,822,711.78	16,367,132.03
Allowance for expected credit losses	(16,990.31)	0.00	(16,990.31)	0.00
Net	72,662,587.71	17,858,752.03	68,805,721.47	16,367,132.03

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8. HIRE PURCHASE RECEIVABLES

8.1 As at June 30, 2020 and December 31, 2019, the balances of hire purchase receivables classified by contractual due date are as follows.

(Unit : Baht)

	Consolidated and Separate financial statements			
	Due within 1 year		Due over 1 year	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Hire purchase receivables	2,722,943,654.91	2,719,330,219.20	5,280,910,160.23	5,740,486,048.64
<u>Less</u> Unrealized interest income	(622,979,341.54)	(653,522,341.38)	(737,236,547.18)	(828,371,358.40)
Net	2,099,964,313.37	2,065,807,877.82	4,543,673,613.05	4,912,114,690.24
<u>Less</u> Allowance for expected credit losses	(107,728,684.96)	(31,694,313.08)	(293,793,017.09)	(45,446,617.71)
Hire purchase receivables – net	<u>1,992,235,628.41</u>	<u>2,034,113,564.74</u>	<u>4,249,880,595.96</u>	<u>4,866,668,072.53</u>

8.2 As at June 30, 2020, the balances of hire purchase receivables and allowance for expected credit losses by a general approach classified by the stage of credit risk are as follows.

(Unit : Baht)

	Consolidated and Separate financial statements	
	June 30, 2020	
	Balance of receivables net of unearned interest income	Allowance for expected credit losses
Stage 1	5,234,189,976.66	96,183,894.83
Stage 2	920,196,117.38	109,717,529.03
Stage 3	489,251,832.38	195,620,278.19
Total	<u>6,643,637,926.42</u>	<u>401,521,702.05</u>

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8. HIRE PURCHASE RECEIVABLES (CONT'D)

As at December 31, 2019, the balances of hire purchase receivables classified by aging and allowance for doubtful accounts are as follows.

	(Unit : Baht)	
	Consolidated and Separate financial	
	statements	
	Number of	
	receivable	December 31, 2019
As at December 31, 2019		
Undue 1 installment	24,638	5,941,169,213.49
Overdue 2 - 3 installments	2,892	737,488,994.83
Overdue 4 - 6 installments	682	177,975,773.12
Overdue 7 - 12 installments	376	113,504,859.30
Overdue exceed 12 installments	29	7,783,727.32
	28,617	6,977,922,568.06
<u>Less</u> Allowance for doubtful accounts		(77,140,930.79)
Hire purchase receivables – net		6,900,781,637.27

As at June 30, 2020, parts of hire purchase receivables (before less by unrealized interest) amount of Baht 6,877,164,513.65 were used as collateral against long-term loans from a bank as stated in note 22 and note 25. (As at December 31, 2019, parts of hire purchase receivables amount of Baht 6,665,325,711.44 were used as collateral against bank overdrafts and long-term loans from a bank as stated in note 22 and note 25).

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9. Troubled debt restructuring/debts under the measures to assist debtors

As at June 30, 2020 and December 31, 2019, the balances of hire purchase receivables of the Group for which troubled debt restructuring agreements have been made and which are debts under the measures to assist debtors were as follows.

	Consolidated financial statements		Separate financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Total number of agreements at end of period/year	28,799	28,617	28,779	28,617
Troubled debt restructuring				
Number of agreements	57	0	57	0
Balance (Million Baht)	23.92	0.00	23.92	0.00
Debts under the measures to assist debtors				
Debts granted a moratorium				
Number of agreements	1,856	0	1,856	0
Balance (Million Baht)	357.52	0.00	357.52	0.00
Pre-emptive debt restructuring				
Number of agreements	135	0	135	0
Balance (Million Baht)	74.15	0.00	74.15	0.00

10. LOANS AND SALE WITH RIGHT OF REDEMPTION AGREEMENT RECEIVABLES

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	June 30, 2020	December 31, 2019
Loans and sale with right of redemption agreement receivables	8,939,200.00	24,225,600.00
Total	8,939,200.00	24,225,600.00
<u>Less</u> Allowance for expected credit losses		
(Allowance for doubtful accounts)	(152,860.32)	(48,451.20)
Loans and sale with right of redemption agreement receivables - net	8,786,339.68	24,177,148.80

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

As at June 30, 2020, the balances of loans and sale with right of redemption agreement receivables and allowance for expected credit losses by a general approach classified by the stage of credit risk are as follows.

(Unit : Baht)

	Consolidated and Separate financial statements	
	June 30, 2020	
	Balance of receivables net of unearned interest income	Allowance for expected credit losses
Stage 1	8,939,200.00	152,860.32
Stage 2	0.00	0.00
Stage 3	0.00	0.00
Total	8,939,200.00	152,860.32

As at December 31, 2019, the balances of loans and sale with right of redemption agreement receivables classified by aging and allowance for doubtful accounts are as follows.

(Unit : Baht)

	Consolidated and Separate financial statements	
	Number of receivable	December 31, 2019
As at December 31, 2019		
Undue 1 installment	41	24,225,600.00
Overdue 2 - 3 installments	0	0.00
Overdue 4 - 6 installments	0	0.00
Overdue 7 - 12 installments	0	0.00
Overdue exceed 12 installments	0	0.00
Total	41	24,225,600.00
<u>Less</u> Allowance for doubtful accounts		(48,451.20)
Loans and sale with right of redemption agreement receivables - net		24,177,148.80

As at June 30, 2020, the Company has loans receivable to 5 individuals (amount 20 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, 2019, 8 individuals).

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11. OTHER CURRENT RECEIVABLES

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Accrued value added tax	9,205,878.88	6,985,980.71	9,205,878.88	6,985,980.71
Accrued insurance premium				
discount income	3,258,993.69	6,190,113.00	3,258,993.69	6,190,113.00
Loans receivable to employee				
	1,230,435.00	1,789,214.00	1,230,435.00	1,789,214.00
Amortized fee expenses	6,426,419.90	9,345,025.23	6,426,419.90	9,345,025.23
Others	13,332,145.92	14,527,641.57	13,328,648.52	14,527,641.57
Total	33,453,873.39	38,837,974.51	33,450,375.99	38,837,974.51
<u>Less</u> Allowance for expected credit losses				
(Allowance for doubtful accounts)	(1,855,428.70)	(142,000.00)	(1,855,428.70)	(142,000.00)
Other current receivables - net	31,598,444.69	38,695,974.51	31,594,947.29	38,695,974.51

12. LOANS FOR JOINT VENTURE

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	June 30, 2020	December 31, 2019
Short – term loans	239,500,000.00	169,500,000.00
Long – term loans	12,000,000.00	62,000,000.00
Total	251,500,000.00	231,500,000.00

As at June 30, 2020 and 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% - 6.50% per annum

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13. PROPERTIES FORECLOSED

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	June 30, 2020	December 31, 2019
Properties foreclosed	96,808,840.22	75,869,962.10
<u>Less</u> Provision for impairment - properties foreclosed	(41,264,028.05)	(32,480,030.60)
Properties foreclosed - net	<u>55,544,812.17</u>	<u>43,389,931.50</u>

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14. OTHER NON-CURRENT FINANCIAL ASSET

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)	
			Jun 30,2020	Dec 31,2019	Jun 30,2020	Dec 31,2019	Jun 30,2020	Dec 31,2019	Jun 30,2020	Dec 31,2019
1	Premium Services (Thailand) Co., Ltd. (Formerly named Eastern Premium Services Co., Ltd.)	Motor vehicles maintenance body repairing and printing	32,912.00	32,912.00	15.00	15.00	3,882,622.23	3,882,622.23	7,461,300.00	7,461,300.00
	<u>Less</u> allowance for impairment					(1,859,781.78)	(1,188,329.51)	(5,438,459.55)	(4,767,007.28)	
	Other non-current financial asset- net					<u>2,022,840.45</u>	<u>2,694,292.72</u>	<u>2,022,840.45</u>	<u>2,694,292.72</u>	

14.1 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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15. 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	
			Jun 30,2020	Dec 31,2019	Jun 30,2020	Dec 31,2019	Jun 30,2020	Dec 31,2019
1	Mighty Broker Co., Ltd.	Insurance broker	5,000.00	2,500.00	100.00	100.00	5,000,000.00	2,500,000.00
Total							5,000,000.00	2,500,000.00

15.1 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 in fully amount.

16. 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	
				Jun 30,2020	Dec 31,2019	Jun 30,2020	Dec 31,2019	Jun 30,2020	Dec 31,2019	Jun 30,2020	Dec 31,2019
1	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	80,000.00	60.00	60.00	58,859,592.02	53,065,664.76	36,000,000.00	36,000,000.00
Total								58,859,592.02	53,065,664.76	36,000,000.00	36,000,000.00

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16. INVESTMENT IN JOINT VENTURE (CONT'D)

16.1. 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.

16.2. 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 June 30, 2020, the Company recorded investment in joint venture at cost in separate financial statements and recognized share of profit in joint venture 1 companies for the three-month periods and six-month periods ended June 30, 2020, amount of Baht 2.67 million and Baht 5.79 million respectively, or equal to 27.84% and equal to 773.58% respectively, of profit for the periods in financial statements in which the equity method is applied.

17. OTHER NON-CURRENT RECEIVABLES

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	June 30, 2020	December 31, 2019
Receivables under lawsuit	122,335,917.56	109,613,350.44
<u>Less</u> Allowance for expected credit losses (Allowance for doubtful accounts)	<u>(122,335,917.56)</u>	<u>(109,613,350.44)</u>
Net	0.00	0.00
Receivables under debt compromise agreement	5,805,004.82	12,353,152.41
<u>Less</u> Allowance for expected credit losses (Allowance for doubtful accounts)	<u>(5,805,004.82)</u>	<u>(12,353,152.41)</u>
Net	0.00	0.00
Receivables - net	0.00	0.00
Others	362,076.47	295,982.00
<u>Less</u> Allowance for expected credit losses (Allowance for doubtful accounts)	<u>(296,329.00)</u>	<u>(267,194.00)</u>
Total	<u>65,747.47</u>	<u>28,788.00</u>

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

Receivables under lawsuit and allowance for expected credit losses.

(Unit : Baht)

	Number of receivable		Consolidated and Separate financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
	Receivable after unrealized interest income	143	124	122,335,917.56
Receivable for provide Allowance for expected credit losses (Allowance for doubtful accounts)			122,335,917.56	109,613,350.44
%			100%	100%
Allowance for expected credit losses (Allowance for doubtful accounts)			(122,335,917.56)	(109,613,350.44)

Overdue receivable under debt compromise agreement and allowance for expected credit losses as at June 30, 2020.

(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 expected credit losses
Undue 3 installments	7	1,562,954.18	1,562,954.18	100%	1,562,954.18
Overdue 4 – 11 installments	4	1,128,498.16	1,128,498.16	100%	1,128,498.16
Overdue 12 installments onwards	7	3,113,552.48	3,113,552.48	100%	3,113,552.48
Total	18	5,805,004.82	5,805,004.82		5,805,004.82

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17. 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

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18. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

	Consolidated and Separate financial statements								Total
	June 30, 2020								
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Assets under construction	
Cost									
As at December 31, 2019	7,324,162.50	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
Acquisition	0.00	0.00	0.00	203,841.29	314,451.05	97,700.00	595,508.94	364,411.96	1,575,913.24
Transfer in (out)	0.00	0.00	0.00	364,411.96	0.00	0.00	0.00	(364,411.96)	0.00
Written off	0.00	0.00	0.00	(1,192,408.62)	(191,186.35)	(267,792.52)	(4,113,075.38)	0.00	(5,764,462.87)
As at June 30, 2020	<u>7,324,162.50</u>	<u>8,977,783.71</u>	<u>2,130,792.03</u>	<u>12,703,906.59</u>	<u>16,508,982.49</u>	<u>13,871,497.35</u>	<u>35,329,676.45</u>	<u>0.00</u>	<u>96,846,801.12</u>
Accumulated depreciation									
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
Depreciation	0.00	223,690.47	53,085.91	1,861,805.66	1,324,835.29	985,493.09	2,402,892.30	0.00	6,851,802.72
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	(1,049,855.61)	(129,552.92)	(206,017.06)	(2,986,414.67)	0.00	(4,371,840.26)
As at June 30, 2020	<u>0.00</u>	<u>8,065,246.02</u>	<u>378,330.70</u>	<u>6,907,566.47</u>	<u>12,762,848.11</u>	<u>8,552,442.36</u>	<u>12,505,475.05</u>	<u>0.00</u>	<u>49,171,908.71</u>
Net book value									
As at December 31, 2019	<u>7,324,162.50</u>	<u>1,136,228.16</u>	<u>1,805,547.24</u>	<u>7,232,445.54</u>	<u>4,818,152.05</u>	<u>6,268,623.54</u>	<u>25,758,245.47</u>	<u>0.00</u>	<u>54,343,404.50</u>
As at June 30, 2020	<u>7,324,162.50</u>	<u>912,537.69</u>	<u>1,752,461.33</u>	<u>5,796,340.12</u>	<u>3,746,134.38</u>	<u>5,319,054.99</u>	<u>22,824,201.40</u>	<u>0.00</u>	<u>47,674,892.41</u>

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

(Unit : Baht)

	Consolidated and Separate financial statements								Total
	December 31, 2019								
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Assets under construction	
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	<u>7,324,162.50</u>	<u>8,977,783.71</u>	<u>2,130,792.03</u>	<u>13,328,061.96</u>	<u>16,385,717.79</u>	<u>14,041,589.87</u>	<u>38,847,242.89</u>	<u>0.00</u>	<u>101,035,350.75</u>
Accumulated depreciation									
As at December 31, 2018	0.00	7,392,945.48	223,621.35	3,131,538.59	8,871,146.45	6,274,903.61	17,664,118.79	0.00	43,558,274.27
Depreciation	0.00	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	<u>0.00</u>	<u>7,841,555.55</u>	<u>325,244.79</u>	<u>6,095,616.42</u>	<u>11,567,565.74</u>	<u>7,772,966.33</u>	<u>13,088,997.42</u>	<u>0.00</u>	<u>46,691,946.25</u>
Net book value									
As at December 31, 2018	<u>7,324,162.50</u>	<u>1,584,838.23</u>	<u>1,749,330.68</u>	<u>2,816,383.01</u>	<u>5,609,166.02</u>	<u>4,357,220.38</u>	<u>20,391,240.88</u>	<u>0.00</u>	<u>43,832,341.70</u>
As at December 31, 2019	<u>7,324,162.50</u>	<u>1,136,228.16</u>	<u>1,805,547.24</u>	<u>7,232,445.54</u>	<u>4,818,152.05</u>	<u>6,268,623.54</u>	<u>25,758,245.47</u>	<u>0.00</u>	<u>54,343,404.50</u>

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

Depreciation for the six-month periods enden June 30, 2020 and 2019, amounted to Baht 6,851,802.72 and Baht 5,672,838.40 respectively.

As at June 30, 2020, has fixed assets at cost of Baht 11,650,717.77 and net book value of Baht 1,188.00 which were fully depreciated but are still being operated (as at December 31, 2019, cost of Baht 10,697,900.39 and net book value of Baht 1,051.00).

Land and construction were mortgaged as guarantee for bank overdrafts and long-term loans from a bank as mentioned in notes 22 and 25.

19. RIGHT-OF-USE ASSETS

	(Unit : Baht)			
	Consolidated and Separate financial statements			
	June 30, 2020			
	Land	Building	Equipment	Total
Cost				
As at December 31, 2019	0.00	0.00	0.00	0.00
Adjustments due to the initial adoption of TFRS16 write off	4,230,315.85	31,727,192.32	2,517,107.10	38,474,615.27
	0.00	(3,136,038.11)	0.00	(3,136,038.11)
As at June 30, 2020	4,230,315.85	28,591,154.21	2,517,107.10	35,338,577.16
Accumulated depreciation				
As at December 31, 2019	0.00	0.00	0.00	0.00
Depreciation write off	615,306.58	3,761,977.84	410,864.12	4,788,148.54
	0.00	(534,750.12)	0.00	(534,750.12)
As at June 30, 2020	615,306.58	3,227,227.72	410,864.12	4,253,398.42
Net book value				
As at June 30, 2020	3,615,009.27	25,363,926.49	2,106,242.98	31,085,178.74
Write off depreciation for the period				
As at June 30, 2020	615,306.58	3,761,977.84	410,864.12	4,788,148.54
Decrease of rental/cancelled branch	0.00	(77,930.41)	(20,656.08)	(98,586.49)
Depreciation after decrease of rental/cancelled branch	615,306.58	3,684,047.43	390,208.04	4,689,562.05

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20. INTANGIBLE ASSETS

	(Unit : Baht)		
	Consolidated financial statements		
	Computer software	Computer software under installation	Total
Cost			
As at December 31, 2019	1,505,680.00	5,100,000.00	6,605,680.00
Acquisition	53,500.00	0.00	53,500.00
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at June 30, 2020	1,559,180.00	5,100,000.00	6,659,180.00
Accumulated amortization			
As at December 31, 2019	639,533.76	0.00	639,533.76
Amortization for the period	57,035.89	0.00	57,035.89
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at June 30, 2020	696,569.65	0.00	696,569.65
Net book value			
As at December 31, 2019	866,146.24	5,100,000.00	5,966,146.24
As at June 30, 2020	862,610.35	5,100,000.00	5,962,610.35
Amortization for the period			
As at June 30, 2020	57,035.89	0.00	57,035.89
As at June 30, 2019	52,931.74	0.00	52,931.74

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20. INTANGIBLE ASSETS (CONT'D)

	(Unit : Baht)		
	Separate financial statements		
	Computer software	Computer software under installation	Total
Cost			
As at December 31, 2019	1,505,680.00	5,100,000.00	6,605,680.00
Acquisition	0.00	0.00	0.00
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at June 30, 2020	<u>1,505,680.00</u>	<u>5,100,000.00</u>	<u>6,605,680.00</u>
Accumulated amortization			
As at December 31, 2019	639,533.76	0.00	639,533.76
Amortization for the period	56,596.16	0.00	56,596.16
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at June 30, 2020	<u>696,129.92</u>	<u>0.00</u>	<u>696,129.92</u>
Net book value			
As at December 31, 2019	<u>866,146.24</u>	<u>5,100,000.00</u>	<u>5,966,146.24</u>
As at June 30, 2020	<u>809,550.08</u>	<u>5,100,000.00</u>	<u>5,962,610.35</u>
Amortization for the period			
As at June 30, 2020	56,596.16	0.00	56,596.16
As at June 30, 2019	52,931.74	0.00	52,931.74

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20. INTANGIBLE ASSETS (CONT'D)

	(Unit : Baht)		
	Consolidated and Separate financial statements		
	Computer software	Computer software under installation	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

21. PLEDGED DEPOSIT AT FINANCIAL INSTITUTION

As at June 30, 2020, 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 39 (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).

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

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	June 30, 2020	December 31, 2019
Bank overdrafts	994,791.44	35,858,052.24
Short-term loans - promissory notes	40,000,000.00	360,239,000.00
Total	40,994,791.44	396,097,052.24

22.1 As at June 30, 2020, the Company has overdrafts line with 5 banks totaling Baht 100 million (As at December 31, 2019, has overdrafts line with 5 banks totaling Baht 100 million) mortgaging land with its construction in note 18.

22.2 As at June 30, 2020, has loans from 4 banks by issuing promissory notes due on term of payment for credit line total amount of Baht 560 million (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 detailed below:

22.2.1 Loans from the 1st bank for credit line amount of Baht 200 million.

22.2.2 Loans from the 2nd Foreign bank for credit line amount of Baht 300 million were withdrawn and the remaining debt obligation amount of Baht 20 million at the interest is charged at the rate of 1.75% per annum. These loans are guaranteed by related parties in foreign countries.

22.2.3 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 3.10% per annum. These loans are guaranteed by transferring the right on part of hire purchase receivable in note 8.

22.2.4 Loans from the 4th bank for credit line amount of Baht 20 million were withdrawn and the remaining debt obligation amount of Baht 20 million at the interest is charged at the rate of 2.00% per annum. These loans has no collateral.

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23. TRADE AND OTHER CURRENT PAYABLES

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Credit payable	0.00	2,600.00	0.00	2,600.00
Accrued interest expenses	6,165,631.26	9,246,833.51	6,165,631.26	9,246,833.51
Advance receipt	20,079,393.14	25,033,668.02	20,079,393.14	25,033,668.02
Revenue Department payable	18,739,613.56	17,963,897.68	18,738,828.91	17,963,897.68
Accrued expenses	1,601,016.52	4,032,819.72	1,481,016.52	4,007,819.72
Others	4,988,724.25	10,635,627.13	4,988,724.25	10,635,627.13
Total	51,574,378.73	66,915,446.06	51,453,594.08	66,890,446.06

24. 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 3.00 – 3.30% per annum
Mr. Prapakorn Veeraphong	Major shareholder and managing director	At the lease liabilities 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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24. 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%
		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)

24.1 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. For which such individual has made the sale with right of redemption.

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

24.2 Loans for joint venture

	(Unit : Baht)			
	Consolidated and Separate financial statements			
	Balance			Balance
	December 31,			June 30, 2020
	2019	Increase	Decrease	
ECL Asset Co., Ltd.				
- Short-term loans	169,500,000.00	223,500,000.00	(153,500,000.00)	239,500,000.00
- Long-term loans	62,000,000.00	12,000,000.00	(62,000,000.00)	12,000,000.00
Total	231,500,000.00			251,500,000.00

24.3 Short-term loans from related person

	(Unit : Baht)			
	Consolidated and Separate financial statements			
	Balance			Balance
	December 31, 2019	Increase	Decrease	June 30, 2020
Mr. Preecha Veeraphong	220,000,000.00	125,000,000.00	(220,000,000.00)	125,000,000.00
<u>Less</u> Prepaid interest expenses	(2,017,768.30)	(1,681,898.48)	2,644,616.65	(1,055,050.13)
Total	217,982,231.70			123,944,949.87

As at June 30, 2020, loans from 1 related person by issuing bills of exchange matured in July to November 2020 at the interest rate of 3.00 - 3.30% per annum.

24.4 Other receivables

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	June 30, 2020	December 31, 2019
Premium Financial Services Co., Ltd.		
Borrowing guarantee fee	704,687.87	1,379,372.58

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24 TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT'D)

24.5 Lease liabilities

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	June 30, 2020	December 31, 2019
Hitec Land Chonburi (2002) Co., Ltd.	3,781,902.93	0.00
Thai Preeda Trading Co., Ltd.	1,843,199.88	0.00
Mr. Prapakorn Veeraphong	421,052.64	0.00

24.6 Revenues and expenses are as follows:

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	For the three-month periods ended	
	June 30, 2020	June 30, 2019
ECL Asset Co., Ltd.		
Rental income	120,000.00	40,0000.00
Premium Financial Services Co., Ltd.		
Remuneration under joint business agreement	600,000.00	1,800,000.00
Consulting services	100,000.00	300,000.00
Borrowing guarantee fee	531,874.82	568,353.59

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24.6 Revenues and expenses (CONT'D)

	(Unit : Baht)	
	Consolidated and	
	Separate financial statements	
	For the six-month periods ended	
	June 30, 2020	June 30, 2019
Premium Asset Management (Thailand) Co., Ltd. (Formerly named PFS (Thailand) Co., Ltd.)		
Rental income	0.00	120,000.00
ECL Asset Co., Ltd.		
Rental income	240,000.00	40,000.00
Premium Financial Services Co., Ltd.		
Remuneration under joint business agreement	2,400,000.00	3,600,000.00
Consulting services	400,000.00	600,000.00
Borrowing guarantee fee	1,394,684.34	1,125,233.00

25. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Loans from 8 banks consist of:

	As at June 30, 2020		Interest rate	(Unit : Baht)	
	Credit amount	Credit remaining		June 30, 2020	December 31, 2019
1st bank	500	143.99	3.90 ^๕ 4.90%, MLR-1.75%	356,013,000.00	254,587,000.00
2nd bank	3,780	240.00	Fixed Rate (IRS)(3.90 ^๕ 4.58%)	1,878,368,000.00	1,780,960,000.00
3rd bank	200	0.00	MLR – 2.00%	161,108,000.00	194,444,000.00
4th bank	2,050	145.83	MLR – (2.25% ^๕ 2.625%)	1,166,114,140.00	1,303,206,530.00
5th bank	50	0.00	4%, (MLR – 1.50%)	160,000.00	4,520,000.00
6th bank	150	0.00	BBL's MLR – 1.70%	45,833,333.00	67,708,333.07
7th bank	1,000	100.00	MLR – 1.50%	571,594,666.57	588,125,955.91
8th bank	250	0.00	2.00%	250,000,000.00	0.00
Total	7,980	629.82		4,429,191,139.57	4,193,551,818.98
<u>Less</u> Current portion of long-term debts				(1,796,292,144.00)	(1,684,748,534.00)
Net				2,632,898,995.57	2,508,803,284.98

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

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

Moments in long-term loan for the six-month periods ended June 30, 2020, are as follows:

	(Unit : Baht)
	Consolidated and Separate financial statements
Balance as at December 31, 2019	4,193,551,818.98
Additional proceeds during the period	1,170,000,000.00
Repayment during the period	(934,360,679.41)
Balance as at June 30, 2020	4,429,191,139.57

25.1 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.(remaining is Baht 143.99 million) These loans are guaranteed by transferring the right on part of hire purchase receivable as stated in note 8.

25.2 The second bank, loans from bank amount of Baht 3,780 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 3,780 million dividend into credit line amount of Baht 240 million (remaining is Baht 240 million) and credit line amount of Baht 3,540 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 8 and 18.

25.3 The third 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 8.

25.4 The fourth 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 1,650 million from the loans withdrawal date in fully amount and credit line amount of Baht 400 million were already withdrawn, when the repayment is made that the withdrawal can be renewed.(remaining is Baht 145.83 million) The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 8.

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

- 25.5 The fifth 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 8.
- 25.6 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 8.
- 25.7 The seventh bank, loans from bank amount of Baht 1,000 million dividend into credit line amount of Baht 500 million (remaining is Baht 100 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 8.
- 25.8 The eighth bank, loans from bank amount of Baht 250 million which were withdrawn in fully amount. The principal and interest are monthly repayable within 2 years from the loans withdrawal date with a grace period for the first 12 months. The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 8.

26. LEASE LIABILITIES

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	June 30, 2020	December 31, 2019
Lease liabilities	34,430,225.05	0.00
Less: Deferred interest expense	(3,016,683.16)	0.00
Total	31,413,541.89	0.00
Less Current portion of lease liabilities	(8,286,125.28)	0.00
Lease liabilities - net of current portion	23,127,416.61	0.00

The Group has entered into the land lease agreements, lease agreements to lease building and lease agreements to lease equipment for use in their operation. The terms of the agreements are generally between 1 to 6 years.

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26. LEASE LIABILITIES (CONT'D)

Future minimum lease payments required under the lease agreements were as follows:

	Consolidated and Separate financial statements			
	June 30, 2020			
	Less than			
	1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	9,558,002.82	24,872,222.23	0.00	34,430,225.05
Deferred interest expenses	(1,271,877.54)	(1,744,805.62)	0.00	(3,016,683.16)
Present value of future minimum lease payments	8,286,125.28	23,127,416.61	0.00	31,413,541.89

27. 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	June 30, 2020	December 31, 2019
Debentures # 1/2018	4.40% per annum	2 years	October 5, 2020	494,500,000.00	600,000,000.00
Total debentures, at face value				494,500,000.00	600,000,000.00
Less: Unamortized portion of deferred transaction costs				(78,903.67)	(576,433.57)
				494,421,096.33	599,423,566.43
Less: Current portion of debentures				(494,421,096.33)	(599,423,566.43)
Debentures				0.00	0.00

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.

During the period, the Company partially redeemed debentures amount of Baht 105.50 million.

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28. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

The changes in present value of employee benefit obligations for the six-month periods ended June 30, 2020 and 2019, as follows:

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	June 30, 2020	June 30, 2019
Non-current provisions for employee benefit as at January 1	30,371,754.00	18,986,993.04
Recognition in profit or loss :		
Current cost of service and interest	1,421,992.18	1,396,009.48
Previous service costs and interest	0.00	5,663,306.00
Employee compensation - Retirement	(568,606.70)	0.00
Employee compensation - Layoff	(258,728.62)	0.00
Non-current provisions for employee benefit as at June 30	<u>30,966,410.89</u>	<u>26,046,308.52</u>

Long-term employee benefit expense for the six-month periods ended June 30, 2020 and 2019.

Actuarial assumptions to use for calculation:

	<u>2020</u>	<u>2019</u>
	Percentage	Percentage
Discount rate	1.65	1.65
Salary increase rate	5.00%	5.00%
Mortality rate	Thailand TMO2017 tables	Thailand TMO2017 tables

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at June 30, 2020, are summarized below:

	(Unit : Baht)	
	Increase	Decrease
Discount rate (changed at 0.5%)	(352,107.00)	385,194.50
Salary increase rate (changed at 0.5%)	447,438.50	(410,400.00)
Turnover rate (changed at 10%)	(453,093.50)	510,409.50

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29. SHARE CAPITAL

Reconciliation of issued and paid-up share capital

	Registered ordinary shares		Issued and paid-up ordinary shares		
	Number of share	Amount	Number of share	Paid-up share capital	Premium on share capital
	(Share)	(Baht)	(Share)	(Baht)	(Baht)
As at January 1, 2020	1,663,285,866	1,663,285,866.00	1,108,857,244	1,108,857,244.00	279,957,364.10
Share capital decreased	-	-	-	-	-
Share capital increased	-	-	-	-	-
Increase from exercised of warrants	-	-	-	-	-
As at June 30, 2020	1,663,285,866	1,663,285,866.00	1,108,857,244	1,108,857,244.00	279,957,364.10

29.1 Decrease share capital

29.1.1 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.

29.2 Increase share capital

29.2.1 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.

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30. 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.

31. 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.

32. 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 six-month periods ended June 30, 2020 and 2019, the Company paid the contribution to the fund of Baht 3,092,198.66 and Baht 2,964,158.00 respectively.

33. DIRECTORS' REMUNERATION AND MANAGEMENT BENEFIT EXPENSES

33.1 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.

33.2 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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34. 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.

35. EXPENSES ANALYZED BY NATURE

The significant expenses analyzed by nature are as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended			
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Employees benefit expenses	17,340,226.00	41,605,888.20	17,340,226.00	41,605,888.20
Directors' remuneration	1,543,000.00	2,240,000.00	1,543,000.00	2,240,000.00
Management benefit expenses	8,067,840.00	8,489,100.00	8,067,840.00	8,489,100.00
Depreciation	5,805,356.43	2,986,586.35	5,804,916.70	2,986,586.35
Amortized commission expenses	20,930,280.22	14,583,760.61	20,930,280.22	14,583,760.61
Bad Debt	15,091,038.06	14,453,885.36	15,091,038.06	14,453,885.36
Credit losses on receivables	49,532,948.12	13,966,129.09	49,532,948.12	13,966,129.09

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35. EXPENSES ANALYZED BY NATURE (CONT'D)

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended			
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Employees benefit expenses	65,506,447.90	77,363,135.69	65,506,447.90	77,363,135.69
Directors' remuneration	3,776,000.00	4,480,000.00	3,776,000.00	4,480,000.00
Management benefit expenses	16,616,940.00	17,332,200.00	16,616,940.00	17,332,200.00
Depreciation	11,598,400.66	5,725,770.14	11,597,960.93	5,725,770.14
Amortized commission expenses	37,501,040.92	28,328,037.64	37,501,040.92	28,328,037.64
Bad Debt	37,924,536.09	21,037,095.72	37,924,536.09	21,037,095.72
Credit losses on receivables	85,693,683.24	40,501,926.14	85,693,683.24	40,501,926.14

36. INCOME TAX

36.1. Income tax expenses for the six-month periods ended June 30, 2020 and 2019, can be summarized as

follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended			
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Current tax:				
Income tax for the period	22,866,708.61	27,854,545.34	22,901,504.76	27,854,545.34
Deferred tax:				
Deferred tax on temporary differences and reserved temporary differences	(22,867,653.89)	(10,972,181.73)	(22,867,653.89)	(10,972,181.73)
Income tax expenses presented in statement of comprehensive income	(945.28)	16,882,363.61	33,850.87	16,882,363.61

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36. EXPENSES ANALYZED BY NATURE (CONT'D)

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

used for the six-month periods ended June 30, 2020 and 2019, can be presented as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Accounting profit before income tax	748,033.73	81,932,724.94	(4,871,912.79)	80,315,551.66
Income tax rates	20%	20%	20%	20%
Accounting profit before income tax multiply by tax rates	149,606.75	16,386,544.99	(974,382.56)	16,063,110.33
Taxable effect for:				
Prohibited taxable items	22,718,992.42	11,468,000.35	23,808,185.58	11,791,435.01
Temporary differences from effect of deferred income tax	(22,867,653.89)	(10,972,181.73)	(22,867,653.89)	(10,972,181.73)
Income tax expenses presented in statement of income	(945.28)	16,882,363.61	33,850.87	16,882,363.61
Effective income tax rate (%)	0.13%	20.61%	0.69%	21.02%

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36. INCOME TAX (CONT'D)

36.3 Deferred tax assets and liabilities components as at June 30, 2020 and December 31, 2019, consist of the following transaction.

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Deferred tax assets				
Reserve for allowance for doubtful				
accounts - hire purchase receivable	80,304,340.41	15,428,186.16	80,304,340.41	15,428,186.16
Reserve for allowance for doubtful				
accounts - loans and sale with				
right of redemption receivable	30,572.06	9,690.24	30,572.06	9,690.24
Reserve for allowance for doubtful				
accounts - Receivables under lawsuit	23,553,591.71	20,987,078.29	23,553,591.71	20,987,078.29
Reserve for allowance for doubtful				
accounts - debt compromise receivables	1,161,000.96	2,470,630.48	1,161,000.96	2,470,630.48
Reserve for allowance for doubtful				
accounts - other receivables	87,665.80	81,838.80	87,665.80	81,838.80
Reserve for allowance for doubtful				
accounts - Receivables under lawsuit –				
car loan	913,591.80	935,591.80	913,591.80	935,591.80
Reserve for allowance for doubtful				
accounts - Other current receivables	342,685.74	0.00	342,685.74	0.00
Provision for impairment of assets –				
foreclosed	8,252,805.61	6,496,006.12	8,252,805.61	6,496,006.12
Non-current provisions for				
employee benefit	6,193,282.18	6,074,350.80	6,193,282.18	6,074,350.80
Provision for impairment of investment	371,956.36	237,665.90	1,087,691.91	953,401.46
Lease	94,546.46	0.00	94,546.46	0.00
Total	<u>121,306,039.09</u>	<u>52,721,038.59</u>	<u>122,021,774.64</u>	<u>53,436,774.14</u>
Deferred tax liabilities				
Deferred commission	19,072,270.87	22,696,620.34	19,072,270.87	22,696,620.34
Total	<u>19,072,270.87</u>	<u>22,696,620.34</u>	<u>19,072,270.87</u>	<u>22,696,620.34</u>
Net	<u>102,233,768.22</u>	<u>30,024,418.25</u>	<u>102,949,503.77</u>	<u>30,740,153.80</u>

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37. EARNINGS PER SHARE

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

Diluted earnings per share is calculated by dividing the profit for the period attributable to shareholders (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 conversion of all dilutive potential ordinary shares to ordinary shares at the beginning of the year or at the potential ordinary shares issuance date.

Basic earnings per share for the three-month periods ended June 30, 2020 and 2019, can be presented as follows:

(Unit : Baht)

Consolidated financial statements						
For the three-month periods ended						
	June 30, 2020			June 30, 2019		
	Profit (Loss)	Number of share	Earnings per share	Profit (Loss)	Number of share	Earnings per share
Basis earnings per share	(10,472,672.22)	1,108,857,244	(0.0094)	26,919,289.34	1,108,857,244	0.0243

(Unit : Baht)

Separate financial statements						
For the three-month periods ended						
	June 30, 2020			June 30, 2019		
	Profit (Loss)	Number of share	Earnings per share	Profit (Loss)	Number of share	Earnings per share
Basis earnings per share	(13,053,265.18)	1,108,857,244	(0.0118)	26,828,203.43	1,108,857,244	0.0242

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37. EARNINGS PER SHARE (CONT'D)

Basic earnings per share for the six-month periods ended June 30, 2020 and 2019, can be presented as follows:

(Unit : Baht)

	Consolidated financial statements					
	For the six-month periods ended					
	June 30, 2020			June 30, 2019		
Profit (Loss)	Number	Earnings	Profit (Loss)	Number	Earnings	
	of share	per share		of share	per share	
Basis earnings per share	748,979.01	1,108,857,244	0.0007	65,050,361.33	1,108,857,244	0.0587

(Unit : Baht)

	Separate financial statements					
	For the six-month periods ended					
	June 30, 2020			June 30, 2019		
Profit (Loss)	Number	Earnings	Profit (Loss)	Number	Earnings	
	of share	per share		of share	per share	
Basis earnings per share	(4,905,763.66)	1,108,857,244	(0.0044)	63,433,188.05	1,108,857,244	0.0572

38. COMMITMENT AND CONTINGENT LIABILITIES

38.1 As at June 30, 2020, contingent liabilities from bank's issuance of letter of guarantee for electricity usage amount of Baht 66,000.00 (as at December 31, 2019, of Baht 66,000.00).

38.2 As at June 30, 2020, contingent liabilities from Office of Insurance Commission amount of Million Baht 1.00 (as at December 31, 2019, of Million Baht 1.00).

38.3 As at June 30, 2020, liable on payment under rental agreement within 1 year in amount of Baht 0.50 million and over 1 year in amount of Baht 0.39 million.

39. SIGNIFICANT CONTRACT

Co-business investment contract

39.1 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

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39 SIGNIFICANT CONTRACT (CONT'D)

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). The termination of a contract is on April 26, 2020 without renewal.

39.2 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. The termination of a contract is on May 31, 2020 without renewal.

40. 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 June 30, 2020, the Company has debt to equity ratio as summarized below:

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Debt to equity ratio	3.11	3.15

41. APPROVAL OF INTERIM FINANCIAL STATEMENTS APPROVAL

These interim financial statements were approved and authorized for issue by the Company's Board of directors on August 13, 2020.

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