

Muangthai Capital Public Company Limited
and its subsidiaries
Report and interim financial statements
31 March 2019

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Muangthai Capital Public Company Limited

I have reviewed the accompanying consolidated statements of financial position of Muangthai Capital Public Company Limited and its subsidiaries as at 31 March 2019, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Muangthai Capital Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Rachada Yongsawadvanich

Certified Public Accountant (Thailand) No. 4951

EY Office Limited

Bangkok: 7 May 2019

Muangthai Capital Public Company Limited and its subsidiaries

Statements of financial position

As at 31 March 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Assets					
Current assets					
Cash and cash equivalents	2	960,412	880,164	915,633	856,980
Current portion of loan receivables	3	29,744,087	28,604,947	29,744,087	28,604,947
Other receivables - subsidiaries		-	-	3,405	2,829
Short-term loans		57,265	57,300	57,265	57,300
Other current assets	5	221,137	134,096	220,570	133,610
Total current assets		30,982,901	29,676,507	30,940,960	29,655,666
Non-current assets					
Restricted bank deposits	6	9,000	9,000	-	-
Loan receivables - net of current portion	3	19,298,014	17,943,370	19,298,014	17,943,370
Investments in subsidiaries	7	-	-	22,000	2,000
Land, buildings and equipment	8	1,331,617	1,268,504	1,331,587	1,268,497
Intangible assets	9	27,462	25,757	27,462	25,757
Deferred tax assets	10	160,888	97,807	160,865	97,785
Other non-current assets	11	136,579	125,164	136,579	125,164
Total non-current assets		20,963,560	19,469,602	20,976,507	19,462,573
Total assets		51,946,461	49,146,109	51,917,467	49,118,239

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

Muangthai Capital Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	12	2,525,233	4,775,275	2,525,233	4,775,275
Derivative liabilities	21	18,441	22,877	18,441	22,877
Other payables	13	465,586	659,324	455,981	651,078
Current portion of long-term loans	14	5,037,300	2,849,398	5,037,300	2,849,398
Current portion of long-term debentures	15	5,794,068	3,397,033	5,794,068	3,397,033
Current portion of liabilities under hire					
purchase payable		20,623	19,987	20,623	19,987
Income tax payable		892,060	578,281	891,664	577,900
Other current liabilities		46,828	43,030	59,331	54,021
Total current liabilities		14,800,139	12,345,205	14,802,641	12,347,569
Non-current liabilities					
Long-term loans - net of current portion	14	2,304,594	4,845,333	2,304,594	4,845,333
Long-term debentures - net of current portion	15	21,466,567	19,592,515	21,466,567	19,592,515
Liabilities under hire purchase payable					
- net of current portion		26,909	25,162	26,909	25,162
Provision for long-term employee benefits		41,823	38,826	41,710	38,717
Total non-current liabilities		23,839,893	24,501,836	23,839,780	24,501,727
Total liabilities		38,640,032	36,847,041	38,642,421	36,849,296

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

Muangthai Capital Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
Note	2019	2018	2019	2018
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered, issued and fully paid up				
2,120,000,000 ordinary shares				
of Baht 1 each	2,120,000	2,120,000	2,120,000	2,120,000
Share premium	2,379,843	2,379,843	2,379,843	2,379,843
Retained earnings				
Appropriated - statutory reserve	212,000	212,000	212,000	212,000
Unappropriated	8,606,866	7,601,502	8,575,483	7,571,377
Other components of shareholder's equity	(12,280)	(14,277)	(12,280)	(14,277)
Total shareholders' equity	13,306,429	12,299,068	13,275,046	12,268,943
Total liabilities and shareholders' equity	51,946,461	49,146,109	51,917,467	49,118,239
	-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Muangthai Capital Public Company Limited and its subsidiaries**Statements of comprehensive income****For the three-month period ended 31 March 2019**

		(Unit: Thousand Baht except earnings per share expressed in Baht)			
		Consolidated financial statements		Separate financial statements	
Note		2019	2018	2019	2018
Profit or loss:					
Revenues					
	Interest and fee income from loan receivables	2,665,318	2,140,101	2,665,318	2,140,101
	Fee and service income	177,624	193,748	167,567	185,071
	Other income	15,026	14,494	22,132	20,633
	Total revenues	2,857,968	2,348,343	2,855,017	2,345,805
Expenses					
	Selling and administrative expenses	1,153,946	916,333	1,152,569	915,268
	Loss on disposals of assets foreclosed	-	3,558	-	3,558
	Bad debts and doubtful accounts	4 116,698	156,295	116,698	156,295
	Total expenses	1,270,644	1,076,186	1,269,267	1,075,121
Profit before finance cost and income tax expenses					
	Finance cost	(331,124)	(230,498)	(331,124)	(230,498)
	Profit before income tax expenses	1,256,200	1,041,659	1,254,626	1,040,186
	Income tax expenses	10 (250,836)	(208,026)	(250,520)	(207,731)
	Profit for the period	1,005,364	833,633	1,004,106	832,455
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
	Unrealised gain from cash flow hedges	2,496	4,031	2,496	4,031
	Income tax relating to cash flow hedges	10 (499)	(806)	(499)	(806)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax					
		1,997	3,225	1,997	3,225
	Other comprehensive income for the period	1,997	3,225	1,997	3,225
	Total comprehensive income for the period	1,007,361	836,858	1,006,103	835,680
Earning per share					
	Basic earning per share (Baht per share)	16 0.47	0.39	0.47	0.39

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

(Unaudited but reviewed)

Muangthai Capital Public Company Limited and its subsidiaries**Statements of cash flow****For the three-month period ended 31 March 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before income tax	1,256,200	1,041,659	1,254,626	1,040,186
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	62,806	47,210	62,803	47,206
Bad debts and doubtful accounts	116,698	156,295	116,698	156,295
Reversal of impairment loss on assets foreclosed	-	(5,900)	-	(5,900)
Gain on disposals of loan receivables	(2,830)	(1,895)	(2,830)	(1,895)
Loss on disposals of equipment	1,161	820	1,161	820
Provision for long-term employee benefits	2,998	1,995	2,993	1,991
Unrealised gain from valuation of derivatives	(1,939)	(5,111)	(1,939)	(5,111)
Interest and fee income from loan receivables	(2,665,318)	(2,140,101)	(2,665,318)	(2,140,101)
Other interest income	(1,642)	(1,132)	(1,593)	(1,095)
Finance cost	331,124	230,498	331,124	230,498
Loss from operating activities before changes in operating assets and liabilities	(900,742)	(675,662)	(902,275)	(677,106)
Decrease (increase) in operating assets				
Loan receivables	(2,652,503)	(2,408,944)	(2,652,503)	(2,408,944)
Other receivables - subsidiaries	-	-	(577)	65
Short-term loans	34	(2,751)	34	(2,751)
Other current assets	(87,039)	(17,251)	(86,959)	(17,162)
Other non-current assets	(11,415)	(322)	(11,415)	(322)
Increase (decrease) in operating liabilities				
Other payables	(171,496)	(69,988)	(172,855)	(68,555)
Other current liabilities	3,798	1,122	5,310	1,148
Provision for long-term employee benefits	-	(201)	-	(201)
Cash used in operating activities	(3,819,363)	(3,173,997)	(3,821,240)	(3,173,828)
Cash received from interest and fee income				
from loan receivables	2,711,809	2,117,024	2,711,763	2,116,987
Cash received (paid) for income tax	(637)	306	(335)	(289)
Net cash flows used in operating activities	(1,108,191)	(1,056,667)	(1,109,812)	(1,057,130)

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

(Unaudited but reviewed)

Muangthai Capital Public Company Limited and its subsidiaries**Statements of cash flow (continued)****For the three-month period ended 31 March 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Cash paid for acquisitions of land, building and equipment	(116,191)	(112,490)	(116,165)	(112,490)
Cash paid for acquisitions of intangible assets	(3,095)	(2,542)	(3,095)	(2,542)
Proceeds from disposals of equipment	729	979	729	979
Investment in subsidiary	-	-	(20,000)	-
Net cash flows used in investing activities	(118,557)	(114,053)	(138,531)	(114,053)
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(2,261,599)	(2,833,847)	(2,261,599)	(2,833,847)
Increase in short-term loans	-	97,884	-	97,884
Cash received from long-term loans	-	1,250,000	-	1,250,000
Repayment of long-term loans	(354,167)	(567,500)	(354,167)	(567,500)
Cash received from debenture issuance	4,300,000	3,000,000	4,300,000	3,000,000
Increase (decrease) in liabilities under hire purchase payable	2,382	(606)	2,382	(606)
Cash paid on interest	(379,620)	(222,094)	(379,620)	(222,094)
Net cash flows from financing activities	1,306,996	723,837	1,306,996	723,837
Net increase (decrease) in cash and cash equivalents	80,248	(446,883)	58,653	(447,346)
Cash and cash equivalents at beginning of period	880,164	1,153,715	856,980	1,136,849
Cash and cash equivalents at end of period	960,412	706,832	915,633	689,503
	-	-	-	-
Supplement cash flow information				
Non-cash items				
Accounts payable on purchase of assets	15,781	22,523	15,781	22,523

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

(Unaudited but reviewed)

Muangthai Capital Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the three-month period ended 31 March 2019

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components	
			Appropriated - Statutory reserve	Unappropriated	of equity - Unrealised loss from cash flow hedges	
Balance as at 1 January 2018	2,120,000	2,379,843	212,000	4,261,384	(29,910)	8,943,317
Profit for the period	-	-	-	833,633	-	833,633
Other comprehensive income for the period	-	-	-	-	3,225	3,225
Total comprehensive income for the period	-	-	-	833,633	3,225	836,858
Balance as at 31 March 2018	2,120,000	2,379,843	212,000	5,095,017	(26,685)	9,780,175
Balance as at 1 January 2019	2,120,000	2,379,843	212,000	7,601,502	(14,277)	12,299,068
Profit for the period	-	-	-	1,005,364	-	1,005,364
Other comprehensive income for the period	-	-	-	-	1,997	1,997
Total comprehensive income for the period	-	-	-	1,005,364	1,997	1,007,361
Balance as at 31 March 2019	2,120,000	2,379,843	212,000	8,606,866	(12,280)	13,306,429

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

(Unaudited but reviewed)

Muangthai Capital Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2019

(Unit: Thousand Baht)

	Separate financial statements					Total
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components	
			Appropriated - Statutory reserve	Unappropriated	of equity - Unrealised loss from cash flow hedges	
Balance as at 1 January 2018	2,120,000	2,379,843	212,000	4,237,326	(29,910)	8,919,259
Profit for the period	-	-	-	832,455	-	832,455
Other comprehensive income for the period	-	-	-	-	3,225	3,225
Total comprehensive income for the period	-	-	-	832,455	3,225	835,680
Balance as at 31 March 2018	2,120,000	2,379,843	212,000	5,069,781	(26,685)	9,754,939
Balance as at 1 January 2019	2,120,000	2,379,843	212,000	7,571,377	(14,277)	12,268,943
Profit for the period	-	-	-	1,004,106	-	1,004,106
Other comprehensive income for the period	-	-	-	-	1,997	1,997
Total comprehensive income for the period	-	-	-	1,004,106	1,997	1,006,103
Balance as at 31 March 2019	2,120,000	2,379,843	212,000	8,575,483	(12,280)	13,275,046

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

Muangthai Capital Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the three-month period ended 31 March 2019

1. General information

1.1 Corporate information

Muangthai Capital Public Company Limited (“the Company”) was incorporated as a public company limited and domiciled in Thailand. The Company is principally engaged in providing loans secured against vehicle registrations, land title deeds, personal loans without collateral and Nano finance. Its registered address is 32/1 Chransanitwong Road, Bangor, Bangplad, Bangkok. As at 31 March 2019, the Company has totalled 3,444 branches and service centers.

1.2 Basis for the preparation of the interim financial statements

These interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis for the preparation of the interim consolidated financial statements

These interim consolidated financial statements have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2018, except that these interim financial statements were prepared by consolidating the financial statements of Muangthai Leasing Company Limited, which conducts its business in Thailand and operates a motorcycle hire purchase business, in which the Company holding 100 percent of shares.

1.4 New financial reporting standards

(a) Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

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

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
IFRIC 13 (revised 2017)	Customer Loyalty Programmes
IFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
IFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve 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. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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.

(Unaudited but reviewed)

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

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018.

2. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Cash	313,567	57,693	313,558	57,683
Bank deposits	646,845	822,471	602,075	799,297
Cash and cash equivalents	<u>960,412</u>	<u>880,164</u>	<u>915,633</u>	<u>856,980</u>

3. Loan receivables

3.1 As at 31 March 2019 and 31 December 2018, loan receivables consist of the following:

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	31 March 2019		
	Amounts due		
	within 1 year ⁽¹⁾	over 1 year	Total
Loan receivables	30,399,324	19,435,470	49,834,794
Accrued Interest	757,593	-	757,593
Total	31,156,917	19,435,470	50,592,387
Less: Allowance for doubtful accounts ⁽²⁾	(1,412,830)	(137,456)	(1,550,286)
Loan receivables - net	<u>29,744,087</u>	<u>19,298,014</u>	<u>49,042,101</u>

(1) The balance of loan receivables due within 1 year includes receivables past due more than 90 days.

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	31 December 2018		
	Amounts due		
	within 1 year ⁽¹⁾	over 1 year	Total
Loan receivables	29,174,015	18,071,013	47,245,028
Accrued Interest	802,445	-	802,445
Total	29,976,460	18,071,013	48,047,473
Less: Allowance for doubtful accounts ⁽²⁾	(1,371,513)	(127,643)	(1,499,156)
Loan receivables - net	28,604,947	17,943,370	46,548,317

(1) The balance of loan receivables due within 1 year includes receivables past due more than 90 days.

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

On 31 January 2019, the Bank of Thailand issued a notification on regulations, procedures and conditions for non-financial institutions operators undertaking personal loan business under supervision, which expands the scope of supervision to cover loans secured against vehicle registrations. It was effective from 1 February 2019.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards in detail and believes that overall, the standard will not have any significant impact on the Company's and its subsidiaries financial statements.

3.2 As at 31 March 2019 and 31 December 2018, the balances of loan receivables classified by aging and allowance for doubtful accounts are as follows:

(Unit: Thousand Baht)

Aging	Consolidated and separate financial statements						
	Loan receivables and accrued interest		Loan receivables and accrued interest - net of collateral value ⁽¹⁾		Rate of allowance for doubtful accounts	Allowance for doubtful accounts	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018		31 March 2019	31 December 2018
Not yet due	39,169,576	37,184,870	29,656,333	29,276,968	1	296,563	292,769
Past due not more than 30 days	7,116,902	7,018,957	5,266,296	5,047,382	1	52,663	50,474
Past due 31 - 90 days	3,779,167	3,303,823	2,509,153	2,044,240	2	50,183	40,885
Past due 91 - 180 days	216,132	208,746	216,132	208,746	100	216,132	208,746
Past due 181 - 365 days	192,943	232,546	192,943	232,546	100	192,943	232,546
Past due more than 365 days	37,376	32,378	37,376	32,378	100	37,376	32,378
Litigation receivables	80,291	66,153	80,291	66,153	100	80,291	66,153
Total	50,592,387	48,047,473	37,958,524	36,908,413		926,151	923,951
Allowance for doubtful accounts							
- additional provision for uncollectible receivables						624,135	575,205
Total						1,550,286	1,499,156

⁽¹⁾ Loan receivables secured against car registrations, agricultural vehicles and mortgaged lands that are past due not more than 90 days are presented net of collateral.

- 3.3** As at 31 March 2019, the Company had loan receivables amounting to Baht 692 million, for which revenue recognition has been ceased (31 December 2018: Baht 695 million).
- 3.4** A notification of the Institute of Certified Accountants and Auditors of Thailand, in concurrent with the Office of the Securities and Exchange Commission, lays down an accounting guideline for the consumer finance business. This requires that full allowance be recorded for doubtful accounts without taking collateral value into account and stop recognition of interest income in case that accounts receivables are overdue by more than three installments, and that general allowance be provided for accounts receivable which are not overdue or overdue by no more than three installments, or using an alternative method where a company believes that this would be more appropriate. The Company therefore estimates allowance for doubtful accounts based on consideration of the current status of receivables, their ability to make payment, and historical loss experience, and believes that the rates currently used to set allowance for doubtful accounts are appropriate.

4. Allowance for doubtful accounts

Movements of allowance for doubtful accounts for loan receivables are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the three-month	
	period ended 31 March 2019	For the year ended 31 December 2018
Balance at beginning of the period	1,499,156	1,170,983
Add: Increase in doubtful accounts during the period	116,698	586,211
Less: Bad debt written-off during the period	(246)	(12,066)
Allowance for doubtful accounts for loan receivables sold	(65,322)	(245,972)
Balance at end of the period	1,550,286	1,499,156

5. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Assets foreclosed	69,612	64,328	69,612	64,328
Prepaid expenses	89,906	13,261	89,906	13,261
Other current assets	70,719	65,607	70,152	65,121
Total	230,237	143,196	229,670	142,710
Less: Allowance for impairment/allowance for doubtful accounts	(9,100)	(9,100)	(9,100)	(9,100)
Other current assets - net	221,137	134,096	220,570	133,610

6. Restricted bank deposits

This represents fixed deposits of the subsidiary pledged with a commercial bank to secure the issuance of letters of guarantee on behalf of Muangthai Leasing Insurance Broker Company Limited and reserved fund for Office of Insurance Commission.

7. Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are an investment in Muangthai Leasing Insurance Broker Company Limited, which is principally engaged in insurance brokerage. The cost of the investment was Baht 2 million, which represented a 100 percent shareholding in the subsidiary

And at 1 March 2019, the Company has investment in Muangthai Leasing Company Limited, which is principally engaged in providing motorcycles hire purchase business with 199,997 ordinary shares, or total of Baht 20 million, which represented a 100 percent shareholding in the subsidiary.

8. Land, buildings and equipment

Movement of the land, building and equipment during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Cost		
Balance as at 1 January 2019	1,810,819	1,810,733
Additions during the period	126,421	126,395
Disposals/written off	(7,070)	(7,070)
Balance as at 31 March 2019	<u>1,930,170</u>	<u>1,930,058</u>
Accumulated depreciation		
Balance as at 1 January 2019	542,315	542,236
Depreciation during the period	61,416	61,413
Disposals/written off	(5,178)	(5,178)
Balance as at 31 March 2019	<u>598,553</u>	<u>598,471</u>
Net book value		
Balance as at 31 March 2019	<u><u>1,331,617</u></u>	<u><u>1,331,587</u></u>

9. Intangible assets

Movement of intangible assets during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Cost	
Balance as at 1 January 2019	37,389
Additions during the period	3,095
Balance as at 31 March 2019	40,484
Accumulated amortisation	
Balance as at 1 January 2019	11,632
Amortisation during the period	1,390
Balance as at 31 March 2019	13,022
Net book value	
Balance as at 31 March 2019	27,462

10. Deferred tax assets and income tax expenses

10.1 Deferred tax assets/ deferred tax liabilities

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Deferred tax assets				
Allowance for doubtful accounts	310,057	299,831	310,057	299,831
Allowance for impairment of assets foreclosed	1,820	1,820	1,820	1,820
Provision for long-term employee benefits	8,365	7,766	8,342	7,744
Derivative liabilities	3,688	4,575	3,688	4,575
Others	5,519	453	5,519	453
Deferred tax assets	329,449	314,445	329,426	314,423
Deferred tax liabilities				
Differences in income recognition for accounting and tax purposes	148,769	202,555	148,769	202,555
Others	19,792	14,083	19,792	14,083
Deferred tax liabilities	168,561	216,638	168,561	216,638
Deferred tax assets - net	160,888	97,807	160,865	97,785

10.2 Income tax expenses

Income tax expenses for the three-month periods ended 31 March 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2019	2018	2019	2018
Current income tax:				
Current income tax charge for the period	314,416	200,754	314,099	200,458
Deferred tax:				
Relating to origination and reversal of temporary differences	(63,580)	7,272	(63,579)	7,273
Income tax expenses reported in the statements of comprehensive income	250,836	208,026	250,520	207,731

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2019	2018	2019	2018
Deferred tax relating to unrealized gain from cash flow hedges	(499)	(806)	(499)	(806)

(Unaudited but reviewed)

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the three-month periods ended 31 March 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2019	2018	2019	2018
Accounting profit before tax	1,256,200	1,041,659	1,254,626	1,040,186
Applicable tax rates	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rates	251,241	208,332	250,925	208,037
Additional deductions allowed for expenses	(4,230)	(4,534)	(4,230)	(4,534)
Effects of non-deductible expenses and non-taxable income	3,825	4,228	3,825	4,228
Income tax expenses reported in the statements of comprehensive income	250,836	208,026	250,520	207,731

11. Other non-current assets

	(Unit: Thousand Baht)	
	Consolidated and separate	
	financial statements	
	31 March 2019	31 December 2018
Building lease deposits	110,663	104,532
Other non-current assets	25,916	20,632
Total	136,579	125,164

12. Short-term loans from financial institutions

As at 31 March 2019 and 31 December 2018, the following are short-term loan in the form of promissory notes and bill of exchanges from financial institutions in Thailand:

		(Unit: Thousand Baht)	
		Consolidated and separate financial statements	
Loan facility/Repayment schedule		31 March 2019	31 December 2018
a)	Promissory notes under credit facilities amounting to Baht 2,000 million, with principal repayable within the specific date of each promissory, and interest charged at a fixed rate, payable monthly	500,000	500,000
b)	Promissory notes under credit facilities amounting to Baht 2,000 million, with principal repayable within the specific date of each promissory, and interest charged at a fixed rate, payable monthly	950,000	1,320,000
c)	Bill of exchange, with principal repayment at the date specified on each bill of exchange	1,075,307	2,955,444
Total		2,525,307	4,775,444
Less: Deferred issuing costs		(74)	(169)
Total short-term loans from financial institutions		2,525,233	4,775,275

Under the agreements of loans a) and b) above, the loans are unsecured but the Company is required to comply with certain terms and conditions as specified in each loan agreement, such as to maintain ratios of loan receivables that are no more than 3 months overdue to total borrowings, non-performing loan receivables (overdue more than 3 months) to total loan receivables, total debt to equity and interest coverage ratio, and also the portion of the Company's shares held by the major shareholders.

As at 31 March 2019, the Company has Baht 6,670 million for bank overdrafts and short-term credit facilities from financial institutions which have not yet been drawn down (31 December 2018: Baht 6,300 million).

13. Other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Accrued employee expenses	137,119	314,036	137,117	314,033
Accrued special business tax expenses	61,089	59,229	61,089	59,229
Accrued expenses	6,159	6,694	5,934	6,514
Accrued interest expenses	222,623	255,093	222,623	255,093
Other account payables	38,596	24,272	29,218	16,209
Total other payables	465,586	659,324	455,981	651,078

14. Long-term loans

As at 31 March 2019 and 31 December 2018, the following are loans from local financial institutions in Thailand.

(Unit: Thousand Baht)

Facility no.	Loan facility /Repayment schedule	Consolidated and separate financial statements	
		31 March 2019	31 December 2018
1	Credit facility amounting to Baht 1,000 million, repayable principal within June 2019, with interest at the rate of THBFIX plus a fixed percent per annum, payable monthly	1,000,000	1,000,000
2	Credit facility amounting to Baht 500 million, repayable principal equally every 3 months within July 2019, and interest charged at a fixed rate, payable monthly	125,000	187,500
3	Credit facility amounting to Baht 2,000 million, repayable principal equally every 3 months within November 2021 and December 2021, with interest at the rate of THBFIX plus a fixed percent per annum, payable monthly	1,375,000	1,500,000
4	Credit facility amounting to Baht 500 million, repayable principal within November 2019, and interest charged at a fixed rate, payable monthly	500,000	500,000
5	Credit facility amounting to Baht 500 million, repayable principal within March 2020, and interest charged at a fixed rate, payable monthly	500,000	500,000

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and separate
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Facility		31 March	31 December
no.	Loan facility /Repayment schedule	2019	2018
6	Credit facility amounting to Baht 750 million, repayable principal within March 2020, and interest charged at a fixed rate, payable every 3 months	750,000	750,000
7	Credit facility amounting to Baht 500 million, repayable principal within April 2020, and interest charged at a fixed rate, payable monthly	500,000	500,000
8	Credit facility amounting to Baht 500 million, repayable principal equally every 3 months within June 2021, and interest charged at a fixed rate, payable every 3 months	375,000	416,667
9	Credit facility amounting to Baht 1,000 million, repayable principal equally every 3 months within June 2020, and interest charged at a fixed rate, payable monthly	625,000	750,000
10	Credit facility amounting to Baht 1,000 million, repayable principal within March 2020, and interest charged at a fixed rate, payable monthly	1,000,000	1,000,000
11	Credit facility amounting to Baht 600 million, repayable principal within October 2021, and interest charged at a fixed rate, payable monthly	600,000	600,000
Total		7,350,000	7,704,167
Less: Deferred issuing costs		(8,106)	(9,436)
Long-term loans		7,341,894	7,694,731
Less: Current portion due within 1 year		(5,037,300)	(2,849,398)
Long-term loans - net of current portion		2,304,594	4,845,333

For loan 1) to 9) and 11), the Company is required to comply with certain terms and conditions as specified in each loan agreement, such as to maintain ratios of loan receivables that are no more than 3 months overdue to total borrowings, non-performing loan receivables (overdue more than 3 months) to total loan receivables, total debt to equity and interest coverage ratio, and also the portion of the Company's shares held by the major shareholders, depending on the conditions in each agreement.

For loan 10) the Company is required to comply with certain terms and conditions to maintain ratios of total debt to equity and the proportionate shareholdings of the major shareholders.

As at 31 March 2019, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 1,000 million (31 December 2018: Baht 1,000 million).

As at 31 March 2019, the Company has outstanding commitments of loans 1) and 3) under interest rate swap agreements with the lending bank, whereby the floating interest rates were changed to fixed interest rates throughout the contract periods. The interest rate swap agreements gradually mature amounting to Baht 1,000 million in June 2019, amounting to Baht 500 million in November 2021 and amounting to Baht 1,500 million in December 2021 respectively, in line with terms of loan payment.

15. Long-term debentures

As at 31 March 2019 and 31 December 2018, these debentures are registered, unsubordinated, unsecured debentures with no trustee. Details are as follow:

		(Unit: Thousand Baht)	
		Consolidated and separate financial statements	
		31 March 2019	31 December 2018
Debenture	Facility /Repayment schedule		
1	Debenture amounting to Baht 200 million with a tenor of 3 years 9 days, maturing in February 2019, bearing interest at interest at a fixed rate, payable every 6 months	-	200,000
2	Debenture amounting to Baht 200 million with a tenor of 3 years 3 days, maturing in April 2019, bearing interest at a fixed rate, payable every 6 months	200,000	200,000
3	Debenture amounting to Baht 200 million with a tenor of 3 years 16 days, maturing in July 2019, bearing interest at a fixed rate, payable every 6 months	200,000	200,000
4	Debenture amounting to Baht 200 million with a tenor of 3 years, maturing in July 2019, bearing interest at a fixed rate, payable every 6 months	200,000	200,000
5	Debenture amounting to Baht 100 million with a tenor of 2 years 11 months 18 days, maturing in July 2019, bearing interest at a fixed rate, payable every 6 months	100,000	100,000
6	Debenture amounting to Baht 200 million with a tenor of 3 years 11 days, maturing in August 2019, bearing interest at a fixed rate, payable every 6 months	200,000	200,000
7	Debenture amounting to Baht 310 million with a tenor of 2 years 11 months 18 days, maturing in August 2019, bearing interest at a fixed rate, payable every 3 months	310,000	310,000
8	Debenture amounting to Baht 200 million with a tenor of 3 years, maturing in September 2019, bearing interest at a fixed rate, payable every 6 months	200,000	200,000

(Unaudited but reviewed)

(Unit: Thousand Baht)

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Debenture	Facility /Repayment schedule	31 March	31 December
		2019	2018
9	Debenture amounting to Baht 469 million with a tenor of 3 years, maturing in November 2019, bearing interest at a fixed rate, payable every 6 months	469,000	469,000
10	Debenture amounting to Baht 2,600 million with a tenor of 3 years, maturing in February 2020, bearing interest at a fixed rate, payable every 6 months	2,600,000	2,600,000
11	Debenture amounting to Baht 1,320 million with a tenor of 2 years 6 months, maturing in November 2019, bearing interest at a fixed rate, payable every 6 months	1,320,000	1,320,000
12	Debenture amounting to Baht 1,930 million with a tenor of 3 years 6 months, maturing in November 2020, bearing interest at a fixed rate, payable every 6 months	1,930,000	1,930,000
13	Debenture amounting to Baht 110 million with a tenor of 3 years, maturing in July 2020, bearing interest at a fixed rate, payable every 3 months	110,000	110,000
14	Debenture amounting to Baht 800 million with a tenor of 3 years, maturing in August 2020, bearing interest at a fixed rate, payable every 6 months	800,000	800,000
15	Debenture amounting to Baht 100 million with a tenor of 3 years, maturing in August 2020, bearing interest at a fixed rate, payable every 3 months	100,000	100,000
16	Debenture amounting to Baht 1,947 million with a tenor of 3 years, maturing in August 2020, bearing interest at a fixed rate, payable every 6 months	1,947,200	1,947,200
17	Debenture amounting to Baht 1,296 million with a tenor of 4 years, maturing in August 2021, bearing interest at a fixed rate, payable every 6 months	1,295,800	1,295,800
18	Debenture amounting to Baht 1,250 million with a tenor of 2 years, 11 months 18 days maturing in October 2020, bearing interest at a fixed rate, payable every 6 months	1,250,000	1,250,000
19	Debenture amounting to Baht 2,000 million with a tenor of 3 years, maturing in February 2021, bearing interest at a fixed rate, payable every 6 months	2,000,000	2,000,000
20	Debenture amounting to Baht 1,000 million with a tenor of 4 years, maturing in February 2022, bearing interest at a fixed rate, payable every 6 months	1,000,000	1,000,000

(Unaudited but reviewed)

(Unit: Thousand Baht)

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Debenture	Facility /Repayment schedule	31 March	31 December
		2019	2018
21	Debenture amounting to Baht 1,833 million with a tenor of 2 years 10 months, maturing in May 2021, bearing interest at a fixed rate, payable every 6 months	1,833,000	1,833,000
22	Debenture amounting to Baht 1,564 million with a tenor of 4 years, maturing in July 2022, bearing interest at a fixed rate, payable every 6 months	1,564,000	1,564,000
23	Debenture amounting to Baht 1,697.5 million with a tenor of 3 years, maturing in November 2021, bearing interest at a fixed rate, payable every 6 months	1,697,500	1,697,500
24	Debenture amounting to Baht 1,515.5 million with a tenor of 4 years, maturing in November 2022, bearing interest at a fixed rate, payable every 6 months	1,515,500	1,515,500
25	Debenture amounting to Baht 1,650.3 million with a tenor of 3 years 6 days, maturing in February 2022, bearing interest at a fixed rate, payable every 3 months	1,650,300	-
26	Debenture amounting to Baht 2,349.7 million with a tenor of 3 years 8 months 11 days, maturing in November 2022, bearing interest at a fixed rate, payable every 3 months	2,349,700	-
27	Debenture amounting to Baht 500 million with a tenor of 3 years 2 days, maturing in February 2022, bearing interest at a fixed rate, payable every 3 months	500,000	-
Total		27,342,000	23,042,000
Less: Deferred issuing costs		(81,365)	(52,452)
Long-term debentures		27,260,635	22,989,548
Less: Current portion due within 1 year		(5,794,068)	(3,397,033)
Long-term debentures - net of current portion		21,466,567	19,592,515

Debentures 1) to 27) have a condition to maintain a debt to equity ratio at end of each fiscal year.

16. Earnings per share

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

17. Segment information

The Company's principal operations involve a single operating segment in lending business, and each its subsidiary is principally engaged into a single operating segment in insurance brokerage and providing motorcycles hire purchase business. Their operations are carried on only in Thailand. During the current period, the Company did not change the structure of the operating segment.

Financial information of the Company and its subsidiaries presented by segment for the three-month periods ended 31 March 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	For the three-month period ended 31 March 2019				
	Lending business	Insurance broker	Hire-purchase	Eliminations	Consolidated
Interest and fee income from loan receivables	2,665,318	-	-	-	2,665,318
Fee and service income	167,567	10,057	-	-	177,624
Other income	22,132	48	-	(7,154)	15,026
Total income	2,855,017	10,105	-	(7,154)	2,857,968
Selling and administrative expenses	1,152,569	8,522	9	(7,154)	1,153,946
Bad debts and doubtful accounts	116,698	-	-	-	116,698
Profit (loss) before finance cost and income tax expenses	1,585,750	1,583	(9)	-	1,587,324
Less: Finance cost	(331,124)	-	-	-	(331,124)
Profit (loss) before income tax expenses	1,254,626	1,583	(9)	-	1,256,200
Less: Income tax expenses	(250,520)	(316)	-	-	(250,836)
Profit (loss) for the period	1,004,106	1,267	(9)	-	1,005,364

(Unit: Thousand Baht)

	For the three-month period ended 31 March 2018				
	Lending business	Insurance broker	Hire-purchase	Eliminations	Consolidated
Interest and fee income from loan receivables	2,140,101	-	-	-	2,140,101
Fee and service income	185,071	8,677	-	-	193,748
Other income	20,633	36	-	(6,175)	14,494
Total income	2,345,805	8,713	-	(6,175)	2,348,343
Selling and administrative expenses	915,268	7,240	-	(6,175)	916,333
Loss on disposals of assets foreclosed	3,558	-	-	-	3,558
Bad debts and doubtful accounts	156,295	-	-	-	156,295
Profit before finance cost and income tax expenses	1,270,684	1,473	-	-	1,272,157
Less: Finance cost	(230,498)	-	-	-	(230,498)
Profit before income tax expenses	1,040,186	1,473	-	-	1,041,659
Less: Income tax expenses	(207,731)	(295)	-	-	(208,026)
Profit for the period	832,455	1,178	-	-	833,633

(Unaudited but reviewed)

(Unit: Thousand Baht)

As at 31 March 2019

	Lending	Insurance		Eliminations	Consolidated
	business	broker	Hire-purchase		
Cash and cash equivalents	915,633	24,809	19,970	-	960,412
Loan receivables	49,042,101	-	-	-	49,042,101
Short-term loans	57,265	-	-	-	57,265
Investments in subsidiaries	22,000	-	-	(22,000)	-
Land, building and equipment	1,331,587	4	26	-	1,331,617
Other assets	548,881	22,170	2	(15,987)	555,066
Total assets	51,917,467	46,983	19,998	(37,987)	51,946,461

(Unit: Thousand Baht)

As at 31 December 2018

	Lending	Insurance		Eliminations	Consolidated
	business	broker	Hire-purchase		
Cash and cash equivalents	856,980	23,184	-	-	880,164
Loan receivables	46,548,317	-	-	-	46,548,317
Short-term loans	57,300	-	-	-	57,300
Investments in subsidiary	2,000	-	-	(2,000)	-
Land, building and equipment	1,268,497	7	-	-	1,268,504
Other assets	385,145	20,568	-	(13,889)	391,824
Total assets	49,118,239	43,759	-	(15,889)	49,146,109

18. Related party transactions

During the periods, the Company and its subsidiaries 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 parties	Relationship with the Company
Muangthai Leasing Insurance Broker Company Limited	Subsidiary company
Muangthai Leasing Company Limited	Subsidiary company

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer Pricing Policy (For the period 2019)
	financial statements		financial statements		
	For the three-month		For the three-month		
	periods ended 31 March		periods ended 31 March		
	2019	2018	2019	2018	
<u>Transactions with a subsidiaries company</u>					
Fee income on support service	-	-	7,038	6,069	As stipulated in agreements
Rental income	-	-	117	106	As stipulated in agreements
<u>Transactions with related parties</u>					
Interest income - loan to management	1	1	1	1	At the rate of 8.0 percent per annum
Rental expense - directors	1,647	1,647	1,647	1,647	As stipulated in agreements
Commission expense - shareholder	446	363	446	363	Same rate that the Company paid to other agents

As at 31 March 2019 and 31 December 2018, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
<u>Subsidiaries</u>				
Other receivables	-	-	3,412	2,828
Other current liabilities	-	-	12,575	11,061
<u>Related person</u>				
Short-term loans - management	50	50	50	50
Other current liabilities - shareholder	171	146	171	146

Directors and management's benefits

During the three-month periods ended 31 March 2019 and 2018, the Company and its subsidiaries had the following employee benefit expenses payable to their directors and management.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2019	2018	2019	2018
Short-term employee benefits	9,296	9,466	9,260	9,430
Post-employment benefits	807	252	804	249
Total	10,103	9,718	10,064	9,679

19. Office rental commitments

The Company has entered into several lease agreements in respect of office building space. The terms of the agreements are generally between 1 and 5 years. As at 31 March 2019, future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

(Unit: Thousand Baht)

Payable	Consolidated and separate financial statements		
	Related	Other parties	Total
Within 1 year	6,343	422,000	428,343
1 to 5 years	4,701	395,685	400,386

20. Capital expenditure commitments

As at 31 March 2019, the Company had capital commitments of Baht 476 million relating to the constructing of head office building.

21. Commitment on derivatives contracts - interest rate swap contracts

As at 31 March 2019, the Company had commitment under Interest Rate Swap, where by the floating interest rates were changed to fixed interest rates. The fair value are as below:

Maturity	(Unit: Million Baht)	
	Notional amount	Fair value - derivatives liabilities
Interest rate swap agreement for risk management		
Settle throughout the contract period until June 2019	1,000	1
Settle throughout the contract period until December 2019	1,000	2
Interest rate swap agreement for Cash flow hedges		
Settle throughout the contract period until November 2021	344	3
Settle throughout the contract period until December 2021	1,031	12
	<u>3,375</u>	<u>18</u>

22. Contingent Liabilities / Litigation

As at 31 March 2019, the Company is being sued in civil lawsuits and torture cases with claims totaling Baht 1 million that have not yet been finalised. The management of the Company has exercised judgement to assess the possible outcomes of litigation and believes that when the case is finally settled, there will be no material impact on the financial position and operating results of the company. Therefore, no contingent liability has been recognised

23. Event after the reporting period**23.1 Approval of dividend payment and approval of the issuance and offering of debentures**

On 18 April 2019, the Annual General Meeting of the Company's shareholders for the year 2019 approved as follow:

- a) Approval a dividend payment of Baht 0.26 per share to the holders of the Company's 2,120 million shares, or a total of Baht 551.2 million. The dividend is to be paid on 15 May 2019.
- b) The budget for debentures to be issued and offered.

23.2 Amendments to the law relating to the legal severance pay rates

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 12.13 million (The Company only: Baht 12.13 million) as a result. The Company and its subsidiaries will reflect the effect of the change by recognising past service costs as expenses in the income statement of the period in which the law is effective, which is the second quarter of 2019.

24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 7 May 2019.