

**EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED**

**AND SUBSIDIARIES**

**AUDITOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

## **INDEPENDENT AUDITOR'S REPORT**

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

### ***Opinion***

I have audited the accompanying consolidated and separate financial statements of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES (“the Group”) and of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED (“the Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2020, and the consolidated and separate statement of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED as at December 31, 2020, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### ***Basis for Opinion***

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

### ***Emphasis of matters***

I draw attention to Note 1.5 and 3 to the financial statements. Due to the impact of the COVID-19 pandemic, in preparing the financial statements for the year ended December 31, 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy issued by the Federation of Accounting Professions. My opinion is not modified in respect of this matter.

***Key Audit Matters***

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

**Key audit matters and how audit procedures respond for each matter are described below.**

**Allowance for expected credit losses of hire purchase receivables (consolidated and separate financial statements)**

As described in Note 7 to the consolidated financial statements, as at December 31, 2020, the Group had total hire purchase receivables of Baht 5,315.64 million representing 89.10% and 89.51% of total assets respectively, and allowance for expected credit losses of Baht 370.85 million, which are material to the financial statements.

In 2020, the Group has adopted Thai Financial Reporting Standard No. 9 Financial Instruments, which became effective on January 1, 2020. This stipulates a basis for calculating impairment of financial instruments using the expected credit losses method. This basis requires development of a complex calculation model, which involves significant use of management judgement and estimates in order to be compliant with the Thai Financial Reporting Standard. The areas of significant management judgement include the identification of criteria for assessing that there has been a significant increase in credit risk since initial recognition, the selection of future economic variables to be incorporated in the model and use of an overlay adjustment on the allowance for expected credit losses due to limitations of the model.

Because of the materiality and the extent of the judgement and estimates mentioned above, I, therefore, focus on auditing the allowance for expected credit losses of hire purchase receivables by.

- Obtain an understanding and evaluate the reasonableness model of expected credit losses by reviewing supporting document of model development documentation and sampling test the accuracy and completeness of the data used for developing the model.
- Evaluate calculation methods and assumptions used to determine the allowance for expected credit losses, as well as the appropriateness of management's discretion in an overlay adjustment.
- Assess and test information systems and internal controls concerning the estimation of the expected credit loss allowance.
- Test calculation of expected credit losses by checking the completeness of the data used in the calculation and classification of receivables.
- Consider disclosure of information relating to the allowance for expected credit losses of receivables in accordance with the lease agreement.

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

The Group has policy for recognition of revenues from hire purchase interest as stated in notes 5.1.1 to financial statements (in 2020, has revenues from hire purchase interest on the consolidated and separate financial statements amount of Baht 692.13 million or equal to 77.70% and equal to 77.75% of total revenues respectively). The amounts of revenues from hire purchase interest is material and arose from a lot of minor receivable under hire purchase agreement and long-time installment. Recognition of hire purchase interest is used information technology in processing. Accordingly, I have addressed such recognition of revenues from hire purchase interest as key audit matter.

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

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

***Other Information***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

D I A International Audit Co., Ltd.

(Miss Somjintana Pholhirunrat)

C.P.A. Thailand

Registration No. 5599

February 25, 2021

## EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

Assets	Note	Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Current assets</b>					
Cash and cash equivalents	6	54,488,493.19	17,858,752.03	50,717,065.98	16,367,132.03
Hire purchase receivables due within 1 year	7	1,877,883,330.50	2,034,113,564.74	1,877,883,330.50	2,034,113,564.74
Loans and sale with right of redemption agreement receivables	9	0.00	24,177,148.80	0.00	24,177,148.80
Other current receivables	10	19,730,348.48	29,350,949.28	19,218,333.67	29,350,949.28
Short-term loans for joint venture	11	221,500,000.00	169,500,000.00	221,500,000.00	169,500,000.00
Properties foreclosed	12	67,964,867.67	43,389,931.50	67,964,867.67	43,389,931.50
<b>Total current assets</b>		<b>2,241,567,039.84</b>	<b>2,318,390,346.35</b>	<b>2,237,283,597.82</b>	<b>2,316,898,726.35</b>
<b>Non-current assets</b>					
Hire purchase receivables due over 1 year	7	3,437,759,857.15	4,866,668,072.53	3,437,759,857.15	4,866,668,072.53
Investments in subsidiaries	14	0.00	0.00	5,000,000.00	2,500,000.00
Investment in joint venture	15	63,435,389.35	53,065,664.76	36,000,000.00	36,000,000.00
Other non-current financial asset	13	2,022,840.45	2,694,292.72	2,022,840.45	2,694,292.72
Other non-current receivables	16	3,401,541.41	28,788.00	3,401,541.41	28,788.00
Long-term loans for joint venture	11	30,000,000.00	62,000,000.00	30,000,000.00	62,000,000.00
Property, plant and equipment	17	42,689,144.48	54,343,404.50	42,561,798.06	54,343,404.50
Right-of-use assets	18	27,728,728.03	0.00	27,728,728.03	0.00
Intangible assets	19	5,928,624.59	5,966,146.24	5,852,332.00	5,966,146.24
Deferred tax assets	35.3	108,358,862.36	52,721,038.59	109,074,597.91	53,436,774.14
Pledged deposit at financial institution	20	1,082,948.99	1,066,000.00	76,000.00	66,000.00
Other non-current assets		2,275,792.14	2,157,449.00	1,910,792.14	2,157,449.00
<b>Total non-current assets</b>		<b>3,724,683,728.95</b>	<b>5,100,710,856.34</b>	<b>3,701,388,487.15</b>	<b>5,085,860,927.13</b>
<b>Total assets</b>		<b>5,966,250,768.79</b>	<b>7,419,101,202.69</b>	<b>5,938,672,084.97</b>	<b>7,402,759,653.48</b>

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 DECEMBER 31, 2020

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Liabilities and shareholders' equity	Note	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	21	320,260,469.94	396,097,052.24	320,260,469.94	396,097,052.24
Trade and other current payables	22	43,801,236.98	66,915,446.06	42,908,050.64	66,890,446.06
Current portion of long-term loans	24	1,777,658,645.18	1,678,882,811.93	1,777,658,645.18	1,678,882,811.93
Short-term loans from related persons	23.3	183,773,223.24	217,982,231.70	183,773,223.24	217,982,231.70
Current portion of lease liabilities	25	8,197,590.97	0.00	8,197,590.97	0.00
Current portion of Debentures	26	0.00	599,423,566.43	0.00	599,423,566.43
Accrued income tax		2,246,701.07	16,093,361.03	2,258,405.46	16,100,037.03
Total current liabilities		<u>2,335,937,867.38</u>	<u>2,975,394,469.39</u>	<u>2,335,056,385.43</u>	<u>2,975,376,145.39</u>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	24	1,810,869,667.49	2,505,323,981.82	1,810,869,667.49	2,505,323,981.82
Lease Liabilities	25	20,181,809.27	0.00	20,181,809.27	0.00
Debentures	26	0.00	0.00	0.00	0.00
Non-current provisions for employee benefit	27	31,126,259.71	30,371,754.00	31,126,259.71	30,371,754.00
Deferred tax liabilities	35.3	18,508,223.63	22,696,620.34	18,508,223.63	22,696,620.34
Total non-current liabilities		<u>1,880,685,960.10</u>	<u>2,558,392,356.16</u>	<u>1,880,685,960.10</u>	<u>2,558,392,356.16</u>
Total liabilities		<u>4,216,623,827.48</u>	<u>5,533,786,825.55</u>	<u>4,215,742,345.53</u>	<u>5,533,768,501.55</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 DECEMBER 31, 2020

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Liabilities and shareholders' equity (Cont'd)	Note	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Shareholders' equity</b>					
<b>Share capital</b>					
<b>Authorized share capital</b>					
1,663,285,866 common shares of Baht 1.00 each		1,663,285,866.00	1,663,285,866.00	1,663,285,866.00	1,663,285,866.00
<b>Issued and paid - up share capital</b>					
1,108,857,244 common shares of Baht 1.00 each		1,108,857,244.00	1,108,857,244.00	1,108,857,244.00	1,108,857,244.00
<b>Paid-in capital</b>					
Premium on common share		279,957,364.10	279,957,364.10	279,957,364.10	279,957,364.10
Reserve for Equity-Settled Share-Based Payment		42,752,220.00	42,752,220.00	42,752,220.00	42,752,220.00
<b>Retained earnings</b>					
Appropriated - Legal reserve	29	45,295,869.00	42,730,600.41	45,295,869.00	42,730,600.41
Unappropriated	4	272,764,244.21	411,016,948.63	246,067,042.34	394,693,723.42
Total shareholders' equity		1,749,626,941.31	1,885,314,377.14	1,722,929,739.44	1,868,991,151.93
<b>Total liabilities and shareholders' equity</b>		<b>5,966,250,768.79</b>	<b>7,419,101,202.69</b>	<b>5,938,672,084.97</b>	<b>7,402,759,653.48</b>

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

AS AT DECEMBER 31, 2020

	Note	Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Revenues</b>					
Realized selling interest under hire purchase agreement		692,134,927.54	674,329,874.42	692,134,927.54	674,329,874.42
Interest income under sale with right of redemption agreement		1,430,464.00	3,035,818.00	1,430,464.00	3,035,818.00
Interest income		16,630,282.28	13,464,990.94	16,630,282.28	13,464,990.94
<b>Other income</b>					
Fee and services income		117,693,591.38	165,127,730.91	117,075,807.30	165,127,730.91
Recovered bad debts		17,891,493.22	10,116,784.94	17,891,493.22	10,116,784.94
Gain on sales of investment in joint venture		0.00	2,187,595.94	0.00	0.00
Others		45,043,948.33	46,586,826.23	45,035,142.69	46,586,826.23
<b>Total revenues</b>		<b>890,824,706.75</b>	<b>914,849,621.38</b>	<b>890,198,117.03</b>	<b>912,662,025.44</b>
<b>Expenses</b>					
Finance costs		(216,358,910.96)	(228,320,320.66)	(216,358,910.96)	(228,320,320.66)
Administrative expenses		(449,217,264.08)	(392,356,681.13)	(448,598,094.46)	(395,901,978.90)
Expected credit losses		(158,919,354.48)	0.00	(158,919,354.48)	0.00
Bad debt and doubtful accounts		0.00	(141,538,033.28)	0.00	(141,538,033.28)
Loss on sales of investment in joint venture		0.00	0.00	0.00	(7,247,100.00)
<b>Total expenses</b>		<b>(824,495,529.52)</b>	<b>(762,215,035.07)</b>	<b>(823,876,359.90)</b>	<b>(773,007,432.84)</b>
Profit before share of gain (loss) on investments in joint venture		66,329,177.23	152,634,586.31	66,321,757.13	139,654,592.60
Share of gain (loss) on investment in joint venture by equity method		10,369,724.59	7,496,425.84	0.00	0.00
Profit before income tax		76,698,901.82	160,131,012.15	66,321,757.13	139,654,592.60
Tax expenses	35.1	(15,019,553.36)	(30,041,870.17)	(15,016,385.33)	(29,332,810.62)
<b>Profit for the year</b>		<b>61,679,348.46</b>	<b>130,089,141.98</b>	<b>51,305,371.80</b>	<b>110,321,781.98</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain (loss) on defined employee benefit plan		0.00	(2,960,617.00)	0.00	(2,960,617.00)
Less : Taxable effects		0.00	592,123.40	0.00	592,123.40
<b>Other comprehensive income for the year</b>		<b>0.00</b>	<b>(2,368,493.60)</b>	<b>0.00</b>	<b>(2,368,493.60)</b>
<b>Total comprehensive income for the year</b>		<b>61,679,348.46</b>	<b>127,720,648.38</b>	<b>51,305,371.80</b>	<b>107,953,288.38</b>
<b>Earnings per share</b>					
Basis earnings per share	36	0.0556	0.1173	0.0463	0.0995

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

AS AT DECEMBER 31, 2020

Unit : Baht

Note	Consolidated financial statements					
	Issued and paid-up share capital	Premium on share capital	Reserve for Equity- Settled Share-Based Payment	Retained earnings (Deficit)		Total shareholders' equity
				Appropriated	Unappropriated	
Balance as at January 1, 2019	1,108,857,244.00	279,957,364.10	42,752,220.00	37,214,511.31	288,812,389.35	1,757,593,728.76
Appropriated for legal reserve	0.00	0.00	0.00	5,516,089.10	(5,516,089.10)	0.00
Total comprehensive income for the year	0.00	0.00	0.00	0.00	130,089,141.98	130,089,141.98
Re-measuring for post-employment benefit obligations	0.00	0.00	0.00	0.00	(2,368,493.60)	(2,368,493.60)
Balance as at December 31, 2019	<u>1,108,857,244.00</u>	<u>279,957,364.10</u>	<u>42,752,220.00</u>	<u>42,730,600.41</u>	<u>411,016,948.63</u>	<u>1,885,314,377.14</u>
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	4 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	213,650,164.34	1,687,947,592.85
Appropriated for legal reserve	0.00	0.00	0.00	2,565,268.59	(2,565,268.59)	0.00
Total comprehensive income for the year	0.00	0.00	0.00	0.00	61,679,348.46	61,679,348.46
Balance as at December 31, 2020	<u>1,108,857,244.00</u>	<u>279,957,364.10</u>	<u>42,752,220.00</u>	<u>45,295,869.00</u>	<u>272,764,244.21</u>	<u>1,749,626,941.31</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 CHANGES IN SHAREHOLDERS' EQUITY

AS AT DECEMBER 31, 2020

Unit : Baht

Note	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Reserve for Equity- Settled Share-Based Payment	Retained earnings (Deficit)		
				Appropriated	Unappropriated	
Balance as at January 1, 2019	1,108,857,244.00	279,957,364.10	42,752,220.00	37,214,511.31	292,256,524.14	1,761,037,863.55
Appropriated for legal reserve	0.00	0.00	0.00	5,516,089.10	(5,516,089.10)	0.00
Total comprehensive income for the year	0.00	0.00	0.00	0.00	110,321,781.98	110,321,781.98
Re-measuring for post-employment benefit obligations	0.00	0.00	0.00	0.00	(2,368,493.60)	(2,368,493.60)
Balance as at December 31, 2019	<u>1,108,857,244.00</u>	<u>279,957,364.10</u>	<u>42,752,220.00</u>	<u>42,730,600.41</u>	<u>394,693,723.42</u>	<u>1,868,991,151.93</u>
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	4	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	2,565,268.59	(2,565,268.59)	0.00
Total comprehensive income for the year	0.00	0.00	0.00	0.00	51,305,371.80	51,305,371.80
Balance as at December 31, 2020	<u>1,108,857,244.00</u>	<u>279,957,364.10</u>	<u>42,752,220.00</u>	<u>45,295,869.00</u>	<u>246,067,042.34</u>	<u>1,722,929,739.44</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 CASH FLOWS

AS AT DECEMBER 31, 2020

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit for the period	61,679,348.46	130,089,141.98	51,305,371.80	110,321,781.98
Adjustments to net profit to cash receipt (disbursement)				
Tax expenses	15,019,553.36	30,041,870.17	15,016,385.33	29,332,810.62
Depreciation and amortized expenses	22,614,560.46	13,000,484.04	22,604,079.47	13,000,484.04
Amortized expenses	67,192,303.32	60,418,799.37	67,192,303.32	60,418,799.37
Expected credit losses	158,919,354.48	0.00	158,919,354.48	0.00
Bad debt and doubtful accounts	0.00	141,538,033.28	0.00	141,538,033.28
Difference from decrease rentals	4,626.87	0.00	4,626.87	0.00
Share of (gain) loss on investment in joint venture by equity method	(10,369,724.59)	(7,496,425.84)	0.00	0.00
(Gain) Loss on sales of property, plant and equipment	(91,067.55)	493,633.26	(91,067.55)	493,633.26
(Gain) Loss on disposal of property, plant and equipment	200,507.06	0.00	200,507.06	0.00
(Gain) Loss on impairment of properties foreclosed	14,178,437.69	14,663,150.14	14,178,437.69	14,663,150.14
Amortization loans issuing costs	8,335,838.40	10,236,012.30	8,335,838.40	10,236,012.30
Amortized portion of deferred transaction costs	576,433.57	2,231,876.66	576,433.57	2,231,876.66
(Gain) Loss on sales of investment in joint venture	0.00	(2,187,595.94)	0.00	7,247,100.00
(Gain) Loss on impairment of Other non-current financial asset	671,452.27	1,188,329.51	671,452.27	4,767,007.28
Employee benefit provisions	2,843,985.52	8,424,143.96	2,843,985.52	8,424,143.96
Finance costs	207,254,468.30	217,282,833.93	207,254,468.30	217,282,833.93
Profit (Loss) from operation before changes in current investment	549,030,077.62	619,924,286.82	549,012,176.53	619,957,666.82
(Increase) Decrease in hire purchase receivables	1,209,157,734.17	(1,034,701,357.78)	1,209,157,734.17	(1,034,701,357.78)
(Increase) Decrease in loans and sale with right of redemption receivables	24,225,600.00	445,090.00	24,225,600.00	445,090.00
(Increase) Decrease in other current receivables	8,541,483.74	2,960,605.01	9,053,498.55	2,960,605.01
(Increase) Decrease in properties foreclosed	(38,753,373.86)	(26,782,876.70)	(38,753,373.86)	(26,782,876.70)
(Increase) Decrease in other non-current receivables	(99,181,510.27)	(109,409,821.61)	(99,181,510.27)	(109,409,821.61)
Pledged deposit at financial institution	(16,948.99)	(1,000,000.00)	(10,000.00)	0.00
Other non-current assets	(118,343.14)	(79,658.00)	246,656.86	(79,658.00)
Increase (Decrease) in trade and other current payables	(15,498,393.25)	(10,958,166.11)	(16,366,579.59)	(10,983,166.11)
Increase (Decrease) in employee benefits	(2,089,479.81)	0.00	(2,089,479.81)	0.00
Cash generated (paid) from operation	1,635,296,846.21	(559,601,898.37)	1,635,294,722.58	(558,593,518.37)
Interest paid	(212,593,883.76)	(217,835,890.02)	(212,593,883.76)	(217,835,890.02)
Corporate income tax paid	(39,350,737.72)	(49,070,376.49)	(39,342,541.30)	(49,070,376.49)
Net cash provided by (used in) operating activities	1,383,352,224.73	(826,508,164.88)	1,383,358,297.52	(825,499,784.88)

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 (Cont'd)

AS AT DECEMBER 31, 2020

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Payments for loans to joint venture	(20,000,000.00)	(31,500,000.00)	(20,000,000.00)	(31,500,000.00)
Payments for acquire of investment in joint venture	0.00	(12,000,000.00)	0.00	(12,000,000.00)
Proceeds from sales of investment in joint venture	0.00	7,542,900.00	0.00	7,542,900.00
Payments for acquire of investments in subsidiaries	0.00	0.00	(2,500,000.00)	(2,500,000.00)
Payments for acquire of other long-term investments	0.00	(1,851,300.00)	0.00	(1,851,300.00)
Payments for acquire of intangible assets	(79,870.00)	(5,167,680.00)	0.00	(5,167,680.00)
Proceeds from sales of property, plant and equipment	2,102,130.86	5,211,105.05	2,102,130.86	5,211,105.05
Payment for acquire of property, plant and equipment	(3,879,495.62)	(29,107,228.45)	(3,745,245.62)	(29,107,228.45)
Net cash provided by (used in) investing activities	(21,857,234.76)	(66,872,203.40)	(24,143,114.76)	(69,372,203.40)
Cash flows from financing activities - increase (decrease)				
Increase (Decrease) in bank overdrafts	(35,597,582.30)	7,591,237.00	(35,597,582.30)	7,591,237.00
Proceeds from short-term loans from financial institutions	1,940,000,000.00	1,402,714,000.00	1,940,000,000.00	1,402,714,000.00
Payment for short-term loans from financial institutions	(1,980,239,000.00)	(1,316,062,000.00)	(1,980,239,000.00)	(1,316,062,000.00)
Proceeds from short-term loans from related persons	310,000,000.00	220,000,000.00	310,000,000.00	220,000,000.00
Payment for short-term loans from related persons	(345,000,000.00)	(175,000,000.00)	(345,000,000.00)	(175,000,000.00)
Proceeds from long-term loans from financial institutions	1,295,700,000.00	2,231,877,962.47	1,295,700,000.00	2,231,877,962.47
Payment for long-term loans from financial institutions	(1,899,714,319.48)	(1,486,595,490.84)	(1,899,714,319.48)	(1,486,595,490.84)
Payments for acquire lease liabilities	(10,014,347.03)	0.00	(10,014,347.03)	0.00
Payments for acquire of debentures	(600,000,000.00)	0.00	(600,000,000.00)	0.00
Net cash provided by (used in) financial activities	(1,324,865,248.81)	884,525,708.63	(1,324,865,248.81)	884,525,708.63
Net increase (decrease) in cash and cash equivalents	36,629,741.16	(8,854,659.65)	34,349,933.95	(10,346,279.65)
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 December 31	54,488,493.19	17,858,752.03	50,717,065.98	16,367,132.03

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 CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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. Financial statements preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2. Preparation of consolidated financial statements basis

2.2.1 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:

	Established in	Shareholding percentage (%)		Type of business
		December 31, 2020	December 31, 2019	
<b>Subsidiaries</b>				
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.
- The separate financial statements present investments in subsidiaries under the cost method.

(Signature).....Director  
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2. PREPARATION OF FINANCIAL STATEMENTS BASIS (CONT'D)

2.2.2 Investment in joint venture

- Investment in joint venture is accounted for in the consolidated financial statements under the equity method.
- Investment in joint venture is accounted for in the separate financial statements under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

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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3. New financial reporting standards (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 unquoted equity instruments - The Group measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value comprehensive income.
- 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 applies a simplified approach to determine the lifetime expected credit losses of loans receivable.

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 4 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 4 to financial statements.

(Signature).....Director

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3. New financial reporting standards (CONT'D)

**b) Accounting Guidances**

**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 Treatment 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, unless 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

(Signature).....Director

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3. New financial reporting standards (CONT'D)

In addition, as at 19 June 2020 the BOT issued the circular of the BOT No.BOT.RPD.(01)C.648/2563 “Measures to provide additional assistance to small-sized debtors during the COVID-19 situation”.

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 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.
- A newly calculated effective interest rate is applied to determine the present value of loans that have been restructured in accordance with guidelines to assist debtors specified in the circulars of the Bank of Thailand, if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan. In addition, provided that the provision of assistance is in compliance with the circular of the Bank of Thailand No. BOT.RPD. (01) C.380/2563, the Group recognises interest income on the basis of this new effective interest rate during the grace period, or in accordance with the Bank of Thailand’s new 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.

(Signature).....Director

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3. New financial reporting standards (CONT'D)

**Measures to assist debtors of the Group**

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.

Therefore, the Group has extended the registration period to exercise the right for the suspension of principal repayment until January 2021 and the extension of the installment period by revising the contract to reduce the installment payment by extending the registration period which do not designate the expiration date.

**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.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, impairment of assets, reversal of deferred tax assets, account for reduction in lease payments and fair value measurement of unquoted equity investments.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, impairment of assets, reversal of deferred tax assets and fair value measurement of unquoted equity investments. This has no significant impact on the Group's financial statements.

(Signature).....Director

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3. New financial reporting standards (CONT'D)

However, the Group has elected to continue to apply the following temporary relief measures on accounting alternatives:

- 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.

The Group is evaluating the impact on the financial statements and will consider recording the impact after the relief measures expire.

**Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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 that included in amendments to references to the Conceptual Framework in Financial Reporting Standards, Definition of a business, Definition of material and Interest Rate Benchmark Reforms.

The management of the Group believes that impact of these standards to the financial statements in the year when they are adopted will not significant.

4. 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 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:

(Signature).....Director  
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4. 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
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
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
<b>Non-current assets</b>				
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

(Signature).....Director

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4. 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
<b>Liability and shareholders' equity</b>				
<b>Current liability</b>				
Current portion of lease liabilities	0.00	0.00	9,148,024.01	9,148,024.01
<b>Non-current liability</b>				
Lease Liabilities due over 1 year	0.00	0.00	28,798,940.42	28,798,940.42
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	411,016,948.63	(197,366,784.29)	0.00	213,650,164.34

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

(Unit : Baht)

	Separate financial statements			
	December 31, 2019	The impacts of		January 1, 2020
		Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
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
<b>Non-current assets</b>				
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

(Signature).....Director

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4. 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
<b>Liability and shareholders' equity</b>				
<b>Current liability</b>				
Current portion of lease liabilities	0.00	0.00	9,148,024.01	9,148,024.01
<b>Non-current liability</b>				
Lease Liabilities due over 1 year	0.00	0.00	28,798,940.42	28,798,940.42
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	394,693,723.42	(197,366,784.29)	0.00	197,326,939.13

4.1 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)

(Signature).....Director

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4. 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
<b>Financial assets as at January 1, 2020</b>					
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
<b>Total financial assets</b>	<b>7,216,773,805.33</b>	<b>2,694,292.72</b>	<b>-</b>	<b>6,967,371,032.24</b>	<b>6,970,065,324.96</b>

(Signature).....Director  
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4. 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	
<b>Financial assets as at January 1, 2020</b>					
Cash and cash equivalents	16,367,132.03	-	-	16,367,132.03	16,367,132.03
Hire purchase receivables	6,900,781,637.27	-	-	6,655,573,426.00	6,655,573,426.00
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	66,000.00	-	-	66,000.00	66,000.00
<b>Total financial assets</b>	<b>7,175,586,210.82</b>	<b>2,694,292.72</b>	<b>-</b>	<b>6,964,879,412.18</b>	<b>6,967,573,704.9</b>

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

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

4.2 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	<u>37,946,964.43</u>

The above lease liabilities comprise of:

Current lease liabilities	9,148,024.01
Non-current lease liabilities	<u>28,798,940.42</u>
	<u>37,946,964.43</u>

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4. 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
<b>Total right-of-use assets</b>	<b>37,946,964.43</b>

5. SIGNIFICANT ACCOUNTING POLICIES

5.1. Income and Expenses Recognition

5.1.1 Hire purchase interest income

*Accounting policies adopted before 1 January 2020*

The Group recognises interest income from hire purchase agreements on an accrual basis throughout the term of the contract, using the effective interest rate method, with the calculation based on the gross book value of the receivables.

Costs directly attributable to the initial recognition of the loan receivables are amortised using the effective interest rate method and presented as adjustments on interest income throughout the term of the agreement, to reflect the effective rate of return.

When the receivables are later credit-impaired, the Group continues to recognise interest income using the effective interest rate, based on the net book value (gross book value net of allowance for expected credit losses) of the receivables. When the debtor is no longer credit-impaired, the Group changes to calculate interest income based on the gross book value.

*Accounting policies adopted since 1 January 2020*

The Group recognized hire purchase interest income as unrealized interest which is recognized on the effective interest rate method over the hire purchase term. Revenues from installments will be stopped to recognize if the overdue 4 installments.

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

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

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

5.2. Cash and cash equivalents

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

5.3. Investment in subsidiary

Investments in subsidiary is accounted for in the separate financial statements using the cost method Less impairment(if any).

5.4. Investment in an associated company

a) Investment in associated company is accounted for in the financial statements in which the equity method is applied using the equity method.

b) Investment in associated company is accounted for in the separate financial statements using the cost method Less impairment(if any).

5.5. Property, plant and equipment

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

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

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

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

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.6. Intangible assets

Intangible assets are initially recognised at cost. Following initial recognition, the intangible assets are stated at cost less accumulated amortisation and allowance for impairment loss on assets (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The finite useful lives of intangible assets, computer software is 10 years.

No amortisation is provided for computer software under installation.

5.7. Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of property, plant and equipment, right-of-use asset, investment properties, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.8 Properties foreclosed

These represent assets repossessed from hire purchase and financial lease receivables and are stated at the lower of cost (which mostly comprises the net outstanding balance) and estimated net realisable value. Allowance is made for the decline in value of the repossessed assets.

5.9 Employee benefits

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

5.9.2 Provident fund

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

5.9.3 Employee benefits

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

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.10. Income tax

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

Current tax

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

Deferred tax

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

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

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

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

5.11. Accounting estimates

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

5.12. Provisions

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

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.13. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1: Use of quoted market prices in an active market for such assets or liabilities
- Level 2: Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3: Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5.14. Related person and parties transaction

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

5.15. Earnings per share

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

Diluted earnings per share is calculated by dividing profit (loss) for the period by the weighted average number of ordinary shares outstanding during the period plus the number of ordinary share issued in the

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

conversion of potential ordinary shares to ordinary shares as assumption that the conversion is made at the beginning of year or at the issuance date of the potential ordinary shares.

5.16. Financial instruments

*Accounting policies adopted since 1 January 2020*

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price

**Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition 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 at amortised cost**

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

**Financial assets at FVTPL**

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

**Classification and measurement of financial liabilities**

At initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

**Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group recognises an allowance for expected credit losses for hire purchase receivables, financial lease receivables and loan receivables using a general approach. The Group considers changes in credit risk and groups its receivables into 3 stages as described below.

- 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, recognition is based on the probability of default over the remaining period.

- 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 considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in credit-impaired when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information.

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

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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 is announced by the Bank of Thailand or other government agencies and adjusted to reflect the Group's internal perspective. The Group calculates expected credit losses based on three probability-weighted scenarios, which are a base scenario, best-case scenario and worst-case scenario. For the base scenario, the Group applies an unbiased market perspective that incorporates forecasts of macroeconomic factors.

For factoring, floor-plan loan and other receivables, the Group applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix of ageing that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

*Accounting policies adopted before 1 January 2020*

**Hire purchase receivables**

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

**Allowance for doubtful accounts**

The Group provided the allowance for doubtful accounts based on receivables aging report which calculated from receivables under hire purchase agreement, sale with right of redemption agreement and receivables under lawsuit deducted by deferred hire purchase interest and collaterals. The collaterals are

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

calculated from the credit value at the rate of 30% - 80% by considering the comparative of repayable opportunity received from receivables and selling of collaterals.

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

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

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

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

5.17. Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**5.17.1 The Group as a lessee**

*Accounting policies adopted since 1 January 2020*

The Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. At the commencement date of the lease, the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease.

**Right-of-use assets**

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

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

	<u>Number of years</u>
Land	3 - 4
Building	1 - 7
Equipment	4

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

**Lease liabilities**

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Group discounted the present value of the lease payments 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 change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

*Accounting policies adopted before 1 January 2020*

Leases of plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

**5.17.2 The Group as a lessor**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

5.18. Significant accounting judgements and estimates

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

**Post-employment benefits under defined benefit plans**

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

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Leases**

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease classification - The Group as lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

***Allowance for expected credit losses***

*Accounting policies adopted since 1 January 2020*

Judgement is used in estimating the allowance for expected credit losses of debtors who are having problems making principal and/or interest payments, with management taking into consideration analysis of debtor status performed on an individual and a group basis, the probability of default, estimated losses arising from the default, historical collection experience, collateral value, statistical data and economic factors. These are used in determining assumptions and forward-looking scenarios, as well as probability weighted outcomes. In addition, the management sets aside an additional allowance for expected credit losses to account for the uncertainties around future events that have not yet been reflected in the model (Management overlay), based on the assessment and judgement of the management.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

***Allowance for doubtful accounts***

*Accounting policies adopted before 1 January 2020*

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

***Impairment of non-financial assets***

In the assessment of non-financial assets impairment, the management is required to exercise judgment in assessment of the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

***Land, building and equipment/Depreciation***

In determining depreciation of building and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's building and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review land, building and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

***Deferred tax assets***

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

***Fair value of financial instruments***

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosure of fair value hierarchy.

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6. CASH AND CASH EQUIVALENTS

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Cash on hand	289,280.25	842,193.00	287,301.00	842,193.00
Current accounts	38,742,588.83	14,832,794.82	38,713,327.33	14,812,794.82
Savings deposit	15,456,624.11	2,183,764.21	11,716,437.65	712,144.21
Total	54,488,493.19	17,858,752.03	50,717,065.98	16,367,132.03
Allowance for expected credit losses	0.00	0.00	0.00	0.00
Net	54,488,493.19	17,858,752.03	50,717,065.98	16,367,132.03

7. HIRE PURCHASE RECEIVABLES

7.1 As at December 31, 2020 and 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	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Hire purchase receivables	2,485,618,997.73	2,719,330,219.20	4,271,320,170.42	5,740,486,048.64
Less Unrealized interest income	(514,464,560.64)	(653,522,341.38)	(555,981,680.04)	(828,371,358.40)
Net	1,971,154,437.09	2,065,807,877.82	3,715,338,490.38	4,912,114,690.24
Less Allowance for expected credit losses (2019 : Allowance for doubtful accounts)	(93,271,106.59)	(31,694,313.08)	(277,578,633.23)	(45,446,617.71)
Hire purchase receivables – net	1,877,883,330.50	2,034,113,564.74	3,437,759,857.15	4,866,668,072.53

(Signature).....Director

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7. HIRE PURCHASE RECEIVABLES (CONT'D)

7.2 As at December 31, 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	
	December 31, 2020	
	Balance of receivables net of unearned interest income	Allowance for expected credit losses
Receivables with no significant increase in credit risk	4,588,522,802.54	98,097,721.33
Receivables with a significant increase in credit risk	625,670,701.97	90,369,613.81
Receivables that are credit-impaired	472,299,422.96	182,382,404.68
Total	5,686,492,927.47	370,849,739.82

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
Total	28,617	6,977,922,568.06
Less Allowance for doubtful accounts		(77,140,930.79)
Hire purchase receivables – net		6,900,781,637.27

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7. HIRE PURCHASE RECEIVABLES (CONT'D)

As at December 31, 2020, parts of hire purchase receivables (before less by unrealized interest) amount of Baht 5,657,098,213.80 were used as collateral against long-term loans from a bank as stated in note 21 and note 24. (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).

(Signature).....Director  
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7. HIRE PURCHASE RECEIVABLES (CONT'D)

7.3 Allowance for expected credit loss

Allowance for expected credit loss for the year ended December 31, 2020 is as follows:

(Unit : Baht)

	Consolidated and Separate financial statements				
	Allowance for expected credit loss			Allowance for doubtful accounts	Total
	Performing (Stage 1)	Under-Performing (Stage 2)	Non-Performing (Stage 3)		
Balance as at December 31, 2019	0.00	0.00	0.00	77,140,930.79	77,140,930.79
Impact of adoption of TFRS 9	113,627,576.10	95,521,733.62	113,199,832.28	(77,140,930.79)	245,208,211.21
Balance as at January 1, 2020	113,627,576.10	95,521,733.62	113,199,832.28	0.00	322,349,142.00
Changes in staging	14,452,535.07	(33,403,159.03)	18,950,623.96	0.00	0.00
Changes in risk parameters	(43,588,033.98)	42,790,959.45	121,282,830.31	0.00	120,485,755.78
New financial assets originated or purchased	26,939,320.74	13,263,822.95	14,157,358.91	0.00	54,360,502.60
Financial assets derecognized	(8,791,026.28)	(6,143,809.77)	(19,169,887.97)	0.00	(34,104,724.02)
Written off	(4,542,650.32)	(21,659,933.41)	(66,038,352.81)	0.00	(92,240,936.54)
Balance as at December 31, 2020	98,097,721.33	90,369,613.81	182,382,404.68	0.00	370,849,739.82

(Signature).....Director  
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7. HIRE PURCHASE RECEIVABLES (CONT'D)

Bad debts and doubtful accounts for the year ended December 31, 2019 is as follows:

	(Unit : Baht)
	Consolidated and Separate financial statements
	<u>December 31, 2019</u>
Bad debts	76,607,240.76
Doubtful accounts	<u>64,930,792.52</u>
Total bad debts and doubtful accounts	<u>141,538,033.28</u>

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

As at December 31, 2020 and 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 and Separate financial statements	
	December 31,	December 31,
	<u>2020</u>	<u>2019</u>
Total number of agreements at end of period/year	26,752	28,617
Troubled debt restructuring		
Number of agreements	67	-
Balance (Million Baht)	34.01	-
Debts under the measures to assist debtors		
Debts granted a moratorium		
Number of agreements	124	-
Balance (Million Baht)	82.33	-
Pre-emptive debt restructuring		
Number of agreements	191	-
Balance (Million Baht)	91.81	-

(Signature).....Director

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9. LOANS AND SALE WITH RIGHT OF REDEMPTION AGREEMENT RECEIVABLES

(Unit : Baht)

	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Loans and sale with right of redemption agreement receivables	0.00	24,225,600.00
Total	0.00	24,225,600.00
<u>Less</u> Allowance for expected credit losses		
(2019 : Allowance for doubtful accounts)	0.00	(48,451.20)
Loans and sale with right of redemption agreement receivables - net	0.00	24,177,148.80

During the year, the Group received the payment form Loans and sale with right of redemption agreement receivables in fully amount.

(Signature).....Director  
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9. LOANS AND SALE WITH RIGHT OF REDEMPTION AGREEMENT RECEIVABLES(CONT'D)

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		<u>24,177,148.80</u>

As at December 31, 2019, the Company has loans receivable to 8 individuals (amount 41 contract) by entering into sale with right of redemption and loans agreement with the agreement period of 1 - 6 months at the interest rate of 7.20 - 12.00% per annum

(Signature).....Director  
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10. OTHER CURRENT RECEIVABLES

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Accrued value added tax	6,215,345.76	6,985,980.71	6,215,345.76	6,985,980.71
Accrued insurance premium				
discount income	2,586,694.42	6,190,113.00	2,128,287.45	6,190,113.00
Loans receivable to employee	1,242,002.00	1,789,214.00	1,242,002.00	1,789,214.00
Others	10,907,423.36	14,527,641.57	10,853,815.52	14,527,641.57
Total	20,951,465.54	29,492,949.28	20,439,450.73	29,492,949.28
<u>Less</u> Allowance for expected credit losses				
(2019 : Allowance for doubtful accounts)	(1,221,117.06)	(142,000.00)	(1,221,117.06)	(142,000.00)
Other current receivables - net	19,730,348.48	29,350,949.28	19,218,333.67	29,350,949.28

11. LOANS FOR JOINT VENTURE

(Unit : Baht)

	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Short – term loans	221,500,000.00	169,500,000.00
Long – term loans	30,000,000.00	62,000,000.00
Total	251,500,000.00	231,500,000.00

As at December 31, 2020 and 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 3-12 months and interest at 6.25% - 6.50% per annum

(Signature).....Director  
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12. PROPERTIES FORECLOSED

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Properties foreclosed	117,273,335.96	75,869,962.10
<u>Less</u> Provision for impairment - properties foreclosed	(49,308,468.29)	(32,480,030.60)
Properties foreclosed - net	<u>67,964,867.67</u>	<u>43,389,931.50</u>

(Signature).....Director  
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13. 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)	
			Dec 31,2020	Dec 31,2019	Dec 31,2020	Dec 31,2019	Dec 31,2020	Dec 31,2019	Dec 31,2020	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> Loss on measurement of investments (2019 : allowance for impairment Other non-current financial asset)						(1,859,781.78)	(1,188,329.51)	(5,438,459.55)	(4,767,007.28)
	Other non-current financial asset- net						2,022,840.45	2,694,292.72	2,022,840.45	2,694,292.72

13.1 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.

13.2 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 non-current financial asset.

13.3 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 from 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.

(Signature).....Director

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14. INVESTMENT IN SUBSIDIARIES

No.	Company's name	Type of business	Paid-up share capital		Percentage of investment		Separate financial statements (Baht)	
			(Thousand Baht)		(%)		cost method	
			Dec 31,2020	Dec 31,2019	Dec 31,2020	Dec 31,2019	Dec 31,2020	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

14.1 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.

15. INVESTMENT IN JOINT VENTURE

Investment in joint venture - under equity method											
No.	Company's name	Type of business	Relationship	Paid-up share capital		Percentage of investment		Consolidated		Separate financial statements	
				(Thousand Baht)		(%)		(Baht)		at cost method	
				Dec 31,2020	Dec 31,2019	Dec 31,2020	Dec 31,2019	Dec 31,2020	Dec 31,2019	Dec 31,2020	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	60,000.00	60,000.00	60.00	60.00	63,435,389.35	53,065,664.76	36,000,000.00	36,000,000.00
Total								63,435,389.35	53,065,664.76	36,000,000.00	36,000,000.00

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15. INVESTMENT IN JOINT VENTURE (CONT'D)

15.1. 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.

15.2. 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. The company and the joint venture have authorized to monitor stated company concurrently.

As at December 31, 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 year ended ended December 31, 2020, amount of Baht 10.37 million.

16. OTHER NON-CURRENT RECEIVABLES

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Receivables under lawsuit	87,604,537.18	109,613,350.44
<u>Less</u> Allowance for expected credit losses (2019 : Allowance for doubtful accounts)	(84,239,947.37)	(109,613,350.44)
Net	3,364,589.81	0.00
Receivables under debt compromise agreement	4,288,136.36	12,353,152.41
<u>Less</u> Allowance for expected credit losses (2019 : Allowance for doubtful accounts)	(4,288,136.36)	(12,353,152.41)
Net	0.00	0.00
Receivables - net	3,364,589.81	0.00
Others	333,280.60	295,982.00
<u>Less</u> Allowance for expected credit losses (2019 : Allowance for doubtful accounts)	(296,329.00)	(267,194.00)
Total	3,401,541.41	28,788.00

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

Receivables under lawsuit and allowance for expected credit losses.

	(Unit : Baht)			
	Consolidated and			
	Number of receivable		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Receivable after unrealized				
interest income	118	124	87,604,537.18	109,613,350.44
Receivable for provide				
Allowance for expected credit losses				
(2019 : Allowance for doubtful accounts)			87,604,537.18	109,613,350.44
%			96% - 100%	100%
Allowance for expected credit losses				
(Allowance for doubtful accounts)			(84,239,947.37)	(109,613,350.44)

Overdue receivable under debt compromise agreement and allowance for expected credit losses as at December 31, 2020.

	(Unit : Baht)				
	Consolidated and Separate financial statements				
	Number of receivable	Receivables less by unrealized interest	Receivables for provide allowance for expected credit losses	% of allowance for expected credit losses	Allowance for expected credit losses
Undue 3 installments	5	1,099,168.02	1,099,168.02	100%	1,099,168.02
Overdue 4 – 11 installments	4	630,330.07	630,330.07	100%	630,330.07
Overdue 12 installments onwards	6	2,558,638.27	2,558,638.27	100%	2,558,638.27
Total	15	4,288,136.36	4,288,136.36		4,288,136.36

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16. 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

(Signature).....Director

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17. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

Consolidated financial statements									
December 31, 2020									
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Assets under construction	Total
<b>Cost</b>									
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	511,586.62	849,647.99	157,970.00	1,995,879.05	364,411.96	3,879,495.62
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)	(414,203.02)	(310,010.21)	(6,078,614.60)	0.00	(7,995,236.45)
As at December 31, 2020	<u>7,324,162.50</u>	<u>8,977,783.71</u>	<u>2,130,792.03</u>	<u>13,011,651.92</u>	<u>16,821,162.76</u>	<u>13,889,549.66</u>	<u>34,764,507.34</u>	<u>0.00</u>	<u>96,919,609.92</u>
<b>Accumulated depreciation</b>									
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	449,839.11	106,755.10	3,597,633.69	2,579,858.51	1,967,708.69	4,620,390.17	0.00	13,322,185.27
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)	(352,499.63)	(245,208.11)	(4,136,102.73)	0.00	(5,783,666.08)
As at December 31, 2020	<u>0.00</u>	<u>8,291,394.66</u>	<u>431,999.89</u>	<u>8,643,394.50</u>	<u>13,794,924.62</u>	<u>9,495,466.91</u>	<u>13,573,284.86</u>	<u>0.00</u>	<u>54,230,465.44</u>
<b>Net book value</b>									
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 December 31, 2020	<u>7,324,162.50</u>	<u>686,389.05</u>	<u>1,698,792.14</u>	<u>4,368,257.42</u>	<u>3,026,238.14</u>	<u>4,394,082.75</u>	<u>21,191,222.48</u>	<u>0.00</u>	<u>42,689,144.48</u>

(Signature).....Director

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

(Unit : Baht)

	Separate financial statements								Total
	December 31, 2020								
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Assets under construction	
<b>Cost</b>									
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	377,336.62	849,647.99	157,970.00	1,995,879.05	364,411.96	3,745,245.62
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)	(414,203.02)	(310,010.21)	(6,078,614.60)	0.00	(7,995,236.45)
As at December 31, 2020	<u>7,324,162.50</u>	<u>8,977,783.71</u>	<u>2,130,792.03</u>	<u>12,877,401.92</u>	<u>16,821,162.76</u>	<u>13,889,549.66</u>	<u>34,764,507.34</u>	<u>0.00</u>	<u>96,785,359.92</u>
<b>Accumulated depreciation</b>									
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	449,839.11	106,755.10	3,590,730.11	2,579,858.51	1,967,708.69	4,620,390.17	0.00	13,315,281.69
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)	(352,499.63)	(245,208.11)	(4,136,102.73)	0.00	(5,783,666.08)
As at December 31, 2020	<u>0.00</u>	<u>8,291,394.66</u>	<u>431,999.89</u>	<u>8,636,490.92</u>	<u>13,794,924.62</u>	<u>9,495,466.91</u>	<u>13,573,284.86</u>	<u>0.00</u>	<u>54,223,561.86</u>
<b>Net book value</b>									
As at December 31, 2019	7,324,162.50	1,136,228.16	1,805,547.24	7,232,445.54	4,818,152.05	6,268,623.54	25,758,245.47	0.00	54,343,404.50
As at December 31, 2020	<u>7,324,162.50</u>	<u>686,389.05</u>	<u>1,698,792.14</u>	<u>4,240,911.00</u>	<u>3,026,238.14</u>	<u>4,394,082.75</u>	<u>21,191,222.48</u>	<u>0.00</u>	<u>42,561,798.06</u>

(Signature).....Director

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17. 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	
<b>Cost</b>									
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>
<b>Accumulated depreciation</b>									
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>
<b>Net book value</b>									
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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17. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation for the year ended December 31, 2020 and 2019, amounted to Baht 13,322,185.27 and Baht 12,891,427.34 respectively.

As at December 31, 2020, has fixed assets at cost of Baht 12,651,852.51 and net book value of Baht 1,298.00 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 21 and 24.

18. RIGHT-OF-USE ASSETS

	(Unit : Baht)			
	Consolidated and Separate financial statements			
	December 31, 2020			
	Land	Building	Equipment	Total
<b>Cost</b>				
As at December 31, 2019	0.00	0.00	0.00	0.00
Adjustments due to the initial adoption of TFRS16	4,230,315.85	32,877,157.80	2,517,107.10	39,624,580.75
write off	0.00	(3,136,038.11)	0.00	(3,136,038.11)
As at December 31, 2020	<u>4,230,315.85</u>	<u>29,741,119.69</u>	<u>2,517,107.10</u>	<u>36,488,542.64</u>
<b>Accumulated depreciation</b>				
As at December 31, 2019	0.00	0.00	0.00	0.00
Depreciation	1,237,374.77	7,230,946.73	826,243.23	9,294,564.73
write off	0.00	(534,750.12)	0.00	(534,750.12)
As at December 31, 2020	<u>1,237,374.77</u>	<u>6,696,196.61</u>	<u>826,243.23</u>	<u>8,759,814.61</u>
<b>Net book value</b>				
As at December 31, 2020	<u><u>2,992,941.08</u></u>	<u><u>23,044,923.08</u></u>	<u><u>1,690,863.87</u></u>	<u><u>27,728,728.03</u></u>
<b>Write off depreciation for the year</b>				
As at December 31, 2020	1,237,374.77	7,230,946.73	826,243.23	9,294,564.73
Decrease of rental/cancelled branch	(48,193.41)	(40,234.35)	(31,153.43)	(119,581.19)
Depreciation after decrease of rental/cancelled branch	<u>1,189,181.36</u>	<u>7,190,712.38</u>	<u>795,089.80</u>	<u>9,174,983.54</u>

(Signature).....Director

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19. INTANGIBLE ASSETS

	(Unit : Baht)		
	Consolidated financial statements		
	Computer software	Computer software under installation	Total
<b>Cost</b>			
As at December 31, 2019	1,505,680.00	5,100,000.00	6,605,680.00
Acquisition	79,870.00	0.00	79,870.00
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2020	1,585,550.00	5,100,000.00	6,685,550.00
<b>Accumulated amortization</b>			
As at December 31, 2019	639,533.76	0.00	639,533.76
Amortization for the year	117,391.65	0.00	117,391.65
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2020	756,925.41	0.00	756,925.41
<b>Net book value</b>			
As at December 31, 2019	866,146.24	5,100,000.00	5,966,146.24
As at December 31, 2020	828,624.59	5,100,000.00	5,928,624.59
<b>Amortization for the year</b>			
As at December 31, 2020	117,391.65	0.00	117,391.65
As at December 31, 2019	109,056.70	0.00	109,056.70

(Signature).....Director

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19. INTANGIBLE ASSETS (CONT'D)

	<b>(Unit : Baht)</b>		
	Separate financial statements		
	<b>Computer software</b>	<b>Computer software under installation</b>	<b>Total</b>
<b>Cost</b>			
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 December 31, 2020	<u>1,505,680.00</u>	<u>5,100,000.00</u>	<u>6,605,680.00</u>
<b>Accumulated amortization</b>			
As at December 31, 2019	639,533.76	0.00	639,533.76
Amortization for the year	113,814.24	0.00	113,814.24
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2020	<u>753,348.00</u>	<u>0.00</u>	<u>753,348.00</u>
<b>Net book value</b>			
As at December 31, 2019	<u>866,146.24</u>	<u>5,100,000.00</u>	<u>5,966,146.24</u>
As at December 31, 2020	<u>752,332.00</u>	<u>5,100,000.00</u>	<u>5,852,332.00</u>
<b>Amortization for the year</b>			
As at December 31, 2020	113,814.24	0.00	113,814.24
As at December 31, 2019	109,056.70	0.00	109,056.70

(Signature).....Director

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19. INTANGIBLE ASSETS (CONT'D)

	(Unit : Baht)		
	Consolidated and Separate financial statements		
	Computer software	Computer software under installation	Total
<b>Cost</b>			
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	1,505,680.00	5,100,000.00	6,605,680.00
<b>Accumulated amortization</b>			
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	639,533.76	0.00	639,533.76
<b>Net book value</b>			
As at December 31, 2018	907,522.94	0.00	907,522.94
As at December 31, 2019	866,146.24	5,100,000.00	5,966,146.24
<b>Amortization for the year</b>			
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

20. PLEDGED DEPOSIT AT FINANCIAL INSTITUTION

As at December 31, 2020, the Group's has fixed deposit in the accompanying consolidated and separate financial statements amount of Million Baht 1.08 and Million Baht 0.08 respectively is used as guarantee from Office of Insurance Commission and as guarantee against loans from bank and electricity usage as mentioned in note 37 (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).

(Signature).....Director

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

(Unit : Baht)

	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Bank overdrafts	260,469.94	35,858,052.24
Short-term loans - promissory notes	320,000,000.00	360,239,000.00
Total	<u>320,260,469.94</u>	<u>396,097,052.24</u>

21.1 As at December 31, 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 17.

21.2 As at December 31, 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:

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

21.2.2 Loans from the 2nd Foreign bank for credit line amount of Baht 300 million, the interest is charged at the rate of 1.70% per annum. These loans are guaranteed by related parties in foreign countries.

21.2.3 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 7.

21.2.4 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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22. TRADE AND OTHER CURRENT PAYABLES

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Credit payable	0.00	2,600.00	0.00	2,600.00
Accrued interest expenses	1,631,017.68	9,246,833.51	1,631,017.68	9,246,833.51
Advance receipt	16,196,162.84	25,033,668.02	15,470,146.84	25,033,668.02
Revenue Department payable	17,111,241.60	17,963,897.68	17,111,168.38	17,963,897.68
Accrued expenses	4,565,327.27	4,032,819.72	4,411,301.91	4,007,819.72
Others	4,297,487.59	10,635,627.13	4,284,415.83	10,635,627.13
Total	43,801,236.98	66,915,446.06	42,908,050.64	66,890,446.06

23. 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 3.15 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.

(Signature).....Director

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23. 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%
NNC One Co., Ltd.	Has shareholder and common directors with ECL Asset Co., Ltd. (joint venture)	Rental income at the agreed price. 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)
Mighty Broker Co., Ltd.	Subsidiaries	Rental income at the agreed price. Commission income at the agreed price.

23.1 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

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

from NNC One Co., Ltd. For which such individual has made the sale with right of redemption. During the year 2020, Hire purchase receivables as the situation is due for payment that the buyer has not repayment to the company that entered into the land sale agreement as the situation with a company, due in June 2021.

23.2 Loans for joint venture

(Unit : Baht)

	Consolidated and Separate financial statements			
	Balance		Balance	
	December 31, 2019	Increase	Decrease	December 31, 2020
ECL Asset Co., Ltd.				
- Short-term loans	169,500,000.00	415,000,000.00	(363,000,000.00)	221,500,000.00
- Long-term loans	62,000,000.00	42,000,000.00	(74,000,000.00)	30,000,000.00
Total	<u>231,500,000.00</u>			<u>251,500,000.00</u>

23.3 Short-term loans from related person

(Unit : Baht)

	Consolidated and Separate financial statements			
	Balance		Balance	
	December 31, 2019	Increase	Decrease	December 31, 2020
Mr. Preecha Veeraphong	220,000,000.00	310,000,000.00	(345,000,000.00)	185,000,000.00
<u>Less</u> Prepaid interest expenses	<u>(2,017,768.30)</u>	<u>(4,517,207.95)</u>	<u>5,308,199.49</u>	<u>(1,226,776.76)</u>
Total	<u>217,982,231.70</u>			<u>183,773,223.24</u>

As at December 31, 2020, loans from 1 related person by issuing bills of exchange matured in January 2021 to May 2021 at the interest rate of 3.15 per annum.

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

23.4 Other receivables

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Premium Financial Services Co., Ltd.		
Borrowing guarantee fee	1,348,442.03	1,379,372.58
Mighty Broker Co., Ltd.		
Accrued commission income	281,216.52	0.00

23.5 Lease liabilities

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Hitec Land Chonburi (2002) Co., Ltd.	3,236,458.75	0.00
Mr. Prapakorn Veeraphong	1,657,431.48	0.00

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

23.6 Revenues and expenses are as follows:

(Unit : Baht)

	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Premium Asset Management (Thailand) Co., Ltd (PFS (Thailand) Company Co., Ltd)		
Rental income	0.00	120,000.00
ECL Asset Co., Ltd.		
Rental income	480,000.00	280,000.00
Premium Financial Services Co., Ltd.		
Remuneration under joint business agreement	2,400,000.00	7,200,000.00
Consulting services	400,000.00	1,200,000.00
Borrowing guarantee fee	3,630,930.55	3,516,638.95
Mighty Broker Co., Ltd.		
Rental income	60,000.00	0.00
commission income	501,829.20	0.00

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

Loans from 8 banks consist of:

As at December 31, 2020					
(Unit : Million Baht)			(Unit : Baht)		
	Credit amount	Credit remaining	Interest rate	December 31, 2020	December 31, 2019
1st bank	500	185.59	3.90 - 4.90%, MLR-1.75%	314,410,500.00	254,587,000.00
2nd bank	3,540	240.00	Fixed Rate (IRS)(3.90 ถึง 4.58%)	1,452,116,000.00	1,780,960,000.00
3rd bank	200	0.00	MLR – 2.00%	127,772,000.00	194,444,000.00
4th bank	2,050	162.89	MLR – (2.25% ถึง 2.625%)	960,264,000.00	1,303,206,530.00
5th bank	0.00	0.00	4%, (MLR – 1.50%)	0.00	4,520,000.00
6th bank	150	0.00	BBL's MLR – 1.70%	30,208,332.95	67,708,333.07
7th bank	1,000	100.00	MLR – 1.50%	459,066,666.55	588,125,955.91
8th bank	250	0.00	2.00%	250,000,000.00	0.00
Total	7,690	688.48		3,593,837,499.50	4,193,551,818.98
<u>Less</u> Deferred loans issuing costs				(5,309,186.83)	(9,345,025.23)
Net				3,588,528,312.67	4,184,206,793.75
<u>Less</u> Current portion of long-term debts				(1,777,658,645.18)	(1,678,882,811.93)
Long-term loans from financial institutions				1,810,869,667.49	2,505,323,981.82

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

Moments in long-term loan for the year ended December 31, 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	1,300,000,000.00
Repayment during the period	(1,899,714,319.48)
Balance as at December 31, 2020	3,593,837,499.50

(Signature).....Director

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

- 24.1 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 185.59 million) These loans are guaranteed by transferring the right on part of hire purchase receivable as stated in note 7.
- 24.2 The second bank, loans from bank amount of Baht 3,540 million which were gradually withdrawn of each not exceeds 75% of hire purchase receivable. The principal and interest are monthly repayable within 4 years from the loans withdrawal date in fully amount. Credit line total amount of Baht 3,540 million dividend into credit line amount of Baht 240 million (remaining is Baht 240 million) and credit line amount of Baht 3,300 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 7 and 17.
- 24.3 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 7.
- 24.4 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 162.89 million) The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 7.
- 24.5 The fifth bank, loans from bank amount of Baht 50 million which were withdrawn in fully amount. The debt was fully paid in the third quarter of 2020, in note 7.
- 24.6 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 7.

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

24.7 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 7.

24.8The 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 7.

25. LEASE LIABILITIES

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December31, 2020	December 31, 2019
Lease liabilities	30,891,966.73	0.00
Less: Deferred interest expense	(2,512,566.49)	0.00
Total	28,379,400.24	0.00
Less Current portion of lease liabilities	(8,197,590.97)	0.00
Lease liabilities - net of current portion	<u>20,181,809.27</u>	<u>0.00</u>

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.

(Signature).....Director  
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25. LEASE LIABILITIES (CONT'D)

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

	Consolidated and Separate financial statements			
	December 31, 2020			
	Less than			
	1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	9,317,707.02	21,574,259.71	0.00	30,891,966.73
Deferred interest expenses	(1,120,116.05)	(1,392,450.44)	0.00	(2,512,566.49)
Present value of future minimum lease payments	<u>8,197,590.97</u>	<u>20,181,809.27</u>	<u>0.00</u>	<u>28,379,400.24</u>

The following are the amounts relating to lease contracts recognised in the income statements for the year ended 31 December 2020:

	(Unit : Baht)
	Consolidated and Separate financial statements
Depreciation expenses of right-of-use assets	9,174,983.54
Interest expenses on lease liabilities	1,485,408.83
Expense relating to short-term leases	0.00
Expenses relating to leases of low-value assets	739,096.50

Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 10.01 million

(Signature).....Director  
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26. DEBENTURES

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

				(Unit : Baht)	
				Consolidated and Separate financial statements	
Debentures	Interest rate	Terms	Due date	December 31, 2020	December 31, 2019
Debentures # 1/2018	4.40% per annum	2 years	October 5, 2020	0.00	600,000,000.00
Total debentures, at face value				0.00	600,000,000.00
Less: Unamortized portion of deferred transaction costs				0.00	(576,433.57)
				0.00	599,423,566.43
Less: Current portion of debentures				0.00	(599,423,566.43)
Debentures				<u>0.00</u>	<u>0.00</u>

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 year, Debentures due date in fully amount.

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27. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

The changes in present value of employee benefit obligations for the year ended December 31, 2020 and 2019, as follows:

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 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	2,843,985.52	2,760,837.96
Previous service costs and interest	0.00	5,663,306.00
Employee compensation - Retirement	(568,606.67)	0.00
Employee compensation - Layoff	(1,520,873.14)	0.00
Recognition in other comprehensive income :		
Re-measuring for post-employment benefit obligations	0.00	2,960,617.00
Non-current provisions for employee benefit as at December 31	<u>31,126,259.71</u>	<u>30,371,754.00</u>

Long-term employee benefit expense for the year ended December 31, 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 December 31, 2020, are summarized below:

	(Unit : Baht)	
	Increase	Decrease
Discount rate (changed at 0.5%)	(704,214.00)	770,389.00
Salary increase rate (changed at 0.5%)	894,877.00	(820,800.00)
Turnover rate (changed at 10%)	(906,187.00)	1,020,819.00

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28. 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. (Due date January 12, 2021)

29. 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.

30. PROVIDENT FUND

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

For the year ended December 31, 2020 and 2019, the Company paid the contribution to the fund of Baht 5,786,975.00 and Baht 5,997,029.00 respectively.

31. DIRECTORS' REMUNERATION AND MANAGEMENT BENEFIT EXPENSES

31.1 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.

31.2 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.

(Signature).....Director

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32. FINANCIAL INFORMATION BY SEGMENT

32.1 Financial risk management objectives and policies

The Group’s financial instruments principally comprise cash and cash equivalents, hire purchase receivables, Loans and sale with right of redemption agreement receivables, loans, Pledged deposit at financial institution, Bank overdrafts and short-term loans from financial institutions, Trade and other current payables, Short-term loans from related persons, Long-term loans from financial institutions and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

**Credit risk**

The Group has the risk with hire purchase receivables, cash and cash equivalents and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large customer.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation of expected credit losses are considered the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group has a policy to write-off its receivables when a demand for payment has been properly made and clearly evidenced, and yet the debts remain unsettled.

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32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

**Maximum exposure to credit risk**

The maximum exposure is shown gross of financial instruments before taking into account collateral arrangements and any actions taken to improve. For financial assets that recognises in statement of financial position, the maximum exposure is shown gross, before taking into allowance for expected credit losses.

The Group disclose this information since 2020, due to the adoption of financial reporting standard since 1 January 2020. As at 31 December 2020, the exposure to credit risk are as follow:

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
	2020	2020
Cash and cash equivalents	54,488,493.19	50,717,065.98
Pledged deposit at financial institution	1,082,948.99	76,000.00
Hire purchase receivables	5,315,643,187.65	5,315,643,187.65
Total exposure to credit risk	5,371,214,629.83	5,366,436,253.63

**Credit quality analysis**

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted policies to mitigate this risk by analyst from customer information and monitoring status of customer.

**Collateral and any operations to increase creditability**

The Group has held collateral and any operations to increase creditability of exposure to credit risk. The details of the collateral held by the Group for each type of financial assets are as follows:

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	Exposure to risk with collateral	Type of collateral
	31 December 2020	
Hire purchase receivables	5,315,643,187.65	Car- Motorcycle -truck

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32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

**Market risk**

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the financial position of the Group. As the Group has no foreign currency assets and liabilities and no investments in securities, market risk therefore consists of only interest rate risk. The Group manages the changes in interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, in order to generate a suitable yield while maintaining risk at acceptable levels.

**Interest rate risk**

The Group enters into a variety of derivatives to manage its risk exposure, including Bank deposit, Hire purchase receivables, loans, Bank overdrafts, loans and debentures.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

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32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

(Unit: Million baht)

Consolidated financial statements						
31 December 2020						
Fixed interest rate			Floating interest rate	Non-interest bearing	Total	
Within 1 year	Over 1-5 years	Over 5 year				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	15.46	39.03	54.59
Hire purchase receivables	1,877.88	3,437.76	-	-	-	5,315.64
Short-term loans for joint venture	221.50	-	-	-	-	221.50
Long-term loans for joint venture	30.00	-	-	-	-	30.00
Other non-current financial asset	-	-	-	-	2.02	2.02
Pledged deposit at financial institution	1.02	0.06	-	-	-	1.08
	<u>2,130.40</u>	<u>3,437.82</u>	<u>-</u>	<u>15.46</u>	<u>41.05</u>	<u>5,624.83</u>
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans						
from financial institutions	320.26	-	-	-	-	320.26
Trade and other current payables	-	-	-	-	43.80	43.80
Short-term loans from related persons	183.77	-	-	-	-	183.77
Long-term loans	1,001.56	1,013.29	-	1,573.68	-	3,588.53
lease liabilities	8.20	20.18	-	-	-	28.38
	<u>1,513.79</u>	<u>1,033.47</u>	<u>-</u>	<u>1,573.68</u>	<u>43.80</u>	<u>4,164.74</u>

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32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

(Unit: Million baht)

	Separate financial statements					
	31 December 2020					
	Fixed interest rate			Floating interest rate	Non-interest bearing	Total
	Within 1 year	Over 1-5 years	Over 5 year			
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	11.72	39.00	50.72
Hire purchase receivables	1,877.88	3,437.76	-	-	-	5,315.64
Short-term loans for joint venture	221.50	-	-	-	-	221.50
Long-term loans for joint venture	30.00	-	-	-	-	30.00
Other non-current financial asset	-	-	-	-	2.02	2.02
Pledged deposit at financial institution	0.01	0.06	-	-	-	0.07
	<u>2,129.39</u>	<u>3,437.82</u>	<u>-</u>	<u>11.72</u>	<u>41.02</u>	<u>5,619.95</u>
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans						
from financial institutions	320.00	-	-	0.26	-	320.26
Trade and other current payables	-	-	-	-	42.91	42.91
Short-term loans from related persons	183.77	-	-	-	-	183.77
Long-term loans	1,001.56	1,013.29	-	1,573.68	-	3,588.53
lease liabilities	8.20	20.18	-	-	-	28.38
	<u>1,513.53</u>	<u>1,033.47</u>	<u>-</u>	<u>1,573.68</u>	<u>42.91</u>	<u>4,163.85</u>

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32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

(Unit: Million baht)

Consolidated financial statements						
31 December 2019						
Fixed interest rate						
	Within	Over	Over	Floating	Non-interest	
	1 year	1-5 years	5 year	interest rate	bearing	Total
<b>Financial assets</b>						
Cash and cash equivalents	2.19	-	-	-	15.67	17.86
Hire purchase receivables	2,034.11	4,866.67	-	-	-	6,900.78
Loans and sale with right of redemption agreement receivables	24.18	-	-	-	-	24.18
Short-term loans for joint venture	169.50	-	-	-	-	169.50
Long-term loans for joint venture	62.00	-	-	-	-	62.00
Other non-current financial asset	-	-	-	-	2.69	2.69
Pledged deposit at financial institution	1.00	0.07	-	-	-	1.07
	<u>2,292.98</u>	<u>4,866.74</u>	<u>-</u>	<u>-</u>	<u>18.36</u>	<u>7,178.08</u>
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans						
from financial institutions	360.24	-	-	35.86	-	396.10
Trade and other current payables	-	-	-	-	66.92	66.92
Short-term loans from related persons	217.98	-	-	-	-	217.98
Long-term loans	898.87	1,136.82	-	2,148.52	-	4,184.21
Debentures	599.42	-	-	-	-	599.42
	<u>2,076.51</u>	<u>1,136.82</u>	<u>-</u>	<u>2,184.38</u>	<u>66.92</u>	<u>5,464.63</u>

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32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

(Unit: Million baht)

	Separate financial statements					Total
	31 December 2019					
	Fixed interest rate			Floating interest rate	Non-interest bearing	
	Within 1 year	Over 1-5 years	Over 5 year			
<b>Financial assets</b>						
Cash and cash equivalents	0.72				15.65	16.37
Hire purchase receivables	2,034.11	4,866.67	-	-	-	6,900.78
Loans and sale with right of redemption agreement receivables	24.18	-	-	-	-	24.18
Short-term loans for joint venture	169.50	-	-	-	-	169.50
Long-term loans for joint venture	62.00	-	-	-	-	62.00
Other non-current financial asset	-	-	-	-	2.69	2.69
Pledged deposit at financial institution	-	0.07	-	-	-	0.07
	<u>2,290.51</u>	<u>4,866.74</u>	<u>-</u>	<u>-</u>	<u>18.34</u>	<u>7,175.59</u>
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans						
from financial institutions	360.24	-	-	35.86	-	396.10
Trade and other current payables	-	-	-	-	66.89	66.89
Short-term loans from related persons	217.98	-	-	-	-	217.98
Long-term loans	898.87	1,136.82	-	2,148.52	-	4,184.21
Debentures	599.42	-	-	-	-	599.42
	<u>2,076.51</u>	<u>1,136.82</u>	<u>-</u>	<u>2,184.38</u>	<u>66.89</u>	<u>5,464.60</u>

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32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

Analysis of effect to changes in interest rates

Analysis of effect to changes in interest rates shows the potential change in interest rates on the statement of comprehensive income and the equity of the Group by setting constant to other variables. However, financial assets and financial liabilities at the end of reporting period of the Group have constant interest rates. Effect to changes in interest rates does not have any significant impact on the financial statements.

**Liquidity risk**

The Group monitors the risk of a shortage of liquidity through the management of sufficient cash and cash equivalent, to reduce the effect of fluctuation of cash flows. The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Million baht)

	Consolidated financial statements				
	31 December 2020				
	At call	Within 1 year	1 – 5 years	Over 5 years	Total
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	300.26	20.00	-	-	320.26
Trade and other current payables	-	43.80	-	-	43.80
Short-term loans from related persons	-	183.77	-	-	183.77
Long-term loans	-	1,777.66	1,810.87	-	3,588.53
lease liabilities	-	8.20	20.18	-	28.38
Total	300.26	2,033.43	1,831.05	-	4,164.74

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32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

(Unit: Million baht)

	Separate financial statements				
	31 December 2020				
	At call	Within 1 year	1 – 5 years	Over 5 years	Total
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions	300.26	20.00	-	-	320.26
Trade and other current payables	-	42.91	-	-	42.91
Short-term loans from related persons	-	183.77	-	-	183.77
Long-term loans	-	1,777.66	1,810.87	-	3,588.53
lease liabilities	-	8.20	20.18	-	28.38
Total	300.26	2,032.54	1,831.05	-	4,163.85

**Fair values financial instruments**

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows.

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, Short-term loans, Bank overdrafts and short-term loans, the carrying amounts in the statement of financial position approximate their fair value.
- b) For fixed rate hire purchase and fixed rate debentures and long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- c) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.

As at 31 December 2020, the Group had the assets and liabilities that were measured and disclosed at fair value using different levels of inputs as follows:

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32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

(Unit: Milion baht)

	Consolidated financial statements				
	2020				
	Book value	Fair values			Total
Level 1		Level 2	Level 3		
<b>Financial assets</b>					
Cash and cash equivalents	54.49	54.49	-	-	54.49
Hire purchase receivables	5,315.64	-	-	-	-
Short-term loans for joint venture	221.50	-	221.50	-	221.50
Other non-current financial asset	2.02	-	-	2.02	2.02
Long-term loans for joint venture	30.00	-	30.00	-	30.00
Pledged deposit at financial institution	1.08	1.08	-	-	1.08
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	320.26	320.26	-	-	320.26
Trade and other current payables	43.80	43.80	-	-	43.80
Short-term loans from related persons	183.77	-	183.77	-	183.77
Long-term loans	3,588.53	-	3,609.30	-	3,609.30
lease liabilities	28.38	-	-	28.38	28.38

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32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

(Unit: Million baht)

	Separate financial statements				
	2020				
	Book value	Fair values			Total
Level 1		Level 2	Level 3		
<b>Financial assets</b>					
Cash and cash equivalents	50.72	50.72	-	-	50.72
Hire purchase receivables	5,315.64	-	-	-	-
Short-term loans for joint venture	221.50	-	221.50	-	221.50
Other non-current financial asset	2.02	-	-	2.02	2.02
Long-term loans for joint venture	30.00	-	30.00	-	30.00
Pledged deposit at financial institution	0.08	0.08	-	-	0.08
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	320.26	320.26	-	-	320.26
Trade and other current payables	42.91	42.91	-	-	42.91
Short-term loans from related persons	183.77	-	183.77	-	183.77
Long-term loans	3,588.53	-	3,609.30	-	3,609.30
lease liabilities	28.38	-	-	28.38	28.38

The Group's management is currently assessing the fair value of the hire purchase receivables, believing that the fair value is close to the carrying value presented in the statement of financial position.

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### 33. 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.

### 34. EXPENSES ANALYZED BY NATURE

The significant expenses analyzed by nature are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Employees benefit expenses	123,355,736.06	150,812,806.63	123,116,142.95	150,812,806.63
Directors' remuneration	6,592,000.00	8,960,000.00	6,592,000.00	8,960,000.00
Management benefit expenses	33,819,730.00	36,434,400.00	33,819,730.00	36,434,400.00
Depreciation	22,614,560.46	13,000,484.04	22,604,079.47	13,000,484.04
Amortized commission expenses	67,192,303.32	60,418,799.37	67,192,303.32	60,418,799.37
Loss on impairment of other long-term investments	671,452.27	1,188,329.51	671,452.27	4,767,007.28
Expected credit losses	158,919,354.48	0.00	158,919,354.48	0.00
Bad dept and Doubtful accounts	0.00	141,538,033.28	0.00	141,538,033.28

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35. INCOME TAX

35.1 Income tax expenses for the year ended December 31, 2020 and 2019, can be summarized as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Current tax:				
Income tax for the period	25,502,493.75	45,431,796.03	25,500,909.73	45,438,472.03
Deferred tax:				
Deferred tax on temporary differences and reserved temporary differences	(10,482,940.39)	(15,389,925.86)	(10,484,524.40)	(16,105,661.41)
Income tax expenses presented in statement of comprehensive income	<u>15,019,553.36</u>	<u>30,041,870.17</u>	<u>15,016,385.33</u>	<u>29,332,810.62</u>
Income tax realized in other comprehensive income				
Deferred tax recognized to actuarial loss	<u>0.00</u>	<u>592,123.40</u>	<u>0.00</u>	<u>592,123.40</u>

35.2 Reconciliation amount between income tax expenses and multiplication of accounting profits and tax rates used for the year ended December 31, 2020 and 2019, can be presented as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Accounting profit before income tax	76,698,901.82	160,131,012.15	66,321,757.13	139,654,592.60
Income tax rates	20%	20%	20%	20%
Accounting profit before income tax multiply by tax rates	15,339,780.36	32,026,202.43	13,264,351.43	27,930,918.52
Taxable effect for:				
Prohibited taxable items	10,162,713.39	13,405,593.60	12,236,558.30	17,507,553.51
Temporary differences from effect of deferred income tax	(10,482,940.39)	(15,389,925.86)	(10,484,524.40)	(16,105,661.41)
Income tax expenses presented in statement of income	<u>15,019,553.36</u>	<u>30,041,870.17</u>	<u>15,016,385.33</u>	<u>29,332,810.62</u>
Effective income tax rate (%)	<u>19.58%</u>	<u>18.76%</u>	<u>22.64%</u>	<u>21.00%</u>

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35. INCOME TAX (CONT'D)

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

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Deferred tax assets				
Allowance for expected credit losses - hire purchase receivable	74,169,947.96	15,428,186.16	74,169,947.96	15,428,186.16
Allowance for expected credit losses - loans and sale with right of redemption receivable	0.00	9,690.24	0.00	9,690.24
Allowance for expected credit losses - Receivables under lawsuit	16,150,031.07	20,987,078.29	16,150,031.07	20,987,078.29
Allowance for expected credit losses - debt compromise receivables	857,627.27	2,470,630.48	857,627.27	2,470,630.48
Allowance for expected credit losses - other receivables	87,665.80	81,838.80	87,665.80	81,838.80
Allowance for expected credit losses - Receivables under lawsuit – car loan	697,958.40	935,591.80	697,958.40	935,591.80
Provision for impairment of assets – foreclosed	9,331,693.66	6,496,006.12	9,331,693.66	6,496,006.12
Non-current provisions for employee benefit	6,225,251.94	6,074,350.80	6,225,251.94	6,074,350.80
Provision for impairment of investment	371,956.36	237,665.90	1,087,691.91	953,401.46
Reserve for allowance for doubtful accounts -				
Accrued value added tax	215,823.41	0.00	215,823.41	0.00
Lease	250,906.48	0.00	250,906.48	0.00
Total	<u>108,358,862.36</u>	<u>52,721,038.59</u>	<u>109,074,597.91</u>	<u>53,436,774.14</u>
Deferred tax liabilities				
The difference of the realized accounting and tax revenues				
	3,856,980.41	0.00	3,856,980.41	0.00
Deferred commission	14,651,243.22	22,696,620.34	14,651,243.22	22,696,620.34
Total	<u>18,508,223.63</u>	<u>22,696,620.34</u>	<u>18,508,223.63</u>	<u>22,696,620.34</u>
Net	<u>89,850,638.72</u>	<u>30,024,418.25</u>	<u>90,566,374.27</u>	<u>30,740,153.80</u>

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36. 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 conversation of all dilutive potential ordinary shares to ordinary shares at the beginning of the year or at the potential ordinary shares issuance date.

Basic earnings per share for the year ended December 31, 2020 and 2019, can be presented as follows:

(Unit : Baht)

Consolidated financial statements						
For the year ended						
December 31, 2020			December 31, 2019			
Profit (Loss)	Number of share	Earnings per share	Profit (Loss)	Number of share	Earnings per share	
Basis earnings per share	61,679,348.46	1,108,857,244	0.0556	130,089,141.98	1,108,857,244	0.1173

(Unit : Baht)

Separate financial statements						
For the year ended						
December 31, 2020			December 31, 2019			
Profit (Loss)	Number of share	Earnings per share	Profit (Loss)	Number of share	Earnings per share	
Basis earnings per share	51,305,371.80	1,108,857,244	0.0463	110,321,781.98	1,108,857,244	0.0995

(Signature).....Director

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37. COMMITMENT AND CONTINGENT LIABILITIES

37.1 As at December 31, 2020, contingent liabilities from bank's issuance of letter of guarantee for electricity usage amount of Baht 76,000.00 (as at December 31, 2019, of Baht 66,000.00).

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

37.3 As at December 31, 2020, liable on payment under rental agreement within 1 year in amount of Baht 0.42 million and over 1 year in amount of Baht 0.21 million.

38. SIGNIFICANT CONTRACT

Co-business investment contract

38.1 The Company and Premium Financial Services Co., Ltd. ("PFS") are investors entered into contract for co-business investment for the period of 2 years and renewed for the next 1 year each with the objective to develop the business of the Company by taking Know-How of PFS and appointed the representative of PFS to be director and employee for rendered the services for the Company. The remuneration is determined in the amount of Baht 600,000.00 per month (exclude tax/this amount is included salaries and other expenses of which the Company has paid to the representative of PFS from get into employee position of the Company). The termination of a contract is on April 26, 2020 without renewal.

38.2 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.

39. CAPITAL MANAGEMENT

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

As at December 31, 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	2.41	2.45

(Signature).....Director  
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40. EVENTS AFTER REPORTING PERIOD

According to the Board of Director meeting of the Company No. 1/2021 held on February 25, 2021, the meeting passed a resolution to request the approval from the General Shareholder Meeting to pay dividend to the shareholders at rate of Baht 0.10 per share for 1,108,859,002 shares, totally amount of Baht 110.89 million. (Nevertheless, this do include the exercise of warrants for 1,758 shares). The dividend is scheduled to pay on May 14, 2021.

41. RECLASSIFICATION

The financial statements for the year ended December 31, 2019, have been reclassified for comparison purpose to conform to the financial statements for the year ended December 31, 2020, as follows:

(Unit : Baht)

	Consolidated and Separate financial statements		
	Before reclassify		After reclassify
	Debit/(Credit)	Reclassify	Debit/(Credit)
<b>Statements of financial position</b>			
<b>As at December 31 ,2019</b>			
Other current receivables	38,695,974.51	(9,345,025.23)	29,350,949.28
Current portion of long-term loans	1,684,748,534.00	(5,865,722.07)	1,678,882,811.93
Long-term loans from financial institutions	2,508,803,284.98	(3,479,303.16)	2,505,323,981.82
<b>Statements of cash flows</b>			
<b>As at December 31 ,2019</b>			
Amortization loans issuing costs	0.00	10,236,012.30	10,236,012.30
(Increase) Decrease in other current receivables	(6,384,420.22)	9,345,025.23	2,960,605.01
Proceeds from long-term loans from financial institutions	2,251,459,000.00	(19,581,037.53)	2,231,877,962.47

42. APPROVAL OF INTERIM FINANCIAL STATEMENTS APPROVAL

These interim financial statements were approved and authorized for issue by the Company's Board of directors on February 25, 2021.

(Signature).....Director  
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