

S 11 Group Public Company Limited
and its subsidiary
Report and financial statements
31 December 2020

Independent Auditor's Report

To the Shareholders of S 11 Group Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of S 11 Group Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. I have also audited the separate financial statements of S 11 Group Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of S 11 Group Public Company Limited and its subsidiary and of S 11 Group Public Company Limited as at 31 December 2020, 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 Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matters

I draw attention to Note 6 to the consolidated financial statements, the Group adopted new accounting policies regarding financial instruments in accordance with a set of financial reporting standards related to financial instruments. I also draw attention to Note 1.2 to financial statements regarding the COVID-19 pandemic, which impacts various businesses and industries.

This situation could create uncertainties and may impact the Group's operating results and cash flows in the future. My opinion is not modified in respect of these matters.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

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

Allowance for expected credit losses for hire purchase receivables

The Group has adopted Thai Financial Reporting Standard No. 9 Financial Instruments which is effective from 1 January 2020. This financial reporting standard stipulates the basis to be used for calculation of impairment on financial instruments is the expected credit loss method. The basis requires management to use significant judgements and estimates in developing expected credit loss model in compliance with Thai Financial Reporting Standards. The areas of significant management judgement include calculating allowance for expected credit losses, the selection of the future economic variables to be incorporated in the models and the management overlay used to adjust of the allowance for expected credit losses due to the limitations of the model. As discussed in Note 8 to the consolidated financial statements, as at 31 December 2020, the Group had net hire purchase receivables of Baht 5,951 million (accounting for 92% of total assets) and allowances for expected credit losses amounting to Baht 880 million, which are amounts material to the financial statements.

Because of the materiality and the use of judgement and estimates mentioned above, I addressed the adequacy of allowances for expected credit losses of hire purchase receivables as a key audit matter.

I gained an understanding of, assessed and tested the effectiveness of internal controls relating to loan origination and the calculation of allowance for expected credit losses and tested the relevant controls over the information technology systems. Moreover, I assessed and tested the reasonableness of the expected credit loss model, reviewed the model development documentation and tested, on a sampling basis, the accuracy of the data used in model development. I also assessed the methods and assumptions applied by the Group in the calculation of the allowance for expected credit losses, including reviewing the method used to incorporate the management overlay on the allowance for expected credit losses and assessed the reasonableness of macroeconomic factors. In addition, I compared the accounting policies of the Group with financial reporting standards and assessed the adequacy of disclosure in accordance with the relevant financial reporting standards.

Moreover, I examined the allowances for expected credit losses by recalculating the allowance for expected credit losses as at the end of the accounting period, including testing the completeness of the data used in the calculation of the allowance for expected credit losses.

Revenue recognition - Hire purchase interest income

For the year ended 31 December 2020, the Group recognised hire purchase interest income amounting to Baht 1,905 million (accounting for 94% of total income). The Group recognised interest income using the effective interest rate method, which involves the use of management judgement and estimates in estimating future cash flow receipts throughout the expected life of the financial instrument or, when appropriate, a shorter period, taking into account any discount or premium on acquisition, fees and costs that are an integral part of the effective interest rate. Moreover, the interest income was generated from loans provided to a large number of customers and the recognition of interest income relies primarily on data processed by the information technology systems. I therefore addressed the measurement of interest income in accordance with financial reporting standards as a key audit matter.

I gained an understanding of, assessed and tested, on a sampling basis, the Group's internal controls relevant to loan origination and interest income recognition and cash receipts, including related computer-based controls. I also assessed the methods applied by the management to determine the future cash flow receipts and the expected life of the financial instruments used in calculating the effective interest rate, including testing, on a sampling basis, the accuracy of the data and the calculation. In addition, I applied a sampling method to select loan agreements to consider whether the recording of loan transactions and the recognition of income was consistent with the conditions of the relevant agreement and that adjustments had been made to reflect effective interest rate. I also performed analytical procedures on interest income and examined, on a sampling basis, material adjustments made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information 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. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

In preparing the 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 Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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 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.

I am responsible for the audit resulting in this independent auditor's report.



Rachada Yongsawadvanich
Certified Public Accountant (Thailand) No. 4951

EY Office Limited
Bangkok: 15 February 2021

S 11 Group Public Company Limited and its subsidiary

Statements of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Financial statements			
		Consolidated	in which the equity		Separate financial statements
		financial statements	method is applied		
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	7	28,882,062	41,443,026	27,417,172	41,443,026
Current portion of hire purchase receivables - net	8	3,240,806,439	3,122,683,406	3,240,806,439	3,122,683,406
Counter service receivables		36,922,856	67,407,267	36,922,856	67,407,267
Prepaid insurance premium		67,651,758	78,171,088	67,651,758	78,171,088
Assets foreclosed - net	9	22,087,503	23,774,880	22,087,503	23,774,880
Other current assets	10	43,750,587	44,661,132	43,769,401	44,661,132
Total current assets		3,440,101,205	3,378,140,799	3,438,655,129	3,378,140,799
Non-current assets					
Investment in subsidiary	11	-	-	1,327,690	-
Investment in an associate company	12	-	414,611	-	249,990
Restricted bank deposits	13	1,173,197	1,044,853	1,173,197	1,044,853
Hire purchase receivables - net of current portion	8	2,710,288,696	3,061,899,077	2,710,288,696	3,061,899,077
Prepaid insurance premium		20,230,843	29,152,640	20,230,843	29,152,640
Land, building and equipment - net	14	102,863,603	86,837,474	102,460,654	86,837,474
Deferred tax assets	15.1	169,627,396	151,801,785	169,627,396	151,801,785
Other non-current assets		317,635	311,135	311,135	311,135
Total non-current assets		3,004,501,370	3,331,461,575	3,005,419,611	3,331,296,954
Total assets		6,444,602,575	6,709,602,374	6,444,074,740	6,709,437,753

The accompanying notes are an integral part of the financial statements.

S 11 Group Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Financial statements			
		Consolidated	in which the equity		Separate financial statements
		financial statements	method is applied		
		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	249,300,000	190,000,000	249,300,000	190,000,000
Trade accounts payables		5,299,445	70,674,347	5,299,445	70,674,347
Current portion of long-term loans	18	1,691,831,930	1,759,599,794	1,691,831,930	1,759,599,794
Current portion of debentures	19				
Related persons and related parties		37,878,485	-	37,878,485	-
Unrelated persons and unrelated parties		187,697,859	-	187,697,859	-
Short-term loans	17	457,239,859	585,996,599	457,239,859	585,996,599
Current portion of lease liabilities	20	1,784,908	-	1,784,908	-
Derivatives liabilities		9,934,776	-	9,934,776	-
Income tax payable		46,511,706	67,689,070	46,636,400	67,689,070
Insurance premium payables		16,383,877	24,437,167	16,383,877	24,437,167
Accrued expenses		25,635,324	33,462,626	26,087,295	33,462,626
Other current liabilities		53,060,343	33,460,664	52,821,866	33,460,664
Total current liabilities		2,782,558,512	2,765,320,267	2,782,896,700	2,765,320,267
Non-current liabilities					
Long-term loans - net of current portion	18	798,394,585	1,082,175,464	798,394,585	1,082,175,464
Debenture - net of current portion	19				
Related persons and related parties		-	37,743,713	-	37,743,713
Unrelated persons and unrelated parties		-	187,030,031	-	187,030,031
Lease liabilities - net of current portion	20	11,215,246	-	11,215,246	-
Provision for long-term employee benefits	21	20,368,986	17,166,607	20,368,986	17,166,607
Total non-current liabilities		829,978,817	1,324,115,815	829,978,817	1,324,115,815
Total liabilities		3,612,537,329	4,089,436,082	3,612,875,517	4,089,436,082

The accompanying notes are an integral part of the financial statements.

S 11 Group Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Financial statements			
		Consolidated	in which the equity	Separate financial statements	
		financial statements	method is applied		
		2020	2019	2020	2019
Shareholders' equity					
Share capital					
Registered					
613,000,000 ordinary shares of Baht 1 each		613,000,000	613,000,000	613,000,000	613,000,000
Issued and fully paid-up					
613,000,000 ordinary shares of Baht 1 each		613,000,000	613,000,000	613,000,000	613,000,000
Share premium		427,822,558	427,822,558	427,822,558	427,822,558
Capital reserve for share-based payment transactions		15,300,000	15,300,000	15,300,000	15,300,000
Retained earnings					
Appropriated - statutory reserve	23	61,300,000	61,300,000	61,300,000	61,300,000
Unappropriated		1,714,394,576	1,502,743,734	1,713,776,665	1,502,579,113
Equity attributable to owners of the Company		2,831,817,134	2,620,166,292	2,831,199,223	2,620,001,671
Non-controlling interests of the subsidiary		248,112	-	-	-
Total shareholders' equity		2,832,065,246	2,620,166,292	2,831,199,223	2,620,001,671
Total liabilities and shareholders' equity		6,444,602,575	6,709,602,374	6,444,074,740	6,709,437,753

The accompanying notes are an integral part of the financial statements.

Directors

S 11 Group Public Company Limited and its subsidiary
 Statements of comprehensive income
 For the year ended 31 December 2020

(Unit: Baht)

	Note	Financial statements			
		Consolidated financial statements	in which the equity method is applied	Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Hire purchase interest income		1,905,434,427	1,805,780,558	1,905,434,427	1,805,780,558
Fee and service income		94,285,887	83,192,254	93,922,803	83,192,254
Other income		27,623,114	25,672,773	27,618,880	25,672,773
Total revenues		2,027,343,428	1,914,645,585	2,026,976,110	1,914,645,585
Expenses					
Selling and administrative expenses		347,556,236	343,657,889	347,616,512	343,657,889
Expected credit losses	8.5	682,611,261	-	682,611,261	-
Bad debts and doubtful accounts		-	512,504,015	-	512,504,015
Loss on impairment and disposal of assets foreclosed	25	225,413,084	245,207,682	225,413,084	245,207,682
Loss from derivative		13,854,224	-	13,854,224	-
Total expenses		1,269,434,805	1,101,369,586	1,269,495,081	1,101,369,586
Profit before finance cost, share of gain from investment in an associated company and income tax expenses		757,908,623	813,275,999	757,481,029	813,275,999
Finance cost		(144,144,167)	(152,045,978)	(144,144,167)	(152,045,978)
Profit before share of gain from investment in an associated company and income tax expenses		613,764,456	661,230,021	613,336,862	661,230,021
Share of gain from investment in an associated company	12.2	110,431	110,352	-	-
Profit before income tax expenses		613,874,887	661,340,373	613,336,862	661,230,021
Income tax expenses	15.2	(122,572,957)	(132,272,066)	(122,526,318)	(132,272,066)
Profit for the year		491,301,930	529,068,307	490,810,544	528,957,955
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss)		341,624	(3,624,298)	341,624	(3,624,298)
Income tax relating to actuarial (gain) loss	15.2	(68,325)	724,860	(68,325)	724,860
Other comprehensive income for the year (loss)		273,299	(2,899,438)	273,299	(2,899,438)
Total comprehensive income for the year		491,575,229	526,168,869	491,083,843	526,058,517

The accompanying notes are an integral part of the financial statements.

S 11 Group Public Company Limited and its subsidiary

Statements of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Note	Financial statements			
		Consolidated financial statements	in which the equity method is applied	Separate financial statements	
		2020	2019	2020	2019
Profit or loss attributable to:					
Equity holders of the Company		491,263,834	529,068,307	490,810,544	528,957,955
Non-controlling interests of the subsidiary		38,096			
		<u>491,301,930</u>			
Total comprehensive income attributable to:					
Equity holders of the Company		491,537,133	526,168,869	491,083,843	526,058,517
Non-controlling interests of the subsidiary		38,096			
		<u>491,575,229</u>			
Earnings per share	26				
Basic earnings per share		<u>0.80</u>	<u>0.86</u>	<u>0.80</u>	<u>0.86</u>

The accompanying notes are an integral part of the financial statements.

S 11 Group Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements							
	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Equity attributable to owners of the Company	Non-controlling interests of the subsidiary	Total shareholders' equity
				Appropriated -				
				statutory reserve	Unappropriated			
Balance as at 1 January 2020	613,000,000	427,822,558	15,300,000	61,300,000	1,502,743,734	2,620,166,292	-	2,620,166,292
Cumulative effect of change in accounting policy (Note 6)	-	-	-	-	(46,946,591)	(46,946,591)	-	(46,946,591)
Balance as at 1 January 2020 - as restated	613,000,000	427,822,558	15,300,000	61,300,000	1,455,797,143	2,573,219,701	-	2,573,219,701
Profit for the year	-	-	-	-	491,263,834	491,263,834	38,096	491,301,930
Other comprehensive income for the year	-	-	-	-	273,299	273,299	-	273,299
Total comprehensive income for the year	-	-	-	-	491,537,133	491,537,133	38,096	491,575,229
Payment for dividend (Note 29)	-	-	-	-	(232,939,700)	(232,939,700)	-	(232,939,700)
Non-controlling interests of the subsidiary from acquisition of the subsidiary (Note 11)	-	-	-	-	-	-	210,016	210,016
Balance as at 31 December 2020	613,000,000	427,822,558	15,300,000	61,300,000	1,714,394,576	2,831,817,134	248,112	2,832,065,246

The accompanying notes are an integral part of the financial statements.

S 11 Group Public Company Limited and its subsidiary

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

Financial statements in which the equity method is applied

	Issued and fully	Share	Capital reserve	Retained earnings		Total
	paid-up	premium	for share-based	Appropriated -	Unappropriated	
	share capital		payment transactions	statutory reserve		shareholders' equity
Balance as at 1 January 2020	613,000,000	427,822,558	15,300,000	61,300,000	1,215,644,865	2,333,067,423
Profit for the year	-	-	-	-	529,068,307	529,068,307
Other comprehensive income for the year	-	-	-	-	(2,899,438)	(2,899,438)
Total comprehensive income for the year	-	-	-	-	526,168,869	526,168,869
Dividend paid (Note 29)	-	-	-	-	(239,070,000)	(239,070,000)
Balance as at 31 December 2020	613,000,000	427,822,558	15,300,000	61,300,000	1,502,743,734	2,620,166,292

The accompanying notes are an integral part of the financial statements.

S 11 Group Public Company Limited and its subsidiary
 Statements of changes in shareholders' equity (continued)
 For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2019	613,000,000	427,822,558	15,300,000	61,300,000	1,215,590,596	2,333,013,154
Profit for the year	-	-	-	-	528,957,955	528,957,955
Other comprehensive income for the year (loss)	-	-	-	-	(2,899,438)	(2,899,438)
Total comprehensive income for the year	-	-	-	-	526,058,517	526,058,517
Dividend paid (Note 29)	-	-	-	-	(239,070,000)	(239,070,000)
Balance as at 31 December 2019	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>1,502,579,113</u>	<u>2,620,001,671</u>
Balance as at 1 January 2020	613,000,000	427,822,558	15,300,000	61,300,000	1,502,579,113	2,620,001,671
Cumulative effect of change in accounting policy (Note 6)	-	-	-	-	(46,946,591)	(46,946,591)
Balance as at 1 January 2020 - as restated	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>1,455,632,522</u>	<u>2,573,055,080</u>
Profit for the year	-	-	-	-	490,810,544	490,810,544
Other comprehensive income for the year	-	-	-	-	273,299	273,299
Total comprehensive income for the year	-	-	-	-	491,083,843	491,083,843
Dividend paid (Note 29)	-	-	-	-	(232,939,700)	(232,939,700)
Balance as at 31 December 2020	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>1,713,776,665</u>	<u>2,831,199,223</u>

The accompanying notes are an integral part of the financial statements.

S 11 Group Public Company Limited and its subsidiary

Cash flows statements

For the year ended 31 December 2020

(Unit: Baht)

	Financial statements			
	Consolidated	in which the equity	Separate financial statements	
	financial statements	method is applied	2020	2019
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before income tax	613,874,887	661,340,373	613,336,862	661,230,021
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Depreciation	8,643,678	6,940,880	8,459,811	6,940,880
Expected credit losses	682,611,261	-	682,611,261	-
Bad debts and doubtful accounts	-	512,504,015	-	512,504,015
Gain on sale assets	(2,664)	(58,219)	(2,664)	(58,219)
Loss on written-off assets	15,749	8,279	15,749	8,279
Share of gain from investment in an associate company	(110,431)	(110,352)	-	-
Loss on impairment of assets foreclosed (reversal)	(5,635,782)	4,828,369	(5,635,782)	4,828,369
Provision for long-term employee benefits	3,544,003	2,470,860	3,544,003	2,470,860
Hire purchase interest income	(1,905,434,427)	(1,805,780,558)	(1,905,434,427)	(1,805,780,558)
Loss from derivative	13,854,224	-	13,854,224	-
Interest expenses and amortisation of loans issuing cost	143,979,065	152,045,978	143,979,065	152,045,978
Amortised finance cost for lease liabilities	165,102	-	165,102	-
Loss from operating activities before changes in operating assets and liabilities	(444,495,335)	(465,810,375)	(445,106,796)	(465,810,375)
Operating assets (increase) decrease				
Hire purchase receivables	(484,439,526)	(1,324,148,613)	(484,439,526)	(1,324,148,613)
Assets foreclosed	7,323,159	(8,901,287)	7,323,159	(8,901,287)
Prepaid insurance premium	19,441,127	(9,836,884)	19,441,127	(9,836,884)
Other current assets	32,126,373	2,174,958	31,376,142	2,174,958
Other non-current assets	-	(47,000)	-	(47,000)
Operating liabilities increase (decrease)				
Trade accounts payables	(65,374,902)	23,571,958	(65,374,902)	23,571,958
Insurance premium payables	(8,053,290)	2,568,480	(8,053,290)	2,568,480
Accrued expenses	(7,920,228)	5,675,926	(7,294,204)	5,675,926
Other current liabilities	19,424,184	2,100,206	19,361,202	2,100,206
Cash flows used in operating activities	(931,968,438)	(1,772,652,631)	(932,767,088)	(1,772,652,631)
Cash received from interest	1,890,656,777	1,794,192,622	1,890,656,777	1,794,192,622
Cash paid for corporate income tax	(149,907,609)	(130,173,332)	(149,736,276)	(130,173,332)
Cash paid for interest	(135,764,202)	(132,776,457)	(135,764,202)	(132,776,457)
Net cash flows from (used in) operating activities	673,016,528	(241,409,798)	672,389,211	(241,409,798)

The accompanying notes are an integral part of the financial statements.

S 11 Group Public Company Limited and its subsidiary

Cash flows statements (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Financial statements			
	Consolidated	in which the equity	Separate financial statements	
	financial statements	method is applied	2020	2019
	2020	2019	2020	2019
Cash flows from investing activities				
Increase in restricted bank deposits	(128,344)	(111,049)	(128,344)	(111,049)
Cash paid for purchases of investment in subsidiary	(206,346)	-	(1,077,700)	-
Cash receipt for proceed of equipment	6,450	62,525	6,450	62,525
Cash paid for acquisition of land, building and equipment	(9,301,007)	(6,870,221)	(9,267,226)	(6,870,221)
Net cash flows used in investing activities	(9,629,247)	(6,918,745)	(10,466,820)	(6,918,745)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	59,300,000	(10,000,000)	59,300,000	(10,000,000)
Increase (decrease) in short-term loans	(144,066,568)	48,062,708	(144,066,568)	48,062,708
Cash receiver from debentures	-	224,694,800	-	224,694,800
Repayment of debentures	-	(150,000,000)	-	(150,000,000)
Cash receipt from long-term loans	1,792,000,000	2,342,000,000	1,792,000,000	2,342,000,000
Repayment of long-term loans	(2,144,751,377)	(1,943,886,379)	(2,144,751,377)	(1,943,886,379)
Payment for loans issuing cost	(3,500,000)	(5,700,000)	(3,500,000)	(5,700,000)
Cash paid for lease liabilities	(1,990,600)	-	(1,990,600)	-
Payment for dividend	(232,939,700)	(239,070,000)	(232,939,700)	(239,070,000)
Net cash flows from (used in) financing activities	(675,948,245)	266,101,129	(675,948,245)	266,101,129
Net increase (decrease) in cash and cash equivalents	(12,560,964)	17,772,586	(14,025,854)	17,772,586
Cash and cash equivalents at beginning of year	41,443,026	23,670,440	41,443,026	23,670,440
Cash and cash equivalents at end of year	28,882,062	41,443,026	27,417,172	41,443,026

The accompanying notes are an integral part of the financial statements.

S 11 Group Public Company Limited and its subsidiary

Notes to financial statements

For the year ended 31 December 2020

1. General information

1.1 Corporate information

S 11 Group Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is S Charter Company Limited which was incorporated in Thailand. The Company is principally engaged in the hire purchase of motorcycles and its registered address is 888, Soi Chatuchot 10, Chatuchot road, Ao Ngoen, Sai Mai, Bangkok.

As at 31 December 2020, the Company has 9 branches located in Chonburi, Ayudhya, Rayong, Nakhon Ratchasima, Prachinburi and Chantaburi (2019: 9 branches).

1.2 The Coronavirus disease 2019 pandemic (COVID-19)

The Coronavirus disease 2019 pandemic (COVID-19) is impacting various businesses and industries both directly and indirectly and resulting in an economic slowdown. This situation could create uncertainties and this may be impacting the Company’s operating results and cash flows in the future. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities. The management has used estimates and judgement in various matters as the situation evolves.

2. Basis for the preparation of the financial statements

2.1 Basis for the preparation of the financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions 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 Basis for the preparation of the consolidated financial statements

- (a) The consolidated financial statements include the financial statements of S 11 Group Public Company Limited ("the Company") and MOD S Company Limited ("the subsidiary"), which is domiciled in Thailand and is principally engaged in management and accelerated collection of assets. The Company holds 90% of the subsidiary's shares ("the Group").
- (b) The Company is deemed to have control over an investee or a subsidiary if it has rights, or is exposed, to variable return from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- (c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (d) The financial statements of the subsidiary are prepared using the same significant accounting policies as those adopted by the Company.
- (e) Material balances and significant transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- (f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 Basis for the preparation of the separate financial statements

The separate financial statements present investment in a subsidiary and an associated company 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 Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these financial reporting standards has resulted in changes in the Company's accounting policy as summarised below.

Classification and measurement of financial assets and liabilities

The Company reclassifies financial assets and liabilities to be consistent with the business model for managing the Company's financial assets and liabilities and the contractual cash flows characteristics of the financial assets, based on the facts and existing circumstances as of the date these financial reporting standards were initially adopted.

Financial assets

As at 1 January 2020, the Company's financial assets are cash and cash equivalents, hire purchase receivables and restricted bank deposits. The adoption of these set of financial reporting standards does not have any impact to the Company's classification of financial assets. The Company continues to be classified all financial assets as measured at amortised cost.

Financial liabilities

Financial liabilities are classified and measured at amortised cost.

Derivatives

The Company initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

Impairment of financial assets

TFRS 9 requires entities to estimate allowance for expected credit losses in place of the losses recognised under the previous accounting policy. It requires that impairment loss be recognised using the Expected Credit Loss model and a management overlay is applied to account for factors that are not captured by the model and requires the Company to recognise an allowance for expected credit losses for all financial assets that are debt instruments and not measured at fair value through profit or loss, including for undrawn commitments and financial guarantees, and it is not necessary for a credit-impaired event to have occurred prior to the recognition. The Company considers using a simplified approach to determine expected credit losses for hire-purchase receivables. The allowance is measured at the amount equal to the lifetime expected credit losses of financial assets.

Practices during the transitional period

The Company adopted these financial reporting standards which the cumulative effects of the initial adoption of the financial reporting standards is recognised as adjustment to the retained earnings or other components of shareholders' equity as at 1 January 2020 and the comparative information was not restated.

The cumulative effect of the change is described in Note 6 to the financial statements.

TFRS 16 Leases

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

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

The Company adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020 (if any), and the comparative information was not restated.

The cumulative effect of the change is described in Note 6 to the financial statements.

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 Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the Bank of Thailand No. BOT.RPD.(23)C. 276/2563 “Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy” and the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563 “Measures to provide additional assistance to debtors during the COVID-19 situation” or any other measures announced by the Bank of Thailand. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations 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. Entities providing assistance to debtors in accordance with the Bank of Thailand’s measures and electing to apply this Accounting Treatment 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.

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

The Company do not apply this temporary relief measures.

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

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

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

During the period from the first quarter to the third quarter of 2020, the Company elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach.

In the fourth quarter of 2020, the Company has assessed of the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of asset. As a result, in preparing the financial statements for the year ended 31 December 2020, the Company has decided to discontinue application of the temporary relief measures on accounting alternatives. This has no significant impact on the Company's financial statements.

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

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group has evaluated these standards do not have any significant impact on the Group's financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue recognition

a) Hire purchase interest income

Hire purchase interest income is recognised on an accrual basis throughout the contract period based on the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The effective interest rate is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the effective interest rate.

b) Fee and service income

Fee and service income are recognised on an accrual basis.

c) Penalty fee income

Penalty fee income is recognised when received.

4.2 Expense recognition

a) Interest expenses

Interest expenses are charged to expenses on an accrual basis.

b) Commissions and direct expenses of the hire purchase contracts

The Company recorded the initial commissions and direct expenses at the inception of hire purchase contract by deferred and amortised those expenses using the effective interest method, with amortisation deducted from unearned income throughout the contract period, in order to reflect the effective rate of return on the contracts.

Unearned interest income is stated net of commissions and direct expenses incurred at the inception of the contracts.

4.3 Financial instruments

Accounting policy adopted since 1 January 2020

Classification and measurement of financial assets and financial liabilities

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.

Financial assets

The Company classifies its financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets as follows:

- *Financial assets measured at amortised cost* only if both following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are subsequently measured at amortised cost net of allowance for expected credit losses (if any).
- *Financial assets measured at fair value through profit or loss* unless the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows or the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are subsequently measured at fair value. Unrealised gains and losses from change in fair value, and gains or loss on disposal of instruments are recognised as gains or loss on financial instruments measured at fair value through profit or loss.

Financial liabilities

Except for derivative 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 fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

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 profit or loss.

4.4 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.

4.5 Hire purchase receivables

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

4.6 Allowance for expected credit losses of hire purchase receivables/Allowance for doubtful accounts

Accounting policy adopted since 1 January 2020 - Allowance for expected credit losses of hire purchase receivables

The Company recognises expected credit losses for hire purchase receivables using a simplified approach, taking into account the business model and historical data of the business, based on assumptions and factors related to the appropriate estimation cash flow that reflects economic conditions and environment at present and in the future. The Company reviews the cash flow at least every end of the reporting period. In addition, the Company classifies the hire purchase receivables based on the credit risk characteristics of the hire purchase receivables, taking into account the correspondence between cash inflows of the hire purchase receivables on a contract basis based on the overdue date and maturity date of the contract.

Moreover, the Company also set up additional allowance based on expected credit loss.

~~*Accounting policy adopted before 1 January 2020 - Allowance for doubtful accounts*~~

The Company provides allowance for doubtful accounts for hire purchase receivables based on the amount of debts that may not be collectible, determined by analysis of the current status of the receivables. Allowance for doubtful accounts is provided at the percentage of the amount of outstanding receivables net of unearned hire purchase income (net of deferred commissions and direct expenses incurred at the inception of the contracts).

	<u>Provisioning rate</u>
Normal loans and past due less than 2 months	1
Past due 2 months or more, but less than 4 months	2
Past due 4 months or more	100

Increase (decrease) in allowance for doubtful accounts is recorded as expense during the year in profit or loss in the statements of comprehensive income. The Company 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.

4.7 Assets foreclosed

Assets foreclosed represent assets repossessed from hire purchase receivables and are stated at the lower of cost and estimated net realisable value.

Gain (loss) on disposal of assets foreclosed is recognised in part of profit or loss in the statements of comprehensive income on disposal date. Impairment loss of assets foreclosed is recognised as expenses in part of profit or loss in the statements of comprehensive income (if any).

4.8 Investment in subsidiary

Investments in subsidiary is accounted for in the separate financial statements using the cost method.

4.9 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.

4.10 Land, building and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation of building and equipment is calculated by reference to their costs over the following estimated useful lives:

Building	-	20 years, straight - line method
Furniture and office equipment	-	5 years, straight - line method
Computers and equipment	-	3 - 10 years, sum of the year's digits method
Motor vehicles	-	5 years, sum of the year's digits method

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

An item of land, building and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is recognised in part of profit or loss when the assets are derecognised.

4.11 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.

Accounting policy adopted since 1 January 2020

The Group as a lessee

The Group applies a single accounting method for both the recognition and measurement of all leases, except for short-term leases and leases where the underlying assets are of low value. At the commencement date of the lease (the date the underlying asset is available for use), the Group recognise lease liabilities based on lease payment and right-of-use assets, which represent the right to use the underlying assets.

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 is calculated by reference to their costs, on the straight-line basis over the shorter of the estimated lease term and the estimated useful lives as follows:

Land	15 years
Building	1 - 4 years
Equipment	3 - 4 years

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

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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.

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 policy adopted before 1 January 2020

Leases which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are recorded as long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases which do not transfer substantially all the risks and reward 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.

4.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, intangible assets and right-of-use 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.

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by the Group's management based on actuarial techniques, using the projected unit credit method.

Actuarial gain and loss arising from post-employment benefits are recognised immediately in other comprehensive income.

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable 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 income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets 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 utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are directly recorded to shareholders' equity.

4.15 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.16 Derivatives

The Group uses derivatives such as interest rate swaps to hedge its interest rate risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.17 Fair value measurement

Fair value is the price that would be received from sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company 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 observable 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 Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgments and estimates

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

5.1 Allowance for expected credit losses of hire purchase receivables

The management is required to use judgement in estimating an allowance for expected credit losses of hire purchase receivables, with the assessment made with respect to the financial situation of receivables, together with the use of forward-looking information in estimating the allowance for expected credit losses. The estimation involves numerous variables; therefore, actual results may differ from the estimates.

5.2 Allowance for impairment of assets foreclosed

In determining allowance for impairment of assets foreclosed, management apply judgment in estimating the anticipated loss on such assets, based on analysis of various factors, including net realisable value, historical sales data, the age of the assets and the prevailing economic condition.

5.3 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.

5.4 Leases

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

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

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate 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.

5.5 Incremental borrowing rate

The Company is unable to determine the interest rate implicit the lease agreement. Therefore, the Company's incremental loan interest rate is used to discount the lease liability. The marginal borrowing rate is the interest rate that the Company is to pay for borrowing necessary to acquire assets that are close to the right-of-use assets in a similar economic environment and with similar term of loan and collateral.

5.6 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.

5.7 Post-employment benefits under defined benefit plans

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

5.8 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.

6. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3.1 to the financial statements, during the current year, the Company has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The change in accounting policy due to the adoption of TFRS 16 do not have any impact on retained earnings as at 1 January 2020.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Baht)

	Financial statements in which the equity method is applied			
	31 December 2019	The impacts of Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statements of financial position				
Assets				
Current assets				
Current portion of hire purchase receivables - net	3,122,683,406	64,215,706	-	3,186,899,112
Non-current assets				
Hire purchase receivables - net of current portion	3,061,899,077	(114,308,968)	-	2,947,590,109
Land, building and equipment - net	86,837,474	-	12,681,831	99,519,305
Deferred tax assets	151,801,785	11,736,648	-	163,538,433
Liabilities and shareholders' equity				
Liabilities				
Current liabilities				
Current portion of lease liabilities	-	-	1,490,036	1,490,036
Derivative liabilities	-	8,589,977	-	8,589,977
Non-current liabilities				
Lease liabilities, net of current portion	-	-	11,191,795	11,191,795
Shareholders' equity				
Retained earnings - unappropriated	1,502,743,734	(46,946,591)	-	1,455,797,143

(Unit: Baht)

	Separate financial statements			
	31 December 2019	The impacts of Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statements of financial position				
Assets				
Current assets				
Current portion of hire purchase receivables - net	3,122,683,406	64,215,706	-	3,186,899,112
Non-current assets				
Hire purchase receivables - net of current portion	3,061,899,077	(114,308,968)	-	2,947,590,109
Land, building and equipment - net	86,837,474	-	12,681,831	99,519,305
Deferred tax assets	151,801,785	11,736,648	-	163,538,433
Liabilities and shareholders' equity				
Liabilities				
Current liabilities				
Current portion of lease liabilities	-	-	1,490,036	1,490,036
Derivative liabilities	-	8,589,977	-	8,589,977
Non-current liabilities				
Lease liabilities, net of current portion	-	-	11,191,795	11,191,795
Shareholders' equity				
Retained earnings - unappropriated	1,502,579,113	(46,946,591)	-	1,455,632,522

6.1 Financial instruments

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

	(Unit: Baht)
Recognition of an allowance for expected credit losses on financial assets	50,093,262
Recognition of derivatives at fair value through profit or loss	8,589,977
	58,683,239
Related income tax	(11,736,648)
	46,946,591

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

(Unit: Baht)			
Financial Statements in which the equity method is applied and Separate Financial Statements			
Classification and measurement under the former basis as at 31 December 2019		Classification and measurement under TFRS 9 as at 1 January 2020	
Financial assets			
Cash and cash equivalents	41,443,026	Amortised cost	41,443,026
Hire purchase receivables	6,184,582,483	Amortised cost	6,134,489,221
Restricted bank deposits	1,044,853	Amortised cost	1,044,853
Financial liabilities			
Short-term loans from financial institutions	190,000,000	Amortised cost	190,000,000
Trade payables	70,674,347	Amortised cost	70,674,347
Short-term loans	585,996,599	Amortised cost	585,996,599
Derivatives liabilities	-	Fair Value through profit or loss	8,589,977
Long-term loans	2,841,775,258	Amortised cost	2,841,775,258
Debentures	224,773,744	Amortised cost	224,773,744

6.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020.

	(Unit: Baht)
Operating lease commitments as at 31 December 2019	13,286,038
Add: Option to extend lease term	998,484
Less: Contracts reassessed as service agreements	(1,150,495)
Less: Deferred interest expenses	(452,196)
Increase in lease liabilities due to TFRS 16 adoption	<u>12,681,831</u>
Liabilities under finance lease agreements as at 31 December 2019	<u>-</u>
Lease liabilities as at 1 January 2020	<u>12,681,831</u>
Weighted average incremental borrowing rate (Percent per annum)	4.39
Comprise of:	
Current lease liabilities	1,490,036
Non-current lease liabilities	<u>11,191,795</u>
	<u>12,681,831</u>

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

	(Unit: Baht)
Land	10,127,809
Buildings and building improvement	2,287,747
Furniture and office equipment	<u>266,275</u>
Total right-of-use assets	<u>12,681,831</u>

7. Cash and cash equivalents

(Unit: Baht)

	Financial statements in which the equity method is applied and		
	Consolidated financial statements	Separate financial statements	Separate financial statements
	2020	2020	2019
Cash and cash equivalents	810,932	800,800	758,800
Bank deposits	28,071,130	26,616,372	40,684,226
Total	28,882,062	27,417,172	41,443,026

As at 31 December 2020, bank deposits in savings accounts and fixed deposits are carried interest at the rates between 0.05 - 0.40 percent per annum (2019: 0.10 - 0.90 percent per annum) as announced by the banks.

8. Hire purchase receivables

- 8.1 As at 31 December 2020 and 2019, the contracted terms of the Company's hire purchase receivables are 12 - 48 installments with payments to be made in equal installments and interest charged at the fixed rates specified in the contracts. Hire purchase receivables classified by due date per agreement are as follows:

(Unit: Baht)

	Consolidated and Separate financial statements		
	2020		
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	Total
Hire purchase receivables	5,602,891,714	3,562,513,040	9,165,404,754
Less: Unearned hire purchase income ⁽¹⁾	(1,640,230,478)	(693,939,626)	(2,334,170,104)
Present value of the minimum lease payment receivables	3,962,661,236	2,868,573,414	6,831,234,650
Less: Allowance for expected credit losses	(721,854,797)	(158,284,718)	(880,139,515)
Net hire purchase receivables	3,240,806,439	2,710,288,696	5,951,095,135

(1) Presented net of deferred commission and initial direct costs of hire purchase.

(Unit: Baht)

Financial statements in which the equity method is applied
and Separate financial statements

	2019		
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	Total
Hire purchase receivables	5,633,839,744	3,905,331,616	9,539,171,360
Less: Unearned hire purchase income ⁽¹⁾	(1,736,833,740)	(810,512,539)	(2,547,346,279)
Present value of the minimum lease payment receivables	3,897,006,004	3,094,819,077	6,991,825,081
Less: Allowance for doubtful accounts ⁽³⁾	(774,322,598)	(32,920,000)	(807,242,598)
Net hire purchase receivables	<u>3,122,683,406</u>	<u>3,061,899,077</u>	<u>6,184,582,483</u>

(1) Presented net of deferred commission and initial direct costs of hire purchase.

(2) The balance of receivables due within 1 year included receivables for which revenue recognised has been ceased.

(3) The balance of allowance for doubtful account due within 1 year includes additional provision for uncollectible receivables.

8.2 As at 31 December 2020 and 2019, the balances of hire purchase receivables (net of unearned hire purchase income) and allowance for expected credit losses are classified by aging of installment past due as follows:

(Unit: Baht)

Aging	Consolidated and Separate financial statements	
	2020	
	Balance of hire purchase receivables	Allowance for expected credit losses
Not yet due, past due not more than 2 months	5,848,448,723	272,458,382
More than 2 months, but less than 4 months	272,130,850	3,334,387
4 months or more, but less than 6 months	107,803,113	1,494,782
6 months or more, including fully-mature deposit contracts	602,851,964	602,851,964
Total	<u>6,831,234,650</u>	<u>880,139,515</u>

As at 31 December 2019, the balances of hire purchase receivables (net of unearned hire purchase income) and allowance for doubtful accounts are classified by aging of installment past due as follows:

(Unit: Baht)

Aging	Financial statements in which the equity method is applied and Separate financial statements		
	2019		
	Balance of hire purchase receivables	Percentage of allowance set up by the Company	Allowance for doubtful accounts
Not yet due	4,831,170,810	1	48,310,287
Past due			
Less than 1 month	740,865,990	1	7,408,660
1 month or more, but less than 2 months	383,453,965	1	3,834,526
2 months or more, but less than 4 months	319,025,688	2	6,380,497
4 months or more, but less than 7 months	203,284,997	100	203,284,997
7 months or more, but less than 13 months	261,322,399	100	261,322,399
13 months or more	252,701,232	100	252,701,232
Total	<u>6,991,825,081</u>		<u>783,242,598</u>
Allowance for doubtful accounts - additional provision for uncollectible receivables			<u>24,000,000</u>
Total			<u>807,242,598</u>

8.3 As at 31 December 2019, the Company had hire purchase receivables amounting to Baht 1,057 million (before netting with unearned hire purchase income) for which revenue recognition has ceased.

8.4 As at 31 December 2020, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before netting with unearned hire purchase income) of Baht 837 million (2019: Baht 1,098 million) in order to secure credit facilities granted by commercial banks as discussed in Note 18 to the financial statements.

8.5 Allowance for expected credit losses

Movements of allowance for expected credit losses (ECL) / allowance for doubtful accounts of hire purchase receivables are as follows:

	(Unit: Baht)
	Consolidated and Separate financial statements
	2020
Balance beginning of the year - allowance for doubtful accounts	807,242,598
Restated for adoption of new accounting standards ⁽¹⁾	50,093,262
Balance beginning of the year - expected credit losses	857,335,860
Add: Expected credit losses during the year	682,611,261
Less: Bad debt written-off	(659,807,606)
Balance end of the year	880,139,515

⁽¹⁾ The beginning balance of allowance for doubtful accounts was determined based on the former accounting policy, while current information is presented in accordance with TFRS 9, without restatement of the prior year's financial statements presented as comparative information, as discussed in Note 3.1.

	(Unit: Baht)
	Financial statements in which the equity method is applied and Separate financial statements
	2019
Balance beginning of the year	751,343,850
Add: Doubtful account increase during the year	512,504,015
Less: Bad debt written-off	(456,605,267)
Balance end of the year	807,242,598

9. Assets foreclosed

(Unit: Baht)

	Consolidated and Separate	Financial statements in which
	financial statements	the equity method is applied and
	2020	Separate financial statements
		2019
Assets foreclosed - cost	36,512,899	43,836,057
Less: Allowance for impairment	(14,425,396)	(20,061,177)
Assets foreclosed - net	22,087,503	23,774,880

10. Other current assets

(Unit: Baht)

	Consolidated	Separate financial	Financial
	financial statements	statements	statements in which
	2020	2020	the equity method
			is applied and
			Separate financial
			statements
			2019
Advance VAT receivable	31,009,258	31,009,258	28,543,548
Other receivable - sales of assets foreclosed	3,192,918	3,192,918	3,459,380
Revenue department receivable	2,766,996	2,766,996	2,366,975
Other accrued income	4,085,677	4,085,677	6,254,759
Others	2,695,738	2,714,552	4,036,470
Total	43,750,587	43,769,401	44,661,132

11. Investment in subsidiary

On 14 May 2020, the Board of Directors' Meeting No. 2/2020 passed a resolution to approve the Company acquisition of an additional 130,000 ordinary shares of MOD S Company Limited (an associate) from its existing shareholder ("the Seller"), which represents 65% of all issued shares of MOD S Company Limited. Following the acquisition of the shares, then together with the 49,998 shares of MOD S Company Limited held by the Company, the Company held 179,998 shares of MOD S Company Limited, representing 90% of all issued shares of MOD S Company Limited. On 21 May 2020, the Company entered into a share purchase and sale agreement with the Seller, whereby the purchase price was Baht 1.08 million. The Company received all of these shares and made payment to the Seller on 21 May 2020. As a result, the status of MOD S Company Limited changed from an associate to a subsidiary of the Company and it has to be included in the consolidated financial statements from 21 May 2020, which is the date on which the Company assumed control.

Management of the Company and its subsidiary determined that the acquisition of the investment in the subsidiary was an asset acquisition.

The carrying amounts of the assets and liabilities of MOD S Company Limited as at the acquisition date are as summarised below.

	(Unit: Baht)
Cash and cash equivalents	871,354
Other current assets	1,018,826
Land, building and equipment - net	553,036
Other non-current assets	6,500
Accrued expenses	(174,054)
Other current liabilities	(175,495)
Other non-current liabilities	-
Net assets of the subsidiary	<u>2,100,167</u>
Less: Non-controlling interests' proportionate share of net assets of the subsidiary	<u>(210,017)</u>
The Company's proportionate share of net assets of the subsidiary	<u><u>1,890,150</u></u>
Cash paid for purchase of investment in the subsidiary	1,077,700
Less: Cash and cash equivalents of the subsidiary	<u>(871,354)</u>
Net cash paid for purchase of investment in the subsidiary	<u><u>206,346</u></u>

12. Investment in an associated company

12.1 Detail of an associated company

(Unit: Baht)

Company's name	Nature of business	Shareholding percentage	Financial statements in	Separate financial
			which the equity method is applied	statements
			Book value	Cost/Book value
		31 December 2019	31 December 2019	31 December 2019
		(%)		
MOD S Company Limited (Note 11)	Manage and develop quality of assets	25	414,611	249,990

As at 21 May 2020, the Company changes in status of investment from an associate to a subsidiary, as discussed in Note 11 to the financial statements.

12.2 Share of comprehensive income and dividend

During the year ended 31 December 2020 and 2019, the Company recognised shares of gain from investment in an associated company in the financial statements in which the equity method is applied and no dividends received from the associated company during the year as follows:

(Unit: Baht)

Company's name	Share of gain from investment for the years ended 31 December	
	2020	2019
MOD S Company Limited	110,431	110,352

12.3 Summarised financial information of an associated company

Summarised financial information of MOD S Company Limited as at 31 December 2019, and as at 31 December 2019, prepared by the management of the associated company and not audited/reviewed by its auditor, is as follows:

Summarised information about financial position

(Unit: Baht)

	31 December 2019
Total assets	1,935,886
Total liabilities	277,443
Net assets	1,658,443

Summarised information about income statement

	(Unit: Baht)
	For the years ended
	<u>31 December 2019</u>
Revenue	5,773,835
Profit for the year	441,406

13. Restricted bank deposits

As at 31 December 2020 and 2019, this represents bank deposits pledged with a commercial bank to secure the issuance of letters of guarantee on behalf of the Company, as discussed in Note 31.1 to the financial statements, a deposit used as an employee's security deposit and the security deposit of a contractor hired to repossess motorcycles.

14. Land, building and equipment

	(Unit: Baht)		
	Consolidated	Separate	Financial
	financial statements	financial statements	statements in which
	2020	2020	the equity method
			is applied and
			Separate financial
			statements
			2019
<u>Net Book Value</u>			
Land, Building and Equipment	90,049,379	89,646,430	86,837,474
Right-of-use assets (Note 20)	12,814,224	12,814,224	-
Total	<u>102,863,603</u>	<u>102,460,654</u>	<u>86,837,474</u>

Movements of land, building and equipment during the years ended 31 December 2020 and 2019 are summarised below.

(Unit: Baht)

	Consolidated financial statements						
	Land	Building and building improvement	Furniture and office equipment	Computer and equipment	Motor vehicles	Construction in progress	Total
Cost							
1 January 2019	45,620,289	42,059,742	15,957,149	9,336,733	16,239,006	-	129,212,919
Additions	-	-	1,063,426	2,005,592	2,492,502	1,308,700	6,870,220
Disposals/written off	-	-	(49,081)	(16,498)	(369,999)	-	(435,578)
Transferred in (out)	-	1,303,400	-	-	-	(1,303,400)	-
31 December 2019	45,620,289	43,363,142	16,971,494	11,325,827	18,361,509	5,300	135,647,561
Additions	5,500,000	23,050	864,748	2,375,825	437,383	100,000	9,301,006
Increase as a result of change in status of investments from an associate to a subsidiary	-	-	529,522	653,831	-	-	1,183,353
Disposals/written off	-	-	(67,915)	(64,397)	-	(5,300)	(137,612)
31 December 2020	51,120,289	43,386,192	18,297,849	14,291,086	18,798,892	100,000	145,994,308
Accumulated depreciation							
1 January 2019	-	8,951,014	11,513,329	7,639,886	14,187,970	-	42,292,199
Depreciation during the year	-	2,123,426	1,955,339	1,213,240	1,648,875	-	6,940,880
Depreciation for disposals/written off	-	-	(36,518)	(16,475)	(369,999)	-	(422,992)
31 December 2019	-	11,074,440	13,432,150	8,836,651	15,466,846	-	48,810,087
Depreciation during the year	-	2,180,500	1,476,097	1,657,998	1,308,008	-	6,622,603
Increase as a result of change in status of investments from an associate to a subsidiary	-	-	191,677	438,640	-	-	630,317
Depreciation for disposals/written off	-	-	(53,755)	(64,323)	-	-	(118,078)
31 December 2020	-	13,254,940	15,046,169	10,868,966	16,774,854	-	55,944,929
Net book value							
31 December 2019	45,620,289	32,288,702	3,539,344	2,489,176	2,894,663	5,300	86,837,474
31 December 2020	51,120,289	30,131,252	3,251,680	3,422,120	2,024,038	100,000	90,049,379
Depreciation charge for the years ended 31 December							
2019							6,940,880
2020							6,622,603

Separate financial statements

	Land	Building and improvement	Furniture and office equipment	Computer and equipment	Motor vehicles	Construction in progress	Total
Cost							
1 January 2019	45,620,289	42,059,742	15,957,149	9,336,733	16,239,006	-	129,212,919
Additions	-	-	1,063,426	2,005,592	2,492,502	1,308,700	6,870,220
Disposals/written off	-	-	(49,081)	(16,498)	(369,999)	-	(435,578)
Transferred in (out)	-	1,303,400	-	-	-	(1,303,400)	-
31 December 2019	45,620,289	43,363,142	16,971,494	11,325,827	18,361,509	5,300	135,647,561
Additions	5,500,000	23,050	836,379	2,370,414	437,383	100,000	9,267,226
Disposals/written off	-	-	(67,915)	(64,397)	-	(5,300)	(137,612)
31 December 2020	51,120,289	43,386,192	17,739,958	13,631,844	18,798,892	100,000	144,777,175
Accumulated depreciation							
1 January 2019	-	8,951,014	11,513,329	7,639,886	14,187,970	-	42,292,199
Depreciation during the year	-	2,123,426	1,955,339	1,213,240	1,648,875	-	6,940,880
Depreciation for disposals/written off	-	-	(36,518)	(16,475)	(369,999)	-	(422,992)
31 December 2019	-	11,074,440	13,432,150	8,836,651	15,466,846	-	48,810,087
Depreciation during the year	-	2,180,500	1,411,683	1,538,545	1,308,008	-	6,438,736
Depreciation for disposals/written off	-	-	(53,755)	(64,323)	-	-	(118,078)
31 December 2020	-	13,254,940	14,790,078	10,310,873	16,774,854	-	55,130,745
Net book value							
31 December 2019	45,620,289	32,288,702	3,539,344	2,489,176	2,894,663	5,300	86,837,474
31 December 2020	51,120,289	30,131,252	2,949,880	3,320,971	2,024,038	100,000	89,646,430
Depreciation charge for the years ended 31 December							
2019							6,940,880
2020							6,438,736

As at 31 December 2020, certain items of building, equipment and motor vehicles were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 30 million (2019: Baht 28 million).

15. Deferred tax assets/income tax expenses

15.1 Deferred tax assets

As at 31 December 2020 and 2019, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)	
	Consolidated and Separate financial statements	Financial statements in which the equity method is applied and Separate financial statements
	2020	2019
Deferred tax assets		
Allowance for expected credit losses	176,027,903	-
Allowance for doubtful accounts	-	161,448,520
Allowance for impairment of assets foreclosed	2,885,079	4,012,235
Provision for long-term employee benefits	4,073,797	3,433,321
Advance receive from insurance premium	10,974,292	11,029,373
Others	2,819,084	700,183
Total	<u>196,780,155</u>	<u>180,623,632</u>
Deferred tax liability		
Deferred commission and initial direct cost from hire purchase contracts	25,613,332	26,881,373
Deferred loans issuing costs	1,394,696	1,635,222
Deferred debentures issuing cost	144,731	305,252
Total	<u>27,152,759</u>	<u>28,821,847</u>
Deferred tax assets - net	<u>169,627,396</u>	<u>151,801,785</u>

15.2 Income tax expenses

Income tax expenses for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Baht)

	For the years ended 31 December				
	Consolidated financial statements	Financial statements in which the equity method is applied		Separate financial statements	
		2020	2019	2020	2019
Current income tax:					
Interim corporate income tax charge	128,730,245	142,553,901	128,683,606	142,553,901	
Deferred tax:					
Relating to origination and reversal of temporary differences	(6,157,288)	(10,281,835)	(6,157,288)	(10,281,835)	
Income tax expenses reported in the statements of comprehensive income	<u>122,572,957</u>	<u>132,272,066</u>	<u>122,526,318</u>	<u>132,272,066</u>	

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Baht)

	For the years ended 31 December				
	Consolidated financial statements	Financial statements in which the equity method is applied		Separate financial statements	
		2020	2019	2020	2019
Deferred tax relating to actuarial (gain) loss	(68,325)	724,860	(68,325)	724,860	

Deferred tax relating to retain earning as at 1 January 2020 are as follow:

(Unit: Baht)

	1 January 2020
Deferred tax relating to allowance for expected credit losses	10,018,653
Deferred tax relating to derivative liabilities	1,717,995
	<u>11,736,648</u>

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Baht)

	For the years ended 31 December				
	Consolidated financial statements	Financial statements in which the equity method is applied		Separate financial statements	
		2020	2019	2020	2019
	Accounting profit before tax	613,874,887	661,340,373	613,336,862	661,230,021
Applicable tax rate	20%	20%	20%	20%	
Amount of profit before tax multiplied by applicable tax rate	122,774,977	132,268,075	122,667,373	132,246,004	
Tax effect of tax-exempt income and disallowed expenses	(202,020)	3,991	(141,055)	26,062	
Income tax expenses reported in the statements of comprehensive income	122,572,957	132,272,066	122,526,318	132,272,066	

16. Short-term loans from financial institutions

(Unit: Baht)

	Interest rate (percent per annum)	Consolidated and Separate financial statements	Financial statements in which the equity method is applied and Separate financial statements
		2020	2019
Promissory notes	3.85	249,300,000	190,000,000

These present loans in the form of promissory notes, under which principal payment is due at call and interest is payable every month end.

As at 31 December 2020, the short-term credit facilities which have not yet been drawn down amounted to Baht 51 million.

17. Short-term loans

As at 31 December 2020, the Company has loans in form of bills of exchange, net of discount, totaling Baht 457 million, the bills are registered, transferable, and maturing within 270 days from the date of issuance (maturity date between January - June 2021), with interest charged at the rate of 3.13 - 3.18 percent per annum (2019: Bills of exchange of Baht 586 million, registered, transferable, and maturing within 270 days from the date of issuance, maturity date between January - May 2019, with interest charge at the rate of 3.05 - 3.65 percent per annum).

18. Long-term loans

As at 31 December 2020 and 2019, the long-term loans, which the Company obtained from local financial institutions, are detailed below.

				(Unit: Baht)	
				Financial statements in which the equity method is applied and Separate financial statements	
				Consolidated and Separate financial statements	Separate financial statements
Facility no.	Loan facility	Interest rate (% per annum)	Repayment schedule	2020	2019
1	Loan agreement dated 27 June 2014	MLR - 2.63	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	1,195,461,718	1,438,196,641
2	Loan agreement dated 11 October 2016	THBFIX1M + 1.8	Payment in 30 installments, with the first installment payment on the last day of the month of drawdown	-	2,700,000
3	Loan agreement dated 13 September 2017	4.4	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	-	122,014,353
4	Loan agreement dated 4 October 2017	THBFIX1M + 1.8	Payment in between 24 and 30 installments, with the first installment payment on the last day of the month of drawdown	-	112,900,000
5	Loan agreement dated 29 June 2018	4.4	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	142,586,832	384,896,763
6	Loan agreement dated 9 July 2018	THBFIX6M + 1.65	Payment in 30 installments, with the first installment payment on the last day of the month of drawdown	105,436,000	347,164,000
7	Loan agreement dated 28 June 2019	4.4	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	359,741,530	239,739,738
8	Loan agreement dated 11 September 2019	THBFIX6M + 1.65	Payment in 30 installments, with the first installment payment on the last day of the month of drawdown	407,100,000	202,990,000
9	Loan agreement dated 31 March 2020	4.4	Payment in 30 installments, with the first installment payment on the last day of the month of drawdown	287,524,038	-
Total				2,497,850,118	2,850,601,495
Less: Deferred loans issuing costs				(7,623,603)	(8,826,237)
Long-term loans				2,490,226,515	2,841,775,258
Less: current portion due within 1 year				(1,691,831,930)	(1,759,599,794)
Long-term loans, net of current portion				<u>798,394,585</u>	<u>1,082,175,464</u>

Under each loan agreement, the Company has to comply with certain covenants regarding, among other things, the maintenance of the proportion of shareholding of the major shareholders, the maintenance of a debt to equity ratio, hire purchase receivables with more than 3 installment past due to total hire purchase receivables ratio, hire purchase receivables with no more than 3 installments past due to total debts ratio, the transfer of rights of claim under hire purchase agreements and motorcycle registrations, as notified by the commercial bank, or the pledge of the Company's shares held by the major shareholders.

As at 31 December 2020, the Company has commitments of Baht 513 million under interest rate swap agreements with a bank that is the Company's lender for loan facilities no. 6 and 8 whereby floating interest rates are swapped for a fixed interest rate throughout the term of the loan. The interest rate swap agreements gradually mature within 2022, in accordance with the conditions of loan repayment (2019: the Company had commitments of Baht 666 million under interest rate swap agreements for loan facility no.2, 4, 6 and 8).

As at 31 December 2020, the Company has long-term credit facilities which have not yet been drawn down amounted to Baht 1,432 million.

Movements in the long-term loans account during the year ended 31 December 2020 and 2019 are summarised below.

	(Unit: Baht)	
	For the years ended 31 December	
	2020	2019
Balance at the beginning of year	2,850,601,495	2,452,487,874
Add: Addition borrowings during the year	1,792,000,000	2,342,000,000
Less: Loans repayment during the year	(2,144,751,377)	(1,943,886,379)
Balance at the end of year	<u>2,497,850,118</u>	<u>2,850,601,495</u>

19. Debt issued - debentures

As at 31 December 2020 and 2019, there were debentures issued by the Company has detailed below.

No.	Date	Repayment schedule	(Unit: Baht)	
			Consolidated and Separate financial statements	Financial statements in which the equity method is applied and Separate financial statements
			2020	2019
1	26 November 2019	Issued name registered, unsubordinated and unsecured without a debentures representative, 2 years term with a coupon rate at 4% per annum, interest payable every quarter	226,300,000	226,300,000
Total			226,300,000	226,300,000
Less: Deferred issuing costs			(723,656)	(1,526,256)
Debentures			225,576,344	224,773,744
Less: Current portion due within 1 year			(225,576,344)	-
Debentures - net of current portion			-	224,773,744

The Company has to comply with financial covenants i.e. maintenance of debt to equity ratio.

20. Lease

The Company has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 - 15 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

	(Unit: Baht)			
	Consolidated and Separate financial statements			
	Land	Buildings	Equipment	Total
1 January 2020	10,127,809	2,287,747	266,275	12,681,831
Additions	-	-	2,153,468	2,153,468
Depreciation for the year	(678,959)	(844,063)	(498,053)	(2,021,075)
31 December 2020	9,448,850	1,443,684	1,921,690	12,814,224

b) Lease liabilities

	(Unit: Baht)
	Consolidated and Separate financial statements
	31 December 2020
Lease payments	13,495,428
Less: Deferred interest expenses	(495,274)
Total	13,000,154
Less: Portion due within one year	(1,784,908)
Lease liabilities - net of current portion	11,215,246

A maturity analysis of lease liability of cash paid from lease, as disclose in Note 32.2.3 to the financial statements liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Baht)
	Consolidated and Separate financial statements
	For the year ended 31 December 2020
Depreciation expense of right-of-use assets	2,021,075
Interest expense on lease liabilities	165,102
Total	2,186,177

d) Others

The Company had total cash outflows for leases for the year ended 31 December 2020 of Baht 1.99 million.

21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2020	2019
Provision for long-term employee benefits		
at beginning of year	17,166,607	11,071,449
Included in profit or loss:		
Current service cost	3,210,254	2,113,657
Interest cost	333,749	357,202
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Financial assumptions changes	131,989	767,354
Experience adjustments	(473,613)	2,856,945
Provision for long-term employee benefits at end of year	<u>20,368,986</u>	<u>17,166,607</u>

Principal actuarial assumptions at the valuation date were as follows:

	31 December 2020	31 December 2019
	(% per annum)	(% per annum)
Discount rate	1.82	1.94
Future salary increase rate	6.50	6.50
Staff turnover rate	10.52	10.57

As at 31 December 2020, the weighted average duration of the liabilities for long-term benefit is 22.13 years (2019: 22.41 years), and the Company has no obligation relating to loan-term employee benefits expected to be paid to its employees in the next one year.

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefits obligation as at 31 December 2020 and 2019 are summarised below.

(Unit: Baht)

	2020	
	Rate increase 1%	Rate decrease 1%
Discount rate	Liabilities decreased by 1,176,880	Liabilities increased by 1,374,642
Salary increase rate	Liabilities increased by 1,212,870	Liabilities decreased by 1,069,645
Turnover rate	Liabilities decreased by 1,112,038	Liabilities increased by 1,306,130

(Unit: Baht)

	2019	
	Rate increase 1%	Rate decrease 1%
Discount rate	Liabilities decreased by 1,051,226	Liabilities increased by 1,227,479
Salary increase rate	Liabilities increased by 1,142,505	Liabilities decreased by 1,004,662
Turnover rate	Liabilities decreased by 1,009,495	Liabilities increased by 1,176,149

22. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business and boost the value of the holdings of the Company's shareholders. As at 31 December 2020, the Company had a debt-to-equity ratio of 1.28:1 (2019: 1.56:1).

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

At present, the Company allotted profit of 10 percent of the registered capital to the statutory reserve.

24. Expenses by nature

Significant selling and administrative expenses by nature are as follows:

(Unit: Baht)

	For the years ended 31 December		
	Financial		
	statements in which		
	the equity method		
is applied and			
Separate financial			
statements			
Consolidated	Separate	Separate financial	
financial statement	financial statement	statements	
2020	2020	2019	
Salary, wages and other employee benefits	156,880,873	152,965,100	152,465,952
Insurance premium expenses	110,269,906	110,269,906	107,156,569
Stamp duties and postal expenses	12,583,400	12,583,280	12,281,064
Expense relating demands for payment	16,723,775	21,480,230	14,299,585
Depreciation	6,622,603	6,438,736	6,425,675
Registration expenses	10,795,110	10,795,110	7,205,174
Utilities expenses	5,478,017	5,200,148	5,059,587
Miscellaneous for office expenses	2,115,433	2,112,250	2,499,183

25. Loss on impairment and disposal of assets foreclosed

(Unit: Baht)

	For the years ended 31 December	
	Financial	
	statements in which	
	the equity method is	
Consolidated and		
applied and		
Separate financial		
Separate financial		
statements		
statements		
2020	2019	
Loss on impairment of assets foreclosed (reversal)	(5,635,782)	4,828,369
Loss on disposal of assets foreclosed	231,048,866	240,379,313
Total	225,413,084	245,207,682

26. Earnings per share

Basic earnings per share is calculated by dividing profit for the years (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

27. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by Ayudhya Fund Management, will be paid to employees upon termination in accordance with the fund rules. The contributions for the years 2020 amounting to Baht 2.70 million (2019: Baht 2.54 million) were recognised as expenses.

28. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions are in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. A summary of related parties and transactions with those parties is below.

Name of related party	Relationship with the Company				
MOD S Company Limited	Was an associate company until 21 May 2020 and became a subsidiary since then				
(Unit: Baht)					
	For the years ended 31 December				
	Financial statements in which Consolidated financial statements		Separate financial statements		
	method is applied		method is applied		
	2020	2019	2020	2019	Pricing policy
<u>Transactions with subsidiary</u>					
Service expense	-	-	4,774,275	-	As stipulated in agreements
<u>Transactions with associate</u>					
Service income	-	1,143	-	1,143	As stipulated in agreements
Service expense	2,954,347	5,192,345	2,954,347	5,192,345	As stipulated in agreements
<u>Transactions with directors and related persons</u>					
Interest expense	1,524,164	149,918	1,524,164	149,918	As stipulated in agreements
Amortisation of debenture issuing cost	134,772	13,256	134,772	13,256	As stipulated in agreements

The balance of the accounts as at 31 December 2020 and 2019 between the Company and associate company, directors and related persons are as follows:

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	Financial statements in which the equity method is applied and Separate financial statements
	31 December 2020	31 December 2020	31 December 2019
<u>Subsidiary</u>			
Service payable	-	741,418	-
<u>An associate company</u>			
Service payable	-	-	524,980
<u>Directors and related persons</u>			
Interest payable	149,918	149,918	149,918
Debenture	37,878,485	37,878,485	37,743,713

Directors and management benefits

During the year, the Company had the following employee benefit expenses payable to their directors and management.

(Unit: Baht)

	For the years ended 31 December			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	18,141,686	19,242,510	18,141,686	19,242,510
Post-employment benefits	1,572,532	1,502,484	1,572,532	1,502,484
Total	19,714,218	20,744,994	19,714,218	20,744,994

29. Dividends

Dividends	Approved by	Total dividends	Dividend per share
		Million Baht	Baht
Dividends from the operating result for the year ended 31 December 2019	The annual general meeting of the Company's shareholders No. 1/2020 on 2 April 2020	171.64	0.28
Interim dividend from the operating result of the 2020 first half year	The Board of Director's Meeting of the Company's No. 4/2020 on 12 November 2020	61.30	0.10
		<u>232.94</u>	
Dividends from the operating result for the year ended 31 December 2018	The annual general meeting of the Company's shareholders No. 1/2019 on 4 April 2019	147.12	0.24
Interim dividend from the operating result of the 2019 first half year	The Board of Director's Meeting of the Company's No. 3/2019 on 13 August 2019	91.95	0.15
		<u>239.07</u>	

30. Segment information

The Company operations involve a single reportable operating segment of hire purchase of motorcycles and are carried on in the single geographical area of Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that the Company's chief operating decision maker (Managing Director) used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area. In addition, the Company has no major customer with reserve of 10 percent or more of an entity's revenues during the year 2020 and 2019.

31. Commitments

31.1 Guarantees

As at 31 December 2020 and 2019, there was an outstanding bank guarantee of Baht 10,000 issued by a bank on behalf of the Company as a guarantee for a post office box.

31.2 Employee Joint Investment Program

The Company has an Employee Joint Investment Program (“the EJIP”), one of the Company’s staff welfare benefits, which offers staff of the Company who voluntarily join the EJIP a savings scheme under which for purchase shares of the Company. EJIP members pay monthly contributions in a certain amount and the Company pays contributions on behalf of EJIP members at the same amount but not higher than 5 - 7.5 percent of their basic salaries based on their position. However, total contributions for each year will not exceed 60 percent of their basic salaries. In addition, the Company pays additional contributions to EJIP members by considering their length of service, with a minimum of 3 years’ service required.

During the year, the amount contributed by the Company to EJIP members was presented under the caption of personnel expenses.

31.3 Service agreements

The Company has entered into service agreements. The terms of the agreements are generally between 1 and 2 years. As at 31 December 2020, future minimum lease payments required under these non-cancellable service contracts were as follows:

	(Unit: Baht)
	<u>2020</u>
Payable:	
In up to 1 year	1,212,628
In over 1 and up to 5 years	27,000

32. Financial instruments

32.1 Derivatives

	(Unit: Baht)	
	Consolidated and Separate financial statements	Financial statements in which the equity method is applied and Separate financial statements
	<u>2020</u>	<u>2019</u>
Derivative liabilities		
Derivatives liabilities not designated as hedging instruments	9,934,776	-
Total derivative liabilities	<u>9,934,776</u>	<u>-</u>

32.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, hire purchase receivables, restricted bank deposits, short-term loans from financial institutions, trade payables, short-term loans, long-term loans and debt issued - debentures. The financial risks associated with these financial instruments and how they are managed is described below.

32.2.1 Credit risk

Hire purchase receivables

The Group has the risk with hire purchase receivables, cash and cash equivalents and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

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.

The credit risk on derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Maximum exposure to credit risk

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

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

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
	2020	2020
Cash and cash equivalents	28,882,062	27,417,172
Restricted bank deposits	1,173,197	1,173,197
Hire purchase receivables	5,951,095,135	5,951,095,135
Total exposure to credit risk	<u>5,981,150,394</u>	<u>5,979,685,504</u>

Credit quality analysis

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

Collateral and any operations to increase creditability

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

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	Exposure to risk with collateral	Type of collateral
	31 December 2020	
Hire purchase receivables	6,831,234,650	Motorcycle

32.2.2 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 hire purchase receivables, long-term loans and debt issued - debentures. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by manage this, the Group enters into interest rate swaps in which it agrees to exchange, at specified intervals, between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount as described in Note 18 to the financial statements.

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

(Unit: Baht)

Transactions	Consolidated financial statements				
	2020				
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total
	Repricing or maturity date				
	Within 1 year	Over 1 - 5 years			
Financial assets					
Cash and cash equivalents	-	-	12,138,365	16,743,697	28,882,062
Hire purchase receivables ⁽¹⁾	3,240,806,439	2,710,288,696	-	-	5,951,095,135
Restricted bank deposits	11,283	-	1,161,914	-	1,173,197
Financial liabilities					
Short-term loans from financial institutions	249,300,000	-	-	-	249,300,000
Trade accounts payables	-	-	-	5,299,445	5,299,445
Short-term loans	457,239,859	-	-	-	457,239,859
Derivatives liabilities	-	-	9,934,776	-	9,934,776
Long-term loans	510,998,862	275,096,938	1,704,130,715	-	2,490,226,515
Debt issued - debentures	225,576,344	-	-	-	225,576,344

(Unit: Baht)

Separate financial statements					
2020					
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total
	Repricing or maturity date				
	Within 1 year	Over 1 - 5 years			
Financial assets					
Cash and cash equivalents	-	-	10,713,607	16,703,565	27,417,172
Hire purchase receivables ⁽¹⁾	3,240,806,439	2,710,288,696	-	-	5,951,095,135
Restricted bank deposits	11,283	-	1,161,914	-	1,173,197
Financial liabilities					
Short-term loans from financial institutions	249,300,000	-	-	-	249,300,000
Trade accounts payables	-	-	-	5,299,445	5,299,445
Short-term loans	457,239,859	-	-	-	457,239,859
Derivatives liabilities	-	-	9,934,776	-	9,934,776
Long-term loans	510,998,862	275,096,938	1,704,130,715	-	2,490,226,515
Debt issued - debentures	225,576,344	-	-	-	225,576,344

(Unit: Baht)

Financial statements in which the equity method is applied and Separate financial statements					
2019					
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total
	Repricing or maturity date				
	Within 1 year	Over 1 - 5 years			
Financial assets					
Cash and cash equivalents	-	-	25,716,071	15,726,955	41,443,026
Hire purchase receivables ⁽¹⁾	3,122,683,406	3,061,899,077	-	-	6,184,582,483
Restricted bank deposits	11,183	-	1,033,670	-	1,044,853
Financial liabilities					
Short-term loans from financial institutions	190,000,000	-	-	-	190,000,000
Trade accounts payables	-	-	-	70,674,347	70,674,347
Short-term loans	585,996,599	-	-	-	585,996,599
Long-term loans	468,663,182	274,282,114	2,098,829,962	-	2,841,775,258
Debt issued - debentures	-	224,773,744	-	-	224,773,744

(1) The outstanding balance of hire purchase receivables which have fixed interest rate and maturity within 1 year included receivables for which revenue recognised has been ceased.

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.

32.2.3 Liquidity risk

Liquidity risk is the risk that the Group will be unable to liquidate their financial assets and/or procure sufficient funds to discharge their obligations in a timely manner, resulting in the incurrance of a financial loss.

The Group has a policy to manage liquidity risk with appropriate long-term loan and short-term loan structure. However, the Group has a policy in maintaining the liquidity to ensure that there is sufficient liquidity of requirement for the current and the future.

The table below summarises the maturity profile of the Group financial assets and financial liabilities as at 31 December 2020 and 2019 are as follows:

(Unit: Baht)

Transactions	Consolidated financial statements				
	2020				
	At call	Within 1 year	Over 1 year	No specific maturity	Total
<u>Financial assets</u>					
Cash and cash equivalents	28,882,062	-	-	-	28,882,062
Hire purchase receivables ⁽¹⁾	-	3,240,806,439	2,710,288,696	-	5,951,095,135
Restricted bank deposits	-	-	-	1,173,197	1,173,197
<u>Financial liabilities</u>					
Short-term loans from financial institutions	249,300,000	-	-	-	249,300,000
Trade accounts payables	-	5,299,445	-	-	5,299,445
Short-term loans	-	457,239,859	-	-	457,239,859
Derivatives liabilities - net settlement	-	985,296	8,949,480	-	9,934,776
Long-term loans	-	1,691,831,930	798,394,585	-	2,490,226,515
Debt issued - debentures	-	225,576,344	-	-	225,576,344

(Unit: Baht)

Separate financial statements					
2020					
Transactions	At call	Within 1 year	Over 1 year	No specific maturity	Total
Financial assets					
Cash and cash equivalents	27,417,172	-	-	-	27,417,172
Hire purchase receivables ⁽¹⁾	-	3,240,806,439	2,710,288,696	-	5,951,095,135
Restricted bank deposits	-	-	-	1,173,197	1,173,197
Financial liabilities					
Short-term loans from financial institutions	249,300,000	-	-	-	249,300,000
Trade accounts payables	-	5,299,445	-	-	5,299,445
Short-term loans	-	457,239,859	-	-	457,239,859
Derivatives liabilities - net settlement	-	985,296	8,949,480	-	9,934,776
Long-term loans	-	1,691,831,930	798,394,585	-	2,490,226,515
Debt issued - debentures	-	225,576,344	-	-	225,576,344

(Unit: Baht)

Financial statements in which the equity method is applied
and Separate financial statements

2019					
Transactions	At call	Within 1 year	Over 1 year	No specific maturity	Total
Financial assets					
Cash and cash equivalents	41,443,026	-	-	-	41,443,026
Hire purchase receivables ⁽¹⁾	-	3,122,683,406	3,061,899,077	-	6,184,582,483
Restricted bank deposits	-	-	-	1,044,853	1,044,853
Financial liabilities					
Short-term loans from financial institutions	190,000,000	-	-	-	190,000,000
Trade accounts payables	-	70,674,347	-	-	70,674,347
Short-term loans	-	585,996,599	-	-	585,996,599
Long-term loans	-	1,759,599,794	1,082,175,464	-	2,841,775,258
Debt issued - debentures	-	-	224,773,744	-	224,773,744

(1) The outstanding balance of hire purchase receivables which have maturity within 1 year included receivables for which revenue recognised has been ceased

32.3 Fair values

The estimated fair value of financial instruments, in comparison with the related amounts carried in the statement of financial position, is as follows:

(Unit: Baht)

	Consolidated financial statements				
	2020				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets for which fair value</u>					
<u>are disclosed</u>					
Cash and cash equivalents	28,882,062	28,882,062	28,882,062	-	-
Hire purchase receivables	5,951,095,135	5,798,674,375	-	-	5,798,674,375
Restricted bank deposits	1,173,197	1,173,197	1,173,197	-	-
<u>Financial liabilities for which fair value</u>					
<u>are disclosed</u>					
Short-term loans from financial institutions	249,300,000	249,300,000	-	249,300,000	-
Trade accounts payables	5,299,445	5,299,445	5,299,445	-	-
Short-term loans	457,239,859	457,239,859	-	457,239,859	-
Derivatives liabilities	9,934,776	9,934,776	-	9,934,776	-
Long-term loans	2,490,226,515	2,492,896,966	-	2,492,896,966	-
Debt issued - debentures	225,576,344	226,355,561	-	226,355,561	-

(Unit: Baht)

	Separate financial statements				
	2020				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets for which fair value</u>					
<u>are disclosed</u>					
Cash and cash equivalents	27,417,172	27,417,172	27,417,172	-	-
Hire purchase receivables	5,951,095,135	5,798,674,375	-	-	5,798,674,375
Restricted bank deposits	1,173,197	1,173,197	1,173,197	-	-
<u>Financial liabilities for which fair value</u>					
<u>are disclosed</u>					
Short-term loans from financial institutions	249,300,000	249,300,000	-	249,300,000	-
Trade accounts payables	5,299,445	5,299,445	5,299,445	-	-
Short-term loans	457,239,859	457,239,859	-	457,239,859	-
Derivatives liabilities	9,934,776	9,934,776	-	9,934,776	-
Long-term loans	2,490,226,515	2,492,896,966	-	2,492,896,966	-
Debt issued - debentures	225,576,344	226,355,561	-	226,355,561	-

(Unit: Baht)

Financial statements in which the equity method is applied
and Separate financial statements

	2019				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets for which fair value are disclosed</u>					
Cash and cash equivalents	41,443,026	41,443,026	41,443,026	-	-
Hire purchase receivables	6,184,582,483	6,085,267,059	-	-	6,085,267,059
Restricted bank deposits	1,044,853	1,044,853	1,044,853	-	-
<u>Financial liabilities for which fair value are disclosed</u>					
Short-term loans from financial institutions	190,000,000	190,000,000	-	190,000,000	-
Trade accounts payables	70,674,347	70,674,347	70,674,347	-	-
Short-term loans	585,996,599	585,996,599	-	585,996,599	-
Long-term loans	2,841,775,258	2,843,940,000	-	2,843,940,000	-
Debt issued - debentures	224,773,744	225,210,666	-	225,210,666	-

Fair value hierarchy for financial assets and liabilities as at 31 December 2020 and 2019 is stipulated in notes 4.17 to the financial statements.

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

- 1) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, short-term loans from financial institutions, trade accounts payables and short-term loans, the carrying amounts in the statement of financial position approximate their fair value.
- 2) The fair value of hire purchase receivables is estimated by discounting expected future cash flows by the current market interest rate of loans with similar terms and conditions.
- 3) The fair value of long-term loans and debt issued - debentures is estimated by discounting expected future cash flows by the current market interest rate.
- 4) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as interest rate yield curves. The Group considers to counterparty credit risk when determining the fair value of derivatives.

33. Events after the reporting period

On 15 February 2021, the Board of Director Meeting of the Company No. 1/2021 passed the resolutions to propose to the Annual General Meeting of shareholders to approve a dividend payment from the 2020 operating results at a rate of Baht 0.25 per share, or a total of Baht 153.25 million. The Company paid an interim dividend of Baht 0.10 per share on 9 December 2020 and is therefore to pay another final dividend of Baht 0.15 per share.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 15 February 2021.