

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

AND SUBSIDIARIES

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021, 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, 2021, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Key audit matters 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 6 to the consolidated financial statements, as at December 31, 2021, the Group had total hire purchase receivables in the consolidated and separate financial statements amount of Baht 4,303.78 million representing 88.75% and 89.47% of total assets respectively, and allowance for expected credit losses of Baht 218.88 million, which are material to the financial statements.

Because of the of expected credit losses calculation is required to use the basis of developing for sophisticated models calculation. The Management needs to use judgements and estimates in developing expected credit losses model to be conformed to Thai Financial Reporting Standards. The significant judgement of management include identify significant increase in credit risk of receivable accounts since the initial recognition of the transaction. The selection of forecasts relating to the economic factors used in the models and incremental adjustments from allowance for expected credit losses management due to limitation 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 and test by sampling the efficiency of internal control relating to credit providing, debt receiving, classification of debts and calculation of expected credit losses.
- Evaluate and test internal control of related information technology.
- Obtain an understanding, evaluate and test the reasonable of the expected credit losses model by reviewing evidence supporting the development of models, and sampling test the accuracy and completeness of information used in models developing.
- Assess the calculation method and assumptions used in the consideration of expected credit losses allowance as well as the appropriation of judgements used in incremental adjustment from management.
- Test calculation of expected credit losses allowance by sampling test 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 under hire purchase 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 4.1.1 to financial statements (in 2021, has revenues from hire purchase interest on the consolidated and separate financial statements amount of Baht 513.78 million or equal to 75.10% and equal to 76.06% 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 sampling test the Group's internal control system relating to credit providing for hire purchase agreement entering, receipt, revenues recognition, and test the general internal control of the information technology as well as the sampling test the accuracy of information and calculation.
- Tested by sampling the hire purchase agreement for checking the record of hire purchase receivable transaction and recognition of revenues from hire purchase interest that they are conformity to the conditions as stipulated in agreement and there is adjustment by the effective interest rate.
- Tested by sampling the significant adjustment made through 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 24, 2022

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Assets	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Current assets					
Cash and cash equivalents	5	55,101,265.78	54,488,493.19	51,291,095.43	50,717,065.98
Hire purchase receivables due within 1 year	6	1,645,986,581.68	1,877,883,330.50	1,645,986,581.68	1,877,883,330.50
Other current receivables	8	18,189,014.87	19,730,348.48	15,472,890.05	19,218,333.67
Short-term loans for joint venture	9	225,500,000.00	221,500,000.00	225,500,000.00	221,500,000.00
Properties foreclosed	10	37,395,216.00	67,964,867.67	37,395,216.00	67,964,867.67
Total current assets		1,982,172,078.33	2,241,567,039.84	1,975,645,783.16	2,237,283,597.82
Non-current assets					
Hire purchase receivables due over 1 year	6	2,657,796,854.54	3,437,759,857.15	2,657,796,854.54	3,437,759,857.15
Investments in subsidiaries	12	0.00	0.00	5,000,000.00	5,000,000.00
Investment in joint venture	13	70,008,174.02	63,435,389.35	36,000,000.00	36,000,000.00
Other non-current financial asset	11	0.00	2,022,840.45	0.00	2,022,840.45
Other non-current receivables	14	2,153,019.60	3,401,541.41	2,153,019.60	3,401,541.41
Long-term loans for joint venture	9	0.00	30,000,000.00	0.00	30,000,000.00
Property, plant and equipment	15	35,820,768.60	42,689,144.48	34,124,351.26	42,561,798.06
Right-of-use assets	16	27,096,159.97	27,728,728.03	27,096,159.97	27,728,728.03
Intangible assets	17	766,074.81	5,928,624.59	645,587.85	5,852,332.00
Deferred tax assets	33.3	69,411,600.75	108,358,862.36	70,127,336.30	109,074,597.91
Pledged deposit at financial institution	18	1,534,942.75	1,082,948.99	76,000.00	76,000.00
Other non-current assets		2,625,792.14	2,275,792.14	1,910,792.14	1,910,792.14
Total non-current assets		2,867,213,387.18	3,724,683,728.95	2,834,930,101.66	3,701,388,487.15
Total assets		4,849,385,465.51	5,966,250,768.79	4,810,575,884.82	5,938,672,084.97

Notes to financial statements are parts of these financial statements.

(Signature).....Director

(

)

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT DECEMBER 31, 2021

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	19	340,000,000.00	320,260,469.94	340,000,000.00	320,260,469.94
Trade and other current payables	20	40,519,066.02	43,801,236.98	39,775,373.46	42,908,050.64
Current portion of long-term loans	22	1,399,448,890.68	1,777,658,645.18	1,399,448,890.68	1,777,658,645.18
Short-term loans from related persons	21.3	188,583,536.38	183,773,223.24	188,583,536.38	183,773,223.24
Current portion of lease liabilities	23	8,915,404.57	8,197,590.97	8,701,798.12	8,197,590.97
Accrued income tax		11,078,966.69	2,246,701.07	10,882,047.60	2,258,405.46
Total current liabilities		1,988,545,864.34	2,335,937,867.38	1,987,391,646.24	2,335,056,385.43
Non-current liabilities					
Long-term loans from financial institutions	22	963,030,674.98	1,810,869,667.49	963,030,674.98	1,810,869,667.49
Lease Liabilities	23	20,181,393.16	20,181,809.27	19,530,433.23	20,181,809.27
Non-current provisions for employee benefit	24	34,904,805.87	31,126,259.71	34,812,163.00	31,126,259.71
Deferred tax liabilities	33.3	10,548,684.10	18,508,223.63	10,548,684.10	18,508,223.63
Total non-current liabilities		1,028,665,558.11	1,880,685,960.10	1,027,921,955.31	1,880,685,960.10
Total liabilities		3,017,211,422.45	4,216,623,827.48	3,015,313,601.55	4,215,742,345.53

Notes to financial statements are parts of these financial statements.

(Signature).....Director

()

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT DECEMBER 31, 2021

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Liabilities and shareholders' equity (Cont'd)	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Shareholders' equity					
Share capital					
Authorized share capital					
1,663,285,866 common shares of Baht 1.00 each			1,663,285,866.00		1,663,285,866.00
1,108,859,002 common shares of Baht 1.00 each		1,108,859,002.00		1,108,859,002.00	
Issued and paid - up share capital					
1,108,857,244 common shares of Baht 1.00 each			1,108,857,244.00		1,108,857,244.00
1,108,859,002 common shares of Baht 1.00 each	25	1,108,859,002.00		1,108,859,002.00	
Paid-in capital					
Premium on common share		279,958,858.40	279,957,364.10	279,958,858.40	279,957,364.10
Reserve for Equity-Settled Share-Based Payment		42,752,220.00	42,752,220.00	42,752,220.00	42,752,220.00
Retained earnings					
Appropriated - Legal reserve	26	54,485,810.93	45,295,869.00	54,485,810.93	45,295,869.00
Unappropriated		346,118,151.73	272,764,244.21	309,206,391.94	246,067,042.34
Total shareholders' equity		1,832,174,043.06	1,749,626,941.31	1,795,262,283.27	1,722,929,739.44
Total liabilities and shareholders' equity		4,849,385,465.51	5,966,250,768.79	4,810,575,884.82	5,938,672,084.97

Notes to financial statements are parts of these financial statements.

(Signature).....Director

()

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Realized selling interest under hire purchase agreement		513,784,169.41	692,134,927.54	513,784,169.41	692,134,927.54
Interest income under sale with right of redemption agreement		0.00	1,430,464.00	0.00	1,430,464.00
Interest income		15,559,168.62	16,630,282.28	15,559,168.62	16,630,282.28
Other income					
Fee and services income		85,053,016.54	117,693,591.38	76,442,932.23	117,075,807.30
Recovered bad debts		28,598,507.56	17,891,493.22	28,598,507.56	17,891,493.22
Others		41,160,281.47	45,043,948.33	41,151,312.48	45,035,142.69
Total revenues		684,155,143.60	890,824,706.75	675,536,090.30	890,198,117.03
Expenses					
Selling expenses		(8,517,088.97)	(5,137,996.53)	(7,370,865.99)	(5,120,113.77)
Administrative expenses		(325,819,738.06)	(444,079,267.55)	(322,910,550.76)	(443,477,980.69)
Reversal of expected credit loss (loss)		22,580,655.63	(158,919,354.48)	22,580,655.63	(158,919,354.48)
Total expenses		(311,756,171.40)	(608,136,618.56)	(307,700,761.12)	(607,517,448.94)
Profit before share of gain (loss) on investments in joint venture		372,398,972.20	282,688,088.19	367,835,329.18	282,680,668.09
Finance costs		(135,066,943.83)	(216,358,910.96)	(135,060,935.45)	(216,358,910.96)
Share of gain (loss) on investment in joint venture by equity method		6,572,784.67	10,369,724.59	0.00	0.00
Profit before income tax		243,904,813.04	76,698,901.82	232,774,393.73	66,321,757.13
Tax expenses	33.1	(49,891,416.59)	(15,019,553.36)	(48,975,555.20)	(15,016,385.33)
Profit for the year		194,013,396.45	61,679,348.46	183,798,838.53	51,305,371.80
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain (loss) on defined employee benefit plan		(792,071.00)	0.00	(792,071.00)	0.00
Less : Taxable effects		158,414.20	0.00	158,414.20	0.00
Other comprehensive income for the year		(633,656.80)	0.00	(633,656.80)	0.00
Total comprehensive income for the year		193,379,739.65	61,679,348.46	183,165,181.73	51,305,371.80
Earnings per share					
Basis earnings per share	34	0.1750	0.0556	0.1658	0.0463

Notes to financial statements are parts of these financial statements.

(Signature).....Director

()

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Baht

Note	Consolidated financial statements					Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Reserve for Equity- Settled Share-Based Payment	Retained earnings (Deficit)		
				Appropriated	Unappropriated	
Balance as at January 1, 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	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>
Balance as at January 1, 2021	1,108,857,244.00	279,957,364.10	42,752,220.00	45,295,869.00	272,764,244.21	1,749,626,941.31
Ordinary shares	25	1,758.00	0.00	0.00	0.00	1,758.00
Premium on common share	25	0.00	1,494.30	0.00	0.00	1,494.30
Appropriated for legal reserve		0.00	0.00	0.00	9,189,941.93	(9,189,941.93)
Dividend paid	27	0.00	0.00	0.00	(110,835,890.20)	(110,835,890.20)
Total comprehensive income for the year		0.00	0.00	0.00	0.00	194,013,396.45
Re-measuring for post-employment benefit obligations		0.00	0.00	0.00	0.00	(633,656.80)
Balance as at December 31, 2021	<u>1,108,859,002.00</u>	<u>279,958,858.40</u>	<u>42,752,220.00</u>	<u>54,485,810.93</u>	<u>346,118,151.73</u>	<u>1,832,174,043.06</u>

Notes to financial statements are parts of these financial statements.

(Signature).....Director

()

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

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, 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	0.00	0.00	0.00	0.00	(197,366,784.29)	(197,366,784.29)
Balance as at January 1, 2020 - as restated	1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	197,326,939.13	1,671,624,367.64
Appropriated for legal reserve	0.00	0.00	0.00	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>
Balance as at January 1, 2021	1,108,857,244.00	279,957,364.10	42,752,220.00	45,295,869.00	246,067,042.34	1,722,929,739.44
Ordinary shares	25	1,758.00	0.00	0.00	0.00	1,758.00
Premium on common share	25	0.00	1,494.30	0.00	0.00	1,494.30
Appropriated for legal reserve		0.00	0.00	9,189,941.93	(9,189,941.93)	0.00
Dividend paid	27	0.00	0.00	0.00	(110,835,890.20)	(110,835,890.20)
Total comprehensive income for the year		0.00	0.00	0.00	183,798,838.53	183,798,838.53
Re-measuring for post-employment benefit obligations		0.00	0.00	0.00	(633,656.80)	(633,656.80)
Balance as at December 31, 2021	<u>1,108,859,002.00</u>	<u>279,958,858.40</u>	<u>42,752,220.00</u>	<u>54,485,810.93</u>	<u>309,206,391.94</u>	<u>1,795,262,283.27</u>

Notes to financial statements are parts of these financial statements.

(Signature).....Director

()

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit for the year	194,013,396.45	61,679,348.46	183,798,838.53	51,305,371.80
Adjustments to net profit to cash receipt (disbursement)				
Tax expenses	49,891,416.59	15,019,553.36	48,975,555.20	15,016,385.33
Depreciation and amortized expenses	20,715,594.59	22,614,560.46	20,545,341.97	22,604,079.47
Amortized expenses	45,177,158.27	67,192,303.32	45,177,158.27	67,192,303.32
Reversal of expected credit loss (loss)	(22,580,655.63)	158,919,354.48	(22,580,655.63)	158,919,354.48
Difference from decrease rentals	(67,200.00)	4,626.87	(67,200.00)	4,626.87
Share of (gain) loss on investment in joint venture by equity method	(6,572,784.67)	(10,369,724.59)	0.00	0.00
(Gain) Loss on sales of property, plant and equipment	171,558.11	(91,067.55)	171,558.11	(91,067.55)
(Gain) Loss on disposal of property, plant and equipment	0.00	200,507.06	0.00	200,507.06
(Gain) Loss on impairment of intangible assets	5,100,000.00	0.00	5,100,000.00	0.00
(Gain) Loss on impairment of properties foreclosed	(22,777,865.72)	14,178,437.69	(22,777,865.72)	14,178,437.69
Amortization loans issuing costs	6,326,585.98	8,335,838.40	6,326,585.98	8,335,838.40
Expenses of loans issuing costs	(4,225,000.00)	0.00	(4,225,000.00)	0.00
Amortized portion of deferred transaction costs	0.00	576,433.57	0.00	576,433.57
(Gain) Loss on impairment of Other non-current financial asset	2,022,840.45	671,452.27	2,022,840.45	671,452.27
Employee benefit provisions	2,986,475.16	2,843,985.52	2,893,832.29	2,843,985.52
Finance costs	128,734,349.47	207,254,468.30	128,734,349.47	207,254,468.30
Profit (Loss) from operation before changes in current investment	398,915,869.05	549,030,077.62	394,095,338.92	549,012,176.53
(Increase) Decrease in hire purchase receivables	1,118,654,679.56	1,209,157,734.17	1,118,654,679.56	1,209,157,734.17
(Increase) Decrease in loans and sale with right of redemption receivables	0.00	24,225,600.00	0.00	24,225,600.00
(Increase) Decrease in other current receivables	1,961,326.56	8,541,483.74	4,165,436.57	9,053,498.55
(Increase) Decrease in properties foreclosed	52,632,575.08	(38,753,373.86)	52,632,575.08	(38,753,373.86)
(Increase) Decrease in other non-current receivables	(128,562,901.91)	(99,181,510.27)	(128,562,901.91)	(99,181,510.27)
Pledged deposit at financial institution	(451,993.76)	(16,948.99)	0.00	(10,000.00)
Other non-current assets	(350,000.00)	(118,343.14)	0.00	246,656.86
Increase (Decrease) in trade and other current payables	(2,578,458.39)	(15,498,393.25)	(2,428,964.61)	(16,366,579.59)
Increase (Decrease) in employee benefits	0.00	(2,089,479.81)	0.00	(2,089,479.81)
Cash generated (paid) from operation	1,440,221,096.19	1,635,296,846.21	1,438,556,163.61	1,635,294,722.58
Interest paid	(128,175,448.50)	(212,593,883.76)	(128,181,456.88)	(212,593,883.76)
Corporate income tax paid	(9,913,014.69)	(39,350,737.72)	(9,205,776.78)	(39,342,541.30)
Net cash provided by (used in) operating activities	1,302,132,633.00	1,383,352,224.73	1,301,168,929.95	1,383,358,297.52

Notes to financial statements are parts of these financial statements.

(Signature).....Director

()

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2021

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Payments for loans to joint venture	0.00	(20,000,000.00)	0.00	(20,000,000.00)
Proceeds from loans to joint venture	26,000,000.00	0.00	26,000,000.00	0.00
Payments for acquire of investments in subsidiaries	0.00	0.00	0.00	(2,500,000.00)
Payments for acquire of intangible assets	(66,410.00)	(79,870.00)	(9,260.00)	0.00
Proceeds from sales of property, plant and equipment	396,822.42	2,102,130.86	396,822.42	2,102,130.86
Payment for acquire of property, plant and equipment	(4,683,473.49)	(3,879,495.62)	(2,957,105.58)	(3,745,245.62)
Net cash provided by (used in) investing activities	21,646,938.93	(21,857,234.76)	23,430,456.84	(24,143,114.76)
Cash flows from financing activities - increase (decrease)				
Increase (Decrease) in bank overdrafts	(260,469.94)	(35,597,582.30)	(260,469.94)	(35,597,582.30)
Proceeds from short-term loans from financial institutions	680,000,000.00	1,940,000,000.00	680,000,000.00	1,940,000,000.00
Payment for short-term loans from financial institutions	(660,000,000.00)	(1,980,239,000.00)	(660,000,000.00)	(1,980,239,000.00)
Proceeds from short-term loans from related persons	405,000,000.00	310,000,000.00	405,000,000.00	310,000,000.00
Payment for short-term loans from related persons	(400,000,000.00)	(345,000,000.00)	(400,000,000.00)	(345,000,000.00)
Proceeds from long-term loans from financial institutions	580,000,000.00	1,295,700,000.00	580,000,000.00	1,295,700,000.00
Payment for long-term loans from financial institutions	(1,808,150,332.99)	(1,899,714,319.48)	(1,808,150,332.99)	(1,899,714,319.48)
Payments for acquire lease liabilities	(9,822,358.51)	(10,014,347.03)	(9,781,916.51)	(10,014,347.03)
Payments for right-of-use assets	899,000.00	0.00	0.00	0.00
Payments for acquire of debentures	0.00	(600,000,000.00)	0.00	(600,000,000.00)
Dividend paid	(110,835,890.20)	0.00	(110,835,890.20)	0.00
Proceeds from share capital payment	3,252.30	0.00	3,252.30	0.00
Net cash provided by (used in) financial activities	(1,323,166,799.34)	(1,324,865,248.81)	(1,324,025,357.34)	(1,324,865,248.81)
Net increase (decrease) in cash and cash equivalents	612,772.59	36,629,741.16	574,029.45	34,349,933.95
Cash and cash equivalents, as at January 1	54,488,493.19	17,858,752.03	50,717,065.98	16,367,132.03
Cash and cash equivalents, as at September 30	55,101,265.78	54,488,493.19	51,291,095.43	50,717,065.98

Notes to financial statements are parts of these financial statements.

(Signature).....Director

()

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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.

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.

(Signature).....Director

()

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 information 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, 2021	December 31, 2020	
Subsidiaries				
Mighty Broker Co., Ltd. (Registration on November 20, 2019)	Thailand	100.00	100.00	Insurance broker

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

(Signature).....Director

()

2. PREPARATION OF INTERIM FINANCIAL INFORMATION (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

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

During the year, the Group has adopted the 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.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2) 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

(Signature).....Director

()

3. NEW FINANCIAL REPORTING STANDARDS (CONT'D)

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

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.

(Signature).....Director

()

3. NEW FINANCIAL REPORTING STANDARDS (CONT'D)

- 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.

3.3) Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19 that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions announced Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19. Its objectives are to provide temporary relief measures and an alternative for all entities providing assistance to debtors in accordance with the measures to assist debtors specified in the circular of the Bank of Thailand No. BOT.RPD2.C. 802/2564 “Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)” or any other measures announced by the Bank of Thailand. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations without collateral, 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.

The accounting guidance is effective for entities that provide assistance to debtors impacted by COVID-19 during the period from 1 January 2022 to 31 December 2023 or until the Bank of Thailand makes changes with which the entities are to comply. The guidance applies to the staging assessment and setting aside of provisions for qualified debtors, and covers all types of debtors, namely large debtors, small- and medium-sized debtors and retail debtors.

- a) In cases of debt restructuring for the purpose of reducing the debt burden of debtors that involve more than just extending the payment timeline, the applicable procedures are as follows:
 - Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1) without compliance monitoring, provided that the payment terms and conditions are clearly stated in the debt restructuring agreement and the debtor is considered able to comply with the debt restructuring agreement.

(Signature).....Director

()

3. NEW FINANCIAL REPORTING STANDARDS (CONT'D)

- Non-performing loans (NPL) are classified as performing loans or Stage 1 if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
 - Loans are classified as loans that there has been a significant increase in credit risk (Under-performing or Stage 2) when principal or interest payments are more than 30 days past due or 1 month past due.
 - A new effective interest rate is applied to determine the present value of loans that have been restructured if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan.
- b) In cases of the debt restructuring involving only a payment timeline extension, the applicable procedures are as follows:
- The staging assessment and setting aside of provisions are performed in accordance with the relevant financial reporting standards.
 - The guidelines specified in the appendix of the circular of the Bank of Thailand No. BOT.RPD2.C. 802/2564 “Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)” relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is to move to under-performing stage or Stage 2.
- c) Expected credit losses are determined based on the outstanding balance of the drawn down portion only. No expected credit loss is calculated for unused credit lines.
- d) For retail debtors and SME debtors who are in the process of debt restructuring and unable to complete the process by 31 December 2021 in accordance with guidelines specified in the circular of the Bank of Thailand No. BOT.RPD2.C. 594/2564 “Guidelines regarding debt restructuring to assist debtors affected by COVID-19”, classification of the debtors remains at the same stage as before restructuring until 31 March 2022 or until the Bank of Thailand makes changes with which the entities are to comply.

For debtors whose debt is restructured between 1 January 2021 and 31 December 2021, in accordance with the above clauses no. a) and b), the guidelines on staging assessment and provisioning under this accounting guidance apply from 1 January 2022 to 31 December 2023. However, for the year 2021 entities can still apply the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy.

(Signature).....Director

()

3. NEW FINANCIAL REPORTING STANDARDS (CONT'D)

3.4) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Income and Expenses Recognition

4.1.1 Hire purchase interest income

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.

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

4.2 Cash and cash equivalents

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

4.3 Investment in subsidiary

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

(Signature).....Director

()

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 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).

4.5 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.

4.6 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.

(Signature).....Director

()

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 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.

4.8 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.

(Signature).....Director
()

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Employee benefits

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

4.9.2 Provident fund

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

4.9.3 Employee benefits

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

4.10 Income tax

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

Current tax

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

Deferred tax

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

(Signature).....Director

()

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

4.11 Accounting estimates

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

4.12 Provisions

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

(Signature).....Director
()

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 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.

4.14 Related person and parties transaction

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

4.15 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 year by the weighted average number of ordinary shares outstanding during the period plus the number of ordinary share issued in the conversion of potential ordinary shares to ordinary shares as assumption that the conversion is made at the beginning of year or at the issuance date of the potential ordinary shares.

(Signature).....Director

()

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 Financial instruments

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.

(Signature).....Director

()

4. 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.

(Signature).....Director

()

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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.

4.17 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.

(Signature).....Director

()

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17.1 The Group as a lessee

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.

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.

(Signature).....Director

()

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

4.17.2 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.

4.18 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.

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.

(Signature).....Director

()

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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.

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.

(Signature).....Director

()

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

5. CASH AND CASH EQUIVALENTS

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash on hand	112,108.50	289,280.25	110,168.50	287,301.00
Current accounts	48,302,483.28	38,742,588.83	48,272,483.28	38,713,327.33
Savings deposit	6,686,674.00	15,456,624.11	2,908,443.65	11,716,437.65
Total	55,101,265.78	54,488,493.19	51,291,095.43	50,717,065.98

(Signature).....Director

()

6. HIRE PURCHASE RECEIVABLES

6.1 As at December 31, 2021 and 2020, 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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Hire purchase receivables	2,109,474,450.39	2,485,618,997.73	3,201,234,218.27	4,271,320,170.42
<u>Less</u> Unrealized interest income	(404,961,750.93)	(514,464,560.64)	(383,085,828.09)	(555,981,680.04)
Net	1,704,512,699.46	1,971,154,437.09	2,818,148,390.18	3,715,338,490.38
<u>Less</u> Allowance for expected credit losses	(58,526,117.78)	(93,271,106.59)	(160,351,535.64)	(277,578,633.23)
Hire purchase receivables – Net	<u>1,645,986,581.68</u>	<u>1,877,883,330.50</u>	<u>2,657,796,854.54</u>	<u>3,437,759,857.15</u>

6.2 As at December 31, 2021 and 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, 2021		December 31, 2020	
	Balance of receivables net of unearned interest income	Allowance for expected credit losses	Balance of receivables net of unearned interest income	Allowance for expected credit losses
Receivables with no significant increase in credit risk	3,848,243,387.52	72,328,518.34	4,588,522,802.54	98,097,721.33
Receivables with a significant increase in credit risk	408,692,932.41	49,150,008.57	625,670,701.97	90,369,613.81
Receivables that are credit-impaired	265,724,769.71	97,399,126.51	472,299,422.96	182,382,404.68
Total	<u>4,522,661,089.64</u>	<u>218,877,653.42</u>	<u>5,686,492,927.47</u>	<u>370,849,739.82</u>

(Signature).....Director

()

6. HIRE PURCHASE RECEIVABLES (CONT'D)

As at December 31, 2021, parts of hire purchase receivables (before less by unrealized interest) amount of Baht 4,248,105,088.87 were used as collateral against loans from a bank as stated in note 19 and note 22. (As at December 31, 2020, parts of hire purchase receivables amount of Baht 5,657,098,213.80 were used as collateral against bank overdrafts and long-term loans from a bank).

(Signature).....Director
()

6. HIRE PURCHASE RECEIVABLES (CONT'D)

6.3 Allowance for expected credit loss

Allowance for expected credit loss for the year ended December 31, 2021 is as follows:

(Unit : Baht)

	Consolidated and Separate financial statements			Total
	Allowance for expected credit loss			
	Performing (Stage 1)	Under-Performing (Stage 2)	Non-Performing (Stage 3)	
Balance as at January 1, 2021	98,097,721.33	90,369,613.81	182,382,404.68	370,849,739.82
Changes in staging	33,870,315.57	(27,930,348.87)	(5,939,966.70)	0.00
Changes in risk parameters	(71,317,361.22)	3,529,042.40	29,536,540.25	(38,251,778.57)
New financial assets originated or purchased	25,052,131.29	4,584,654.01	1,306,030.89	30,942,816.19
Financial assets derecognized	(11,248,577.08)	(6,737,820.08)	(10,504,174.98)	(28,490,572.14)
Written off	(2,125,711.55)	(14,665,132.70)	(99,381,707.63)	(116,172,551.88)
Balance as at December 31, 2021	72,328,518.34	49,150,008.57	97,399,126.51	218,877,653.42

(Signature).....Director
()

6. HIRE PURCHASE RECEIVABLES (CONT'D)

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
()

7. TROUBLED DEBT RESTRUCTURING/DEBTS UNDER THE MEASURES TO ASSIST DEBTORS

As at December 31, 2021 and 2020, 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, 2021	December 31, 2020
Total number of agreements at end of year	22,771	26,752
Troubled debt restructuring		
Number of agreements	29	67
Balance (Million Baht)	21.34	34.01
Debts under the measures to assist debtors		
Debts granted a moratorium		
Number of agreements	73	124
Balance (Million Baht)	15.60	82.33
Pre-emptive debt restructuring		
Number of agreements	295	191
Balance (Million Baht)	136.68	91.81

8. OTHER CURRENT RECEIVABLES

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Accrued value added tax	4,148,531.90	6,215,345.76	4,148,531.90	6,215,345.76
Accrued insurance premium				
discount income	4,006,967.12	2,586,694.42	1,838,917.69	2,128,287.45
Loans receivable to employee	2,107,076.93	1,242,002.00	1,994,576.93	1,242,002.00
Others	8,646,387.96	10,907,423.36	8,210,812.57	10,853,815.52
Total	18,908,963.91	20,951,465.54	16,192,839.09	20,439,450.73
Less Allowance for expected credit losses	(719,949.04)	(1,221,117.06)	(719,949.04)	(1,221,117.06)
Other current receivables - net	18,189,014.87	19,730,348.48	15,472,890.05	19,218,333.67

(Signature).....Director

()

9. LOANS FOR JOINT VENTURE

(Unit : Baht)

	Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020
Short – term loans	225,500,000.00	221,500,000.00
Long – term loans	0.00	30,000,000.00
Total	<u>225,500,000.00</u>	<u>251,500,000.00</u>

As at December 31, 2021 and 2020, 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 months and interest at 6.25% per annum

10. PROPERTIES FORECLOSED

(Unit : Baht)

	Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020
Properties foreclosed	64,113,818.57	117,273,335.96
<u>Less</u> Provision for impairment - properties foreclosed	<u>(26,718,602.57)</u>	<u>(49,308,468.29)</u>
Properties foreclosed - net	<u>37,395,216.00</u>	<u>67,964,867.67</u>

(Signature).....Director
()

11. 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)	
			December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
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					(3,882,622.23)	(1,859,781.78)	(7,461,300.00)	(5,438,459.55)	
	Other non-current financial asset- net					0.00	2,022,840.45	0.00	2,022,840.45	

11.1 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.

11.2 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.

11.3 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

()

12. 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	
			December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
1	Mighty Broker Co., Ltd.	Insurance broker	5,000.00	5,000.00	100.00	100.00	5,000,000.00	5,000,000.00
Total							5,000,000.00	5,000,000.00

12.1 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.

13. 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	
				December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
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	70,008,174.02	63,435,389.35	36,000,000.00	36,000,000.00
Total								70,008,174.02	63,435,389.35	36,000,000.00	36,000,000.00

(Signature).....Director

()

13. INVESTMENT IN JOINT VENTURE (CONT'D)

13.1. 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.

13.2. 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, 2021, 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 December 31, 2021, amount of Baht 6.57 million.

14. OTHER NON-CURRENT RECEIVABLES

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020
Receivables under lawsuit	57,104,006.95	87,604,537.18
<u>Less</u> Allowance for expected credit losses	(54,957,838.35)	(84,239,947.37)
Net	2,146,168.60	3,364,589.81
Receivables under debt compromise agreement	2,382,620.84	4,288,136.36
<u>Less</u> Allowance for expected credit losses	(2,382,620.84)	(4,288,136.36)
Net	0.00	0.00
Receivables - net	2,146,168.60	3,364,589.81
Others	303,180.00	333,280.60
<u>Less</u> Allowance for expected credit losses	(296,329.00)	(296,329.00)
Total	2,153,019.60	3,401,541.41

(Signature).....Director

()

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

Receivables under lawsuit and allowance for expected credit losses.

(Unit : Baht)

	Number of receivable		Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Receivable after unrealized			
interest income	72	118	57,104,006.95	87,604,537.18
Receivable for provide				
Allowance for expected credit losses			57,104,006.95	87,604,537.18
%			96% - 100%	96% - 100%
Allowance for expected credit losses			(54,957,838.35)	(84,239,947.37)

Overdue receivable under debt compromise agreement and allowance for expected credit losses as at December 31, 2021.

(Unit : Baht)

	Consolidated and Separate financial statements				
	Number of receivable	Receivables less by unrealized interest	Receivables for provide allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for expected credit losses
Undue 3 installments	1	617,665.57	617,665.57	100%	617,665.57
Overdue 4 – 11 installments	4	522,021.19	522,021.19	100%	522,021.19
Overdue 12 installments onwards	5	1,242,934.08	1,242,934.08	100%	1,242,934.08
Total	10	2,382,620.84	2,382,620.84		2,382,620.84

(Signature).....Director

()

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

Overdue receivable under debt compromise agreement and allowance for doubtful accounts 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 doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
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

(Signature).....Director

()

15. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

Consolidated financial statements

	December 31, 2021								Total
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Assets under construction	
Cost									
As at December 31, 2020	7,324,162.50	8,977,783.71	2,130,792.03	13,011,651.92	16,821,162.76	13,889,549.66	34,764,507.34	0.00	96,919,609.92
Acquisition	0.00	0.00	142,500.00	314,775.42	1,059,748.35	169,251.72	2,962,248.00	34,950.00	4,683,473.49
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	714,942.31	0.00	714,942.31
Written off	0.00	0.00	0.00	0.00	(207,789.73)	(174,663.76)	(621,859.98)	0.00	(1,004,313.47)
As at December 31, 2021	<u>7,324,162.50</u>	<u>8,977,783.71</u>	<u>2,273,292.03</u>	<u>13,326,427.34</u>	<u>17,673,121.38</u>	<u>13,884,137.62</u>	<u>37,819,837.67</u>	<u>34,950.00</u>	<u>101,313,712.25</u>
Accumulated depreciation									
As at December 31, 2020	0.00	8,291,394.66	431,999.89	8,643,394.50	13,794,924.62	9,495,466.91	13,573,284.86	0.00	54,230,465.44
Depreciation	0.00	344,321.74	110,482.67	3,006,676.62	1,787,243.50	1,773,608.45	4,676,078.17	0.00	11,698,411.15
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Written off	0.00	0.00	0.00	0.00	(162,591.76)	(173,216.96)	(100,124.22)	0.00	(435,932.94)
As at December 31, 2021	<u>0.00</u>	<u>8,635,716.40</u>	<u>542,482.56</u>	<u>11,650,071.12</u>	<u>15,419,576.36</u>	<u>11,095,858.40</u>	<u>18,149,238.81</u>	<u>0.00</u>	<u>65,492,943.65</u>
Net book value									
As at December 31, 2020	7,324,162.50	686,389.05	1,698,792.14	4,368,257.42	3,026,238.14	4,394,082.75	21,191,222.48	0.00	42,689,144.48
As at December 31, 2021	<u>7,324,162.50</u>	<u>342,067.31</u>	<u>1,730,809.47</u>	<u>1,676,356.22</u>	<u>2,253,545.02</u>	<u>2,788,279.22</u>	<u>19,670,598.86</u>	<u>34,950.00</u>	<u>35,820,768.60</u>

(Signature).....Director

()

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

(Unit : Baht)

	Separate financial statements							Total
	December 31, 2021							
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	
Cost								
As at December 31, 2020	7,324,162.50	8,977,783.71	2,130,792.03	12,877,401.92	16,821,162.76	13,889,549.66	34,764,507.34	96,785,359.92
Acquisition	0.00	0.00	142,500.00	29,385.51	1,059,748.35	155,786.72	1,569,685.00	2,957,105.58
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	714,942.31	714,942.31
Written off	0.00	0.00	0.00	0.00	(207,789.73)	(174,663.76)	(621,859.98)	(1,004,313.47)
As at December 31, 2021	<u>7,324,162.50</u>	<u>8,977,783.71</u>	<u>2,273,292.03</u>	<u>12,906,787.43</u>	<u>17,673,121.38</u>	<u>13,870,672.62</u>	<u>36,427,274.67</u>	<u>99,453,094.34</u>
Accumulated depreciation								
As at December 31, 2020	0.00	8,291,394.66	431,999.89	8,636,490.92	13,794,924.62	9,495,466.91	13,573,284.86	54,223,561.86
Depreciation	0.00	344,321.74	110,482.67	2,910,137.73	1,787,243.50	1,771,380.28	4,617,548.24	11,541,114.16
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Written off	0.00	0.00	0.00	0.00	(162,591.76)	(173,216.96)	(100,124.22)	(435,932.94)
As at December 31, 2021	<u>0.00</u>	<u>8,635,716.40</u>	<u>542,482.56</u>	<u>11,546,628.65</u>	<u>15,419,576.36</u>	<u>11,093,630.23</u>	<u>18,090,708.88</u>	<u>65,328,743.08</u>
Net book value								
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>42,561,798.06</u>
As at December 31, 2021	<u>7,324,162.50</u>	<u>342,067.31</u>	<u>1,730,809.47</u>	<u>1,360,158.78</u>	<u>2,253,545.02</u>	<u>2,777,042.39</u>	<u>18,336,565.79</u>	<u>34,124,351.26</u>

(Signature).....Director

()

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

(Unit : Baht)

Consolidated financial statements									
December 31, 2020									
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Assets under construction	Total
Cost									
As at December 31, 2019	7,324,162.50	8,977,783.71	2,130,792.03	13,328,061.96	16,385,717.79	14,041,589.87	38,847,242.89	0.00	101,035,350.75
Acquisition	0.00	0.00	0.00	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>
Accumulated depreciation									
As at December 31, 2019	0.00	7,841,555.55	325,244.79	6,095,616.42	11,567,565.74	7,772,966.33	13,088,997.42	0.00	46,691,946.25
Depreciation	0.00	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>
Net book value									
As at December 31, 2019	<u>7,324,162.50</u>	<u>1,136,228.16</u>	<u>1,805,547.24</u>	<u>7,232,445.54</u>	<u>4,818,152.05</u>	<u>6,268,623.54</u>	<u>25,758,245.47</u>	<u>0.00</u>	<u>54,343,404.50</u>
As at 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

()

15. 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	
Cost									
As at December 31, 2019	7,324,162.50	8,977,783.71	2,130,792.03	13,328,061.96	16,385,717.79	14,041,589.87	38,847,242.89	0.00	101,035,350.75
Acquisition	0.00	0.00	0.00	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>
Accumulated depreciation									
As at December 31, 2019	0.00	7,841,555.55	325,244.79	6,095,616.42	11,567,565.74	7,772,966.33	13,088,997.42	0.00	46,691,946.25
Depreciation	0.00	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>
Net book value									
As at December 31, 2019	<u>7,324,162.50</u>	<u>1,136,228.16</u>	<u>1,805,547.24</u>	<u>7,232,445.54</u>	<u>4,818,152.05</u>	<u>6,268,623.54</u>	<u>25,758,245.47</u>	<u>0.00</u>	<u>54,343,404.50</u>
As at 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

()

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

Depreciation(consolidated) for the year ended December 31, 2021 and 2020, amounted to Baht 11,698,411.15 and Baht 13,322,185.27 respectively.

Depreciation(separate) for the year ended December 31, 2021 and 2020, amounted to Baht 11,541,114.16 and Baht 13,322,185.27 respectively.

As at December 31, 2021, has fixed assets at cost of Baht 18,441,116.67 and net book value of Baht 2,046.00 which were fully depreciated but are still being (as at December 31, 2020, cost of Baht 12,651,852.51 and net book value of Baht 1,298.00).

Land and construction were mortgaged as guarantee for bank overdrafts and long-term loans from a bank as mentioned in notes 19 and 22.

16. RIGHT-OF-USE ASSETS

	(Unit : Baht)			
	Consolidated and Separate financial statements			
	December 31, 2021			
	Land	Building	Equipment	Total
Cost				
As at December 31, 2020	4,230,315.85	29,741,119.69	2,517,107.10	36,488,542.64
increase	1,836,153.05	3,418,006.76	3,001,495.79	8,255,655.60
write off	0.00	0.00	0.00	0.00
As at December 31, 2021	<u>6,066,468.90</u>	<u>33,159,126.45</u>	<u>5,518,602.89</u>	<u>44,744,198.24</u>
Accumulated depreciation				
As at December 31, 2020	1,237,374.77	6,696,196.61	826,243.23	8,759,814.61
Depreciation	1,234,000.69	6,877,092.46	777,130.51	8,888,223.66
write off	0.00	0.00	0.00	0.00
As at December 31, 2021	<u>2,471,375.46</u>	<u>13,573,289.07</u>	<u>1,603,373.74</u>	<u>17,648,038.27</u>
Net book value				
As at December 31, 2020	<u>2,992,941.08</u>	<u>23,044,923.08</u>	<u>1,690,863.87</u>	<u>27,728,728.03</u>
As at December 31, 2021	<u><u>3,595,093.44</u></u>	<u><u>19,585,837.38</u></u>	<u><u>3,915,229.15</u></u>	<u><u>27,096,159.97</u></u>
Write off depreciation for the year				
As at December 31, 2021	1,234,000.69	6,877,092.46	777,130.51	8,888,223.66

(Signature).....Director

()

16. RIGHT-OF-USE ASSETS (CONT'D)

(Unit : Baht)

	Consolidated and Separate financial statements			
	December 31, 2020			
	Land	Building	Equipment	Total
Cost				
As at December 31, 2019	0.00	0.00	0.00	0.00
Adjustments due to the initial adoption of TFRS16	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	4,230,315.85	29,741,119.69	2,517,107.10	36,488,542.64
Accumulated depreciation				
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	1,237,374.77	6,696,196.61	826,243.23	8,759,814.61
Net book value				
As at December 31, 2020	2,992,941.08	23,044,923.08	1,690,863.87	27,728,728.03
Write off depreciation for the year				
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	1,189,181.36	7,190,712.38	795,089.80	9,174,983.54

(Signature).....Director

()

17. INTANGIBLE ASSETS

	(Unit : Baht)		
	Consolidated financial statements		
	December 31, 2021		
	Computer software	Computer software under installation	Total
Cost			
As at December 31, 2020	1,585,550.00	5,100,000.00	6,685,550.00
Acquisition	66,410.00	0.00	66,410.00
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2021	<u>1,651,960.00</u>	<u>5,100,000.00</u>	<u>6,751,960.00</u>
Accumulated amortization			
As at December 31, 2020	756,925.41	0.00	756,925.41
Amortization for the year	128,959.78	0.00	128,959.78
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2021	<u>885,885.19</u>	<u>0.00</u>	<u>885,885.19</u>
Allowance for impairment			
As at December 31, 2020	0.00	0.00	0.00
Increase	0.00	5,100,000.00	5,100,000.00
As at December 31, 2021	<u>0.00</u>	<u>5,100,000.00</u>	<u>5,100,000.00</u>
Net book value			
As at December 31, 2020	<u>828,624.59</u>	<u>5,100,000.00</u>	<u>5,928,624.59</u>
As at December 31, 2021	<u>766,074.81</u>	<u>0.00</u>	<u>766,074.81</u>
Amortization for the year			
As at December 31, 2021	128,959.78	0.00	128,959.78

(Signature).....Director

()

17. INTANGIBLE ASSETS (CONT'D)

	(Unit : Baht)		
	Separate financial statements		
	December 31, 2021		
	Computer software	Computer software under installation	Total
Cost			
As at December 31, 2020	1,505,680.00	5,100,000.00	6,605,680.00
Acquisition	9,260.00	0.00	9,260.00
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2021	<u>1,514,940.00</u>	<u>5,100,000.00</u>	<u>6,614,940.00</u>
Accumulated amortization			
As at December 31, 2020	753,348.00	0.00	753,348.00
Amortization for the year	116,004.15	0.00	116,004.15
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2021	<u>869,352.15</u>	<u>0.00</u>	<u>869,352.15</u>
Allowance for impairment			
As at December 31, 2020	0.00	0.00	0.00
Increase	0.00	5,100,000.00	5,100,000.00
As at December 31, 2021	<u>0.00</u>	<u>5,100,000.00</u>	<u>5,100,000.00</u>
Net book value			
As at December 31, 2020	<u>752,332.00</u>	<u>5,100,000.00</u>	<u>5,852,332.00</u>
As at December 31, 2021	<u>645,587.85</u>	<u>0.00</u>	<u>645,587.85</u>
Amortization for the year			
As at December 31, 2021	116,004.15	0.00	116,004.15

(Signature).....Director

()

17. INTANGIBLE ASSETS (CONT'D)

	(Unit : Baht)		
	Consolidated financial statements		
	December 31, 2020		
	Computer software	Computer software under installation	Total
Cost			
As at December 31, 2019	1,505,680.00	5,100,000.00	6,605,680.00
Acquisition	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	<u>1,585,550.00</u>	<u>5,100,000.00</u>	<u>6,685,550.00</u>
Accumulated amortization			
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	<u>756,925.41</u>	<u>0.00</u>	<u>756,925.41</u>
Net book value			
As at December 31, 2019	<u>866,146.24</u>	<u>5,100,000.00</u>	<u>5,966,146.24</u>
As at December 31, 2020	<u>828,624.59</u>	<u>5,100,000.00</u>	<u>5,928,624.59</u>
Amortization for the year			
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

()

17. INTANGIBLE ASSETS (CONT'D)

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

()

18. PLEDGED DEPOSIT AT FINANCIAL INSTITUTION

As at December 31, 2021, the Group's has fixed deposit in the accompanying consolidated and separate financial statements amount of Million Baht 1.53 and Million Baht 0.08 respectively, is used as guarantee to the Office of Insurance Commission and guarantee against borrowings from bank and electricity usage, the brokerage guarantee with an insurer, guarantee the service rendering of a bank and also use as guarantee with the post office as mentioned in note 35 (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).

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

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020
Bank overdrafts	0.00	260,469.94
Short-term loans - promissory notes	340,000,000.00	320,000,000.00
Total	340,000,000.00	320,260,469.94

19.1 As at December 31, 2021, and 2020, the Company has overdrafts line with 5 banks totaling Baht 100 million mortgaging land with its construction in note 15.

19.2 As at December 31, 2021, and 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 detailed below:

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

19.2.2 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.

19.2.3 Loans from the 3rd bank for credit line amount of Baht 40 million were withdrawn and the remaining debt obligation amount of Baht 20 million at the interest is charged at the rate of 2.70% per annum. These loans are guaranteed by transferring the right on part of hire purchase receivable in note6.

19.2.4 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.

(Signature).....Director

()

20. TRADE AND OTHER CURRENT PAYABLES

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Accrued interest expenses	927,305.11	1,631,017.68	927,305.11	1,631,017.68
Advance receipt	18,722,892.11	16,196,162.84	18,495,416.96	15,464,146.84
Revenue Department payable	12,493,253.97	17,111,241.60	12,493,253.97	17,111,168.38
Accrued expenses	3,147,633.63	4,565,327.27	2,796,736.33	4,411,301.91
Others	5,227,981.20	4,297,487.59	5,062,661.09	4,290,415.83
Total	40,519,066.02	43,801,236.98	39,775,373.46	42,908,050.64

21. TRANSACTION WITH RELATED PERSONS AND PARTIES

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

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

<u>Related person name</u>	<u>Relationship</u>	<u>Particulars and pricing policy</u>
Mr. Preecha Veeraphong	Major shareholder and president	Loans is repayable on maturity, interest is prepaid at the rate of 3.00 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

()

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

<u>Related person name</u>	<u>Relationship</u>	<u>Particulars and pricing policy</u>
ECL Asset Co., Ltd.	Associate	Loans are charged the interest at the rate of cost plus margin less than 1.75% Rental income at the agreed price.
NNC One Co., Ltd.	Has shareholder and common directors with ECL Asset Co., Ltd. (joint venture)	Sale land to ECL Asset Co., Ltd. (joint venture) in the price of Baht 35 million which is lower than the appraisal value of the independent appraiser (appraisal value amount of Baht 85.20 million)
Mighty Broker Co., Ltd.	Subsidiaries	Rental income at the agreed price. Commission income at the agreed price.

21.1 In the second quarter of 2018, ECL Asset Co., Ltd. (joint venture) has acquired land from NNC One Co., Ltd. In the price of Baht 35 million which is lower than the appraisal value of the independent appraiser (appraisal value amount of Baht 85.20 million) and ECL Asset Co., Ltd. (joint venture) has provided loans by entering into hire purchase agreement for selling such plot of land to an individual in the price of Baht 50 million” The interest is payable on monthly basis at the rate 15% per annum and the principal is repayable when the maturity of two years. Such loans were repaid by the joint venture to the leader by cash amount of Baht 15 million, such land was repurchased by the remaining amount of Baht 35 million from NNC One Co., Ltd. For which such individual has made the sale with right of redemption. 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. After the company can not afford to do the payment on due date, the group has decided to cancel the land sale agreement and still being in the process to look for a new buyer.

(Signature).....Director
()

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

21.2 Loans for joint venture

(Unit : Baht)

	Consolidated and Separate financial statements			
	Balance		Balance	
	December 31, 2020	Increase	Decrease	December 31, 2021
ECL Asset Co., Ltd.				
- Short-term loans	221,500,000.00	971,000,000.00	967,000,000.00	225,500,000.00
- Long-term loans	30,000,000.00	0.00	30,000,000.00	0.00
Total	<u>251,500,000.00</u>			<u>225,500,000.00</u>

21.3 Short-term loans from related person

(Unit : Baht)

	Consolidated and Separate financial statements			
	Balance		Balance	
	December 31, 2020	Increase	Decrease	December 31, 2021
Mr. Preecha Veeraphong	185,000,000.00	405,000,000.00	(400,000,000.00)	190,000,000.00
Less Prepaid interest expenses	(1,226,776.76)	(6,097,902.30)	5,908,215.44	(1,416,463.62)
Total	<u>183,773,223.24</u>			<u>188,583,536.38</u>

As at December 31, 2021, loans from 1 related person by issuing bills of exchange matured in January to June 2022 at the interest rate of 3.00 per annum.

(Signature).....Director
()

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

21.4 Other receivables

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020
Premium Financial Services Co., Ltd.		
Borrowing guarantee fee	1,345,083.02	1,348,442.03
Mighty Broker Co., Ltd.		
Accrued commission income	1,523,146.58	281,216.52

21.5 Lease liabilities

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020
Hitec Land Chonburi (2002) Co., Ltd.	2,084,443.05	3,236,458.75
Mr. Prapakorn Veeraphong	1,706,947.32	1,657,431.48

21.6 Revenues and expenses are as follows:

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020
ECL Asset Co., Ltd.		
Rental income	480,000.00	480,000.00
Premium Financial Services Co., Ltd.		
Remuneration under joint business agreement	0.00	2,400,000.00
Consulting services	0.00	400,000.00
Borrowing guarantee fee	3,603,359.02	3,630,930.55
Mighty Broker Co., Ltd.		
Rental income	360,000.00	60,000.00
commission income	11,266,139.61	501,829.20

(Signature).....Director

()

22. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Loans from 7 banks consist of:

As at December 31, 2021			(Unit : Baht)		
(Unit : Million Baht)			(Unit : Baht)		
	Credit amount	Credit remaining	Interest rate	December 31, 2021	December 31, 2020
1st bank	500	259.17	3.75% ถึง 4.90%, MLR-1.75%	240,826,500.00	314,410,500.00
2nd bank	3,540	0.00	Fixed Rate (IRS)(3.70 ถึง 4.58%)	961,719,000.00	1,452,116,000.00
3rd bank	200	0.00	MLR – 2.00%	61,100,000.00	127,772,000.00
4th bank	2,300	287.95	MLR – (1.325% ถึง 2.625%)	743,131,000.00	960,264,000.00
5th bank	150	0.00	BBL’s MLR – 1.70%	0.00	30,208,332.95
6th bank	1,000	100.00	MLR – 1.50%	234,010,666.51	459,066,666.55
7th bank	250	0.00	2.00%	124,900,000.00	250,000,000.00
Total	7,940	647.12		2,365,687,166.51	3,593,837,499.50
<u>Less</u> Deferred loans issuing costs				(3,207,600.85)	(5,309,186.83)
Net				2,362,479,565.66	3,588,528,312.67
<u>Less</u> Current portion of long-term debts				(1,399,448,890.68)	(1,777,658,645.18)
Long-term loans from financial institutions				<u>963,030,674.98</u>	<u>1,810,869,667.49</u>

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

Moments in long-term loan for the year ended December 31, 2021, are as follows:

	(Unit : Baht)
	Consolidated and Separate financial statements
Balance as at December 31, 2020	3,593,837,499.50
Additional proceeds during the year	580,000,000.00
Repayment during the year	(1,808,150,332.99)
Balance as at December 31, 2021	<u>2,365,687,166.51</u>

(Signature).....Director

()

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

- 22.1 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 259.17 million) These loans are guaranteed by transferring the right on part of hire purchase receivable as stated in note 6.
- 22.2 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 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 6 and 15.
- 22.3 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 6.
- 22.4 The fourth bank, loans from bank amount of Baht 2,300 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 2,300 million dividend into credit line amount of Baht 1,900 million (remaining is Baht 90.00 million) 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 197.95 million) The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 6.
- 22.5 The fifth bank, loans from bank amount of Baht 150 million which were withdrawn in fully amount. which were gradually withdrawn of each not exceeds 80% of hire purchase receivable. The principal and interest are monthly repayable within 4 years from the loans withdrawal date. The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 6.
- 22.6 The sixth 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 6.

(Signature).....Director

()

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

22.7 The seventh 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 6.

23. LEASE LIABILITIES

	(Unit : Baht)	
	Consolidated financial statements	
	December 31, 2021	December 31, 2020
Lease liabilities	31,574,067.83	30,891,966.73
Less: Deferred interest expense	(2,477,270.10)	(2,512,566.49)
Total	29,096,797.73	28,379,400.24
Less Current portion of lease liabilities	(8,915,404.57)	(8,197,590.97)
Lease liabilities - net of current portion	20,181,393.16	20,181,809.27

	(Unit : Baht)	
	Separate financial statements	
	December 31, 2021	December 31, 2020
Lease liabilities	30,643,901.83	30,891,966.73
Less: Deferred interest expense	(2,411,670.48)	(2,512,566.49)
Total	28,232,231.35	28,379,400.24
Less Current portion of lease liabilities	(8,701,798.12)	(8,197,590.97)
Lease liabilities - net of current portion	19,530,433.23	20,181,809.27

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
 ()

23. LEASE LIABILITIES (CONT'D)

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

(Unit : Baht)

	Consolidated financial statements			
	December 31, 2021			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	10,022,515.52	21,551,552.31	0.00	31,574,067.83
Deferred interest expenses	(1,107,110.95)	(1,370,159.15)	0.00	(2,477,270.10)
Present value of future minimum lease payments	8,915,404.57	20,181,393.16	0.00	29,096,797.73

(Unit : Baht)

	Separate financial statements			
	December 31, 2021			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	9,779,863.52	20,864,038.31	0.00	30,643,901.83
Deferred interest expenses	(1,078,065.40)	(1,333,605.08)	0.00	(2,411,670.48)
Present value of future minimum lease payments	8,701,798.12	19,530,433.23	0.00	28,232,231.35

(Unit : Baht)

	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	8,197,590.97	20,181,809.27	0.00	28,379,400.24

(Signature).....Director

()

23. LEASE LIABILITIES (CONT'D)

The following are the amounts relating to lease contracts recognised in the income statements for the year ended 31 December 2021:

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
Depreciation expenses of right-of-use assets	8,943,475.99	8,888,223.66
Interest expenses on lease liabilities	1,452,300.40	1,446,292.02
Expense relating to short-term leases	0.00	0.00
Expenses relating to leases of low-value assets	448,734.74	448,734.74

Others

The Group had total cash outflows for leases of consolidated and separate financial statements for the year ended December 31, 2021 of Baht 9.82 million and Baht 9.78 million respectively.

(Signature).....Director
()

24. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

The changes in present value of employee benefit obligations for the year ended December 31, 2021 and 2020, as follows:

	(Unit : Baht)	
	Consolidated financial statements	
	December 31, 2021	December 31, 2020
Non-current provisions for employee benefit as at January 1	31,126,259.71	30,371,754.00
Recognition in profit or loss :		
Current cost of service and interest	2,986,475.16	2,843,985.52
Employee compensation - Retirement	0.00	(568,606.70)
Employee compensation - Layoff	0.00	(1,520,873.14)
Recognition in other comprehensive income :		
Actuarial loss for the years	792,071.00	0.00
Non-current provisions for employee benefit as at December 31	<u>34,904,805.87</u>	<u>31,126,259.71</u>

	(Unit : Baht)	
	Separate financial statements	
	December 31, 2021	December 31, 2020
Non-current provisions for employee benefit as at January 1	31,126,259.71	30,371,754.00
Recognition in profit or loss :		
Current cost of service and interest	2,893,832.29	2,843,985.52
Employee compensation - Retirement	0.00	(568,606.70)
Employee compensation - Layoff	0.00	(1,520,873.14)
Recognition in other comprehensive income :		
Actuarial loss for the year	792,071.00	0.00
Non-current provisions for employee benefit as at December 31	<u>34,812,163.00</u>	<u>31,126,259.71</u>

(Signature).....Director

()

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

Long-term employee benefit expense for the year ended December 31, 2021 and 2020 presented in statement of comprehensive income.

Actuarial assumptions to use for calculation:

	<u>2021</u>	<u>2020</u>
	Percentage	Percentage
Discount rate	1.15	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, 2021, are summarized below:

	(Unit : Baht)	
	Increase	Decrease
Discount rate (changed at 0.5%)	(1,469,685.77)	1,568,196.47
Salary increase rate (changed at 0.5%)	1,605,461.29	(1,515,210.43)
Turnover rate (changed at 10%)	(936,134.36)	1,039,410.34

(Signature).....Director
()

25. SHARE CAPITAL

Reconciliation of issued and paid-up share capital

	Registered ordinary shares		Issued and paid-up ordinary shares		
	Number of share (Share)	Amount (Baht)	Number of share (Share)	Paid-up share capital (Baht)	Premium on share capital (Baht)
As at January 1, 2021	1,663,285,866	1,663,285,866.00	1,108,857,244	1,108,857,244.00	279,957,364.10
Share capital decreased	554,426,864	554,426,864.00	-	-	-
Increase from exercised					
of warrants	-	-	1,758	1,758.00	1,494.30
As at December 31, 2021	<u>1,108,859,002</u>	<u>1,108,859,002.00</u>	<u>1,108,859,002</u>	<u>1,108,859,002.00</u>	<u>279,958,858.40</u>

25.1 During the period 1, 2021, the Group paid-up the capital from warrant exercise to purchase shares which resulted in share capital increase (ECL-W3) by 1,758 shares amounting to Baht 3,252.30 (share capital of Baht 1,758 and share premium of Baht 1,494.30). The exercise of warrants was expired on 5 February 2021.

25.2 On April 28, 2021, At the Ordinary General Meeting of the shareholders for the year 2021, the resolution to decrease its share capital from registered shares amount of Baht 1,663,285,866.00 to new registered shares amount of Baht 1,108,859,002.00 by cutting unissued 554,426,864 shares of Baht 1 each. The Company has registered such decreased share capital with the Ministry of Commerce on May 18, 2021.

26. LEGAL RESERVE

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

27. DIVIDEND

The Annual General Meeting on April 28, 2021, approved to pay dividend from retained earnings to the shareholders at rate of Baht 0.10 per share totally amount of Baht 110.84 million. The dividend payment is made on May 14, 2021.

(Signature).....Director

()

28. PROVIDENT FUND

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

For the year ended December 31, 2021 and 2020, the Company paid the contribution to the fund of Baht 5,573,041.55 and Baht 5,786,975.00 respectively.

29. DIRECTORS' REMUNERATION AND MANAGEMENT BENEFIT EXPENSES

29.1 Directors' remuneration

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

29.2 Management benefit expenses

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

30. FINANCIAL INSTRUMENTS

30.1 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.

(Signature).....Director

()

30. FINANCIAL INSTRUMENTS (CONT'D)

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.

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.

As at 31 December 2021 and 2020, the exposure to credit risk are as follow:

	(Unit: Baht)	
	Consolidated financial statements	
	2021	2020
Cash and cash equivalents	55,101,265.78	54,488,493.19
Pledged deposit at financial institution	1,534,942.75	1,082,948.99
Hire purchase receivables	4,303,783,436.22	5,315,643,187.65
Total exposure to credit risk	4,360,419,644.75	5,371,214,629.83

	(Unit: Baht)	
	Separate financial statements	
	2021	2020
Cash and cash equivalents	51,291,095.43	50,717,065.98
Pledged deposit at financial institution	76,000.00	76,000.00
Hire purchase receivables	4,303,783,436.22	5,315,643,187.65
Total exposure to credit risk	4,355,150,531.65	5,366,436,253.63

(Signature).....Director

()

30. FINANCIAL INSTRUMENTS (CONT'D)

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	
	31 December 2021	Type of collateral
Hire purchase receivables	4,303,783,436.22	Car- Motorcycle -truck

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 and loans.

As at 31 December 2021 and 2020, 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.

(Signature).....Director
()

30. FINANCIAL INSTRUMENTS (CONT'D)

(Unit: Million baht)

Consolidated financial statements						
31 December 2021						
Fixed interest rate						
Within 1 year	Over 1-5 years	Over 5 year	Floating interest rate	Non-interest bearing	Total	
Financial assets						
Cash and cash equivalents	-	-	-	6.69	48.41	55.10
Hire purchase receivables	1,645.98	2,657.80	-	-	-	4,303.78
Short-term loans for joint venture	225.50	-	-	-	-	225.50
Other non-current financial asset	-	-	-	-	0.00	0.00
Pledged deposit at financial institution	1.46	0.07	-	-	-	1.53
	<u>1,872.94</u>	<u>2,657.87</u>	<u>-</u>	<u>6.69</u>	<u>48.41</u>	<u>4,585.91</u>
Financial liabilities						
Bank overdrafts and short-term loans						
from financial institutions	340.00	-	-	-	-	340.00
Trade and other current payables	-	-	-	-	40.52	40.52
Short-term loans from related persons	188.58	-	-	-	-	188.58
Long-term loans	643.86	557.84	-	1,160.78	-	2,362.48
lease liabilities	8.91	20.18	-	-	-	29.09
	<u>1,181.35</u>	<u>578.02</u>	<u>-</u>	<u>1,160.78</u>	<u>40.52</u>	<u>2,960.67</u>

(Signature).....Director

()

30. FINANCIAL INSTRUMENTS (CONT'D)

(Unit: Million baht)

	Separate financial statements					
	31 December 2021					
	Fixed interest rate			Floating	Non-interest	
	Within	Over	Over	Floating	Non-interest	Total
	1 year	1-5 years	5 year	interest rate	bearing	
Financial assets						
Cash and cash equivalents	-	-	-	2.91	48.38	51.29
Hire purchase receivables	1,645.98	2,657.80	-	-	-	4,303.78
Short-term loans for joint venture	225.50	-	-	-	-	225.50
Other non-current financial asset	-	-	-	-	0.00	0.00
Pledged deposit at financial institution	-	0.07	-	-	-	0.07
	<u>1,871.48</u>	<u>2,657.87</u>	<u>-</u>	<u>2.91</u>	<u>48.38</u>	<u>4,580.64</u>
Financial liabilities						
Bank overdrafts and short-term loans						
from financial institutions	340.00	-	-	-	-	340.00
Trade and other current payables	-	-	-	-	39.78	39.78
Short-term loans from related persons	188.58	-	-	-	-	188.58
Long-term loans	643.86	557.84	-	1,160.78	-	2,362.48
lease liabilities	8.70	19.53	-	-	-	28.23
	<u>1,181.14</u>	<u>577.37</u>	<u>-</u>	<u>1,160.78</u>	<u>39.78</u>	<u>2,959.07</u>

(Signature).....Director

()

30. FINANCIAL INSTRUMENTS (CONT'D)

(Unit: Million baht)

Consolidated financial statements						
31 December 2020						
Fixed interest rate						
Within 1 year	Over 1-5 years	Over 5 year	Floating interest rate	Non-interest bearing	Total	
Financial assets						
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>
Financial liabilities						
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>

(Signature).....Director

()

30. FINANCIAL INSTRUMENTS (CONT'D)

(Unit: Million baht)

	Separate financial statements					Total
	31 December 2020					
	Fixed interest rate			Floating interest rate	Non-interest bearing	
	Within 1 year	Over 1-5 years	Over 5 year			
Financial assets						
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>
Financial liabilities						
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>1,573.94</u>	<u>42.91</u>	<u>4,163.85</u>

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.

(Signature).....Director

()

30. FINANCIAL INSTRUMENTS (CONT'D)

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 2021 based on contractual undiscounted cash flows:

(Unit: Million baht)

	Consolidated financial statements				
	31 December 2021				
	At call	Within 1 year	1 – 5 years	Over 5 years	Total
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	300.00	40.00	-	-	340.00
Trade and other current payables	-	40.52	-	-	40.52
Short-term loans from related persons	-	188.58	-	-	188.58
Long-term loans	-	1,399.45	963.03	-	2,362.48
lease liabilities	-	8.91	20.18	-	29.09
Total	300.00	1,677.46	983.21	-	2,960.67

(Unit: Million baht)

	Separate financial statements				
	31 December 2021				
	At call	Within 1 year	1 – 5 years	Over 5 years	Total
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	300.00	40.00	-	-	340.00
Trade and other current payables	-	39.78	-	-	39.78
Short-term loans from related persons	-	188.58	-	-	188.58
Long-term loans	-	1,399.45	963.03	-	2,362.48
lease liabilities	-	8.70	19.53	-	28.23
Total	300.00	1,676.51	982.56	-	2,959.07

(Signature).....Director

()

30. FINANCIAL INSTRUMENTS (CONT'D)

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 2021, the Group had the assets and liabilities that were measured and disclosed at fair value using different levels of inputs as follows:

(Unit: Milion baht)

	Consolidated financial statements				
	31 December 2021				
	Fair values				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	55.10	55.10	-	-	55.10
Hire purchase receivables	4,303.78	-	-	4,451.93	4,451.93
Short-term loans for joint venture	225.50	-	225.50	-	225.50
Other non-current financial asset	0.00	-	-	-	0.00
Pledged deposit at financial institution	1.53	1.53	-	-	1.53
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	340.00	340.00	-	-	340.00
Trade and other current payables	40.52	40.52	-	-	40.52
Short-term loans from related persons	188.58	-	170.26	-	170.26
Long-term loans	2,362.48	-	2,368.47	-	2,368.47
Lease liabilities	29.09	-	-	29.09	29.09

(Signature).....Director

()

30. FINANCIAL INSTRUMENTS (CONT'D)

(Unit: Milion baht)

	Separate financial statements				
	31 December 2021				
	Book value	Fair values			Total
Level 1		Level 2	Level 3		
Financial assets					
Cash and cash equivalents	51.29	51.29	-	-	51.29
Hire purchase receivables	4,303.78	-	-	4,451.93	4,451.93
Short-term loans for joint venture	225.50	-	225.50	-	225.50
Other non-current financial asset	0.00	-	-	-	0.00
Pledged deposit at financial institution	0.07	0.07	-	-	0.07
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	340.00	340.00	-	-	340.00
Trade and other current payables	39.78	39.78	-	-	39.78
Short-term loans from related persons	188.58	-	170.26	-	170.26
Long-term loans	2,362.48	-	2,368.47	-	2,368.47
Lease liabilities	28.23	-	-	28.23	28.23

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.

31. FINANCIAL INFORMATION BY SEGMENT

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

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

(Signature).....Director

()

32. EXPENSES ANALYZED BY NATURE

The significant expenses analyzed by nature are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Employees benefit expenses	112,244,211.40	123,355,736.06	109,875,803.07	123,116,142.95
Directors' remuneration	5,632,000.00	6,592,000.00	5,632,000.00	6,592,000.00
Management benefit expenses	32,542,870.00	33,819,730.00	32,542,870.00	33,819,730.00
Depreciation	20,715,594.59	22,614,560.46	20,545,341.97	22,604,079.47
Amortized commission expenses	44,979,735.19	67,192,303.32	44,979,735.19	67,192,303.32
Loss on impairment of other long-term investments	2,022,840.45	671,452.27	2,022,840.45	671,452.27
Reversal of expected credit loss (loss)	(22,580,655.63)	158,919,354.48	(22,580,655.63)	158,919,354.48

33. INCOME TAX

33.1. Income tax expenses for the year ended December 30, 2021 and 2020, can be summarized as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Current tax:				
Income tax for the year	18,745,280.31	25,502,493.75	17,829,418.92	25,500,909.73
Deferred tax:				
Deferred tax on temporary differences and reserved temporary differences	31,146,136.28	(10,482,940.39)	31,146,136.28	(10,484,524.40)
Income tax expenses presented in statement of comprehensive income	49,891,416.59	15,019,553.36	48,975,555.20	15,016,385.33
Income tax realized in other comprehensive income Deferred tax recognized to actuarial loss	158,414.20	0.00	158,414.20	0.00

(Signature).....Director

()

33. INCOME TAX (CONT'D)

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

used for the year ended December 31, 2021 and 2020, can be presented as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Accounting profit before income tax	243,904,813.04	76,698,901.82	232,774,393.73	66,321,757.13
Income tax rates	20%	20%	20%	20%
Accounting profit before income tax multiply by tax rates	48,780,962.61	15,339,780.36	46,554,878.75	13,264,351.43
Taxable effect for:				
Prohibited taxable items	(30,035,682.30)	10,162,713.39	(28,725,459.83)	12,236,558.30
Temporary differences from effect of deferred income tax	31,146,136.28	(10,482,940.39)	31,146,136.28	(10,484,524.40)
Income tax expenses presented in statement of income	49,891,416.59	15,019,553.36	48,975,555.20	15,016,385.33
Effective income tax rate (%)	20.46%	19.58%	21.04%	22.64%

(Signature).....Director

()

33. INCOME TAX (CONT'D)

33.3 Deferred tax assets and liabilities components as at December 31, 2021 and 2020, consist of the following transaction.

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Deferred tax assets				
Allowance for expected credit losses - hire purchase receivable	43,775,530.68	74,169,947.96	43,775,530.68	74,169,947.96
Allowance for expected credit losses - Receivables under lawsuit	10,301,609.27	16,150,031.08	10,301,609.27	16,150,031.08
Allowance for expected credit losses - debt compromise receivables	476,524.17	857,627.27	476,524.17	857,627.27
Allowance for expected credit losses - other receivables	71,430.79	87,665.80	71,430.79	87,665.80
Allowance for expected credit losses - Receivables under lawsuit – car loan	689,958.40	697,958.40	689,958.40	697,958.40
Provision for impairment of assets – foreclosed	4,776,120.51	9,331,693.66	4,776,120.51	9,331,693.66
Non-current provisions for employee benefit	6,962,432.60	6,225,251.94	6,962,432.60	6,225,251.94
Provision for impairment of investment	776,524.45	371,956.36	1,492,260.00	1,087,691.91
Reserve for allowance for doubtful accounts – Accrued value added tax	131,824.82	215,823.41	131,824.82	215,823.41
Lease	429,645.06	250,906.48	429,645.06	250,906.48
Provision for impairment of intangible assets	1,020,000.00	0.00	1,020,000.00	0.00
Total	<u>69,411,600.75</u>	<u>108,358,862.36</u>	<u>70,127,336.30</u>	<u>109,074,597.91</u>
Deferred tax liabilities				
The difference of the realized accounting and tax revenues				
	779,401.91	3,856,980.41	779,401.91	3,856,980.41
Deferred commission	9,769,282.19	14,651,243.22	9,769,282.19	14,651,243.22
Total	<u>10,548,684.10</u>	<u>18,508,223.63</u>	<u>10,548,684.10</u>	<u>18,508,223.63</u>
Net	<u>58,862,916.65</u>	<u>89,850,638.73</u>	<u>59,578,652.20</u>	<u>90,566,374.28</u>

(Signature).....Director

()

34. EARNINGS PER SHARE

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

Diluted earnings per share is calculated by dividing the profit for the year attributable to shareholders (excluding other comprehensive income) by sum of the weighted average number of ordinary shares issue during the year 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, 2021 and 2020, can be presented as follows:

(Unit : Baht)

	Consolidated financial statements					
	For the year ended					
	December 31, 2021			December 31, 2020		
	Profit (Loss)	Number of share	Earnings per share	Profit (Loss)	Number of share	Earnings per share
Basis earnings per share	194,013,396.45	1,108,858,867	0.1750	61,679,348.46	1,108,857,244	0.0556

(Unit : Baht)

	Separate financial statements					
	For the year ended					
	December 31, 2021			December 31, 2020		
	Profit (Loss)	Number of share	Earnings per share	Profit (Loss)	Number of share	Earnings per share
Basis earnings per share	183,798,838.53	1,108,858,867	0.1658	51,305,371.80	1,108,857,244	0.0463

(Signature).....Director
()

35. COMMITMENT AND CONTINGENT LIABILITIES

- 35.1 As at December 31, 2021, contingent liabilities from bank's issuance of letter of guarantee for electricity usage amount of Baht 76,000.00 (as at December 31, 2020, of Baht 76,000.00).
- 35.2 As at December 31, 2021, contingent liabilities from Office of Insurance Commission amount of Million Baht 1.00 (as at December 31, 2020, of Million Baht 1.00).
- 35.3 As at December 31, 2021, there is contingent liability arise from a brokerage guarantee with an insurer in the amount of Baht 0.20 million.
- 35.4 As at December 31, 2021, there is contingent liability arise from guarantee the service rendering of a bank in the amount of Baht 0.25 million.
- 35.5 As at December 31, 2021, liable on payment under rental agreement within 1 year in amount of Baht 0.35 million and over 1 year in amount of Baht 0.27 million.

36. SIGNIFICANT CONTRACT

Co-business investment contract

- 36.1 The Company and Premium Financial Services Co., Ltd. ("PFS") are investors entered into contract for co-business investment for the period of 2 years and renewed for the next 1 year each with the objective to develop the business of the Company by taking Know-How of PFS and appointed the representative of PFS to be director and employee for rendered the services for the Company. The remuneration is determined in the amount of Baht 600,000.00 per month (exclude tax/this amount is included salaries and other expenses of which the Company has paid to the representative of PFS from get into employee position of the Company). The termination of a contract is on April 26, 2020 without renewal.
- 36.2 As at June 8, 2018, Warranty business consultant contract for the period of 1 year and renewed for the next 1 year in the next times. The remuneration is determined in the amount of Baht 100,000.00 per month. The termination of a contract is on May 31, 2020 without renewal.

(Signature).....Director

()

37. CAPITAL MANAGEMENT

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

As at December 31, 2021, the Company has debt to equity ratio as summarized below:

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Debt to equity ratio	1.65	1.68

38. EVENTS AFTER REPORTING PERIOD

According to the Board of Director meeting of the Company No. 1/2022 held on February 24, 2022, the meeting passed a resolution to request the approval from the General Shareholder Meeting to pay dividend to the shareholders at rate of Baht 0.08 per share for 1,108,859,002 shares, totally amount of Baht 88.71 million. The dividend is scheduled to pay on May 13, 2022.

39. RECLASSIFICATION

The financial statements for the year ended December 31, 2020, have been reclassified for comparison purpose to conform to the financial statements for the year ended December 31, 2021, as follows:

(Unit : Baht)

	<u>Consolidated</u>		
	<u>December 31, 2020</u>		<u>December 31, 2020</u>
	<u>Before reclassify</u>	<u>Reclassify</u>	<u>After reclassify</u>
STATEMENTS OF COMPREHENSIVE INCOME FOR YEAR			
Expenses			
Selling expense	0.00	5,137,996.53	5,137,996.53
Administrative expenses	449,217,264.08	(5,137,996.53)	444,079,267.55

(Signature).....Director

()

39. RECLASSIFICATION (CONT'D)

(Unit : Baht)

	Separate financial statements		
	December 31, 2020	December 31, 2020	
	Before reclassify	Reclassify	After reclassify
STATEMENTS OF COMPREHENSIVE INCOME FOR YEAR			
Expenses			
Selling expense	0.00	5,120,113.77	5,120,113.77
Administrative expenses	448,598,094.46	(5,120,113.77)	443,477,980.69

40. 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 24, 2022.

(Signature).....Director
()