

Muangthai Capital Public Company Limited
and its subsidiaries
Report and interim financial statements
30 June 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 30 June 2019, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the six-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 August 2019

Muangthai Capital Public Company Limited and its subsidiaries

Statements of financial position

As at 30 June 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Assets					
Current assets					
Cash and cash equivalents	2	947,978	880,164	904,451	856,980
Current portion of loan receivables	3	31,815,474	28,604,947	31,815,474	28,604,947
Current portion of hire purchase receivables	4	898	-	-	-
Other receivables - subsidiaries		-	-	4,889	2,829
Short-term loans		61,394	57,300	61,394	57,300
Other current assets	6	194,310	134,096	193,542	133,610
Total current assets		33,020,054	29,676,507	32,979,750	29,655,666
Non-current assets					
Restricted bank deposits	7	9,000	9,000	-	-
Loan receivables - net of current portion	3	20,964,040	17,943,370	20,964,040	17,943,370
Hire purchase receivables - net of current portion	4	1,918	-	-	-
Investments in subsidiaries	8	-	-	22,000	2,000
Land, buildings and equipment	9	1,425,712	1,268,504	1,425,686	1,268,497
Intangible assets	10	25,992	25,757	25,945	25,757
Deferred tax assets	11	226,242	97,807	226,211	97,785
Other non-current assets	12	140,138	125,164	140,138	125,164
Total non-current assets		22,793,042	19,469,602	22,804,020	19,462,573
Total assets		55,813,096	49,146,109	55,783,770	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 30 June 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	13	6,924,689	4,775,275	6,924,689	4,775,275
Derivative liabilities	23	16,779	22,877	16,779	22,877
Other payables	14	470,209	659,324	461,308	651,078
Current portion of long-term loans	15	4,475,474	2,849,398	4,475,474	2,849,398
Current portion of long-term debentures	16	5,597,581	3,397,033	5,597,581	3,397,033
Current portion of liabilities under hire					
purchase payable		19,602	19,987	19,602	19,987
Income tax payable		644,853	578,281	644,704	577,900
Other current liabilities		50,864	43,030	63,867	54,021
Total current liabilities		18,200,051	12,345,205	18,204,004	12,347,569
Non-current liabilities					
Long-term loans - net of current portion	15	2,013,596	4,845,333	2,013,596	4,845,333
Long-term debentures - net of current portion	16	21,739,269	19,592,515	21,739,269	19,592,515
Liabilities under hire purchase payable					
- net of current portion		25,202	25,162	25,202	25,162
Provision for long-term employee benefits	17	58,826	38,826	58,702	38,717
Total non-current liabilities		23,836,893	24,501,836	23,836,769	24,501,727
Total liabilities		42,036,944	36,847,041	42,040,773	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 30 June 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	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	9,076,443	7,601,502	9,043,288	7,571,377
Other components of shareholder's equity	(12,134)	(14,277)	(12,134)	(14,277)
Total shareholders' equity	13,776,152	12,299,068	13,742,997	12,268,943
Total liabilities and shareholders' equity	55,813,096	49,146,109	55,783,770	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 30 June 2019**

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Interest and fee income from loan receivables and hire purchase receivables		2,862,253	2,314,057	2,862,177	2,314,057
Fee and service income		178,605	206,261	167,550	196,575
Other income		29,997	16,171	37,890	23,002
Total revenues		3,070,855	2,536,489	3,067,617	2,533,634
Expenses					
Selling and administrative expenses		1,232,120	985,390	1,231,141	984,529
Loss on disposals of assets foreclosed		-	412	-	412
Bad debts and doubtful accounts		189,167	157,986	189,139	157,986
Total expenses		1,421,287	1,143,788	1,420,280	1,142,927
Profit before finance cost and income tax expenses		1,649,568	1,392,701	1,647,337	1,390,707
Finance cost		(362,745)	(257,793)	(362,745)	(257,793)
Profit before income tax expenses		1,286,823	1,134,908	1,284,592	1,132,914
Income tax expenses	11	(266,046)	(222,723)	(265,587)	(222,324)
Profit for the period		1,020,777	912,185	1,019,005	910,590
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Unrealised gain from cash flow hedges		183	7,844	183	7,844
Income tax relating to cash flow hedges	11	(37)	(1,569)	(37)	(1,569)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		146	6,275	146	6,275
Other comprehensive income for the period		146	6,275	146	6,275
Total comprehensive income for the period		1,020,923	918,460	1,019,151	916,865
Earning per share					
Basic earning per share (Baht per share)	18	0.48	0.43	0.48	0.43

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

(Unaudited but reviewed)

Muangthai Capital Public Company Limited and its subsidiaries**Statements of comprehensive income****For the six-month period ended 30 June 2019**

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Interest and fee income from loan receivables and hire purchase receivables		5,527,571	4,454,158	5,527,495	4,454,158
Fee and service income		356,229	400,009	335,117	381,646
Other income		45,023	30,665	60,022	43,635
Total revenues		5,928,823	4,884,832	5,922,634	4,879,439
Expenses					
Selling and administrative expenses		2,386,066	1,901,723	2,383,710	1,899,797
Loss on disposals of assets foreclosed		-	3,970	-	3,970
Bad debts and doubtful accounts	5	305,865	314,281	305,837	314,281
Total expenses		2,691,931	2,219,974	2,689,547	2,218,048
Profit before finance cost and income tax expenses		3,236,892	2,664,858	3,233,087	2,661,391
Finance cost		(693,869)	(488,291)	(693,869)	(488,291)
Profit before income tax expenses		2,543,023	2,176,567	2,539,218	2,173,100
Income tax expenses	11	(516,882)	(430,749)	(516,107)	(430,055)
Profit for the period		2,026,141	1,745,818	2,023,111	1,743,045
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Unrealised gain from cash flow hedges		2,679	11,875	2,679	11,875
Income tax relating to cash flow hedges	11	(536)	(2,375)	(536)	(2,375)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		2,143	9,500	2,143	9,500
Other comprehensive income for the period		2,143	9,500	2,143	9,500
Total comprehensive income for the period		2,028,284	1,755,318	2,025,254	1,752,545
Earning per share					
Basic earning per share (Baht per share)	18	0.96	0.82	0.95	0.82

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 six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before income tax	2,543,023	2,176,567	2,539,218	2,173,100
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	130,031	99,444	130,020	99,437
Bad debts and doubtful accounts	305,865	314,281	305,837	314,281
Reversal of impairment loss on assets foreclosed	(5,000)	(5,900)	(5,000)	(5,900)
Gain on disposals of loan receivables	(17,938)	(4,067)	(17,938)	(4,067)
Loss on disposals of equipment	2,954	966	2,954	966
Provision for long-term employee benefits	20,000	3,990	19,985	3,981
Unrealised gain from valuation of derivatives	(3,419)	(9,237)	(3,419)	(9,237)
Loss from exchange rate	4	-	4	-
Interest and fee income from loan receivables and hire purchase receivables	(5,527,571)	(4,454,158)	(5,527,495)	(4,454,158)
Other interest income	(3,876)	(2,846)	(3,760)	(2,756)
Finance cost	693,870	488,291	693,870	488,291
Loss from operating activities before changes in operating assets and liabilities	(1,862,057)	(1,392,669)	(1,865,724)	(1,396,062)
Decrease (increase) in operating assets				
Loan receivables	(6,536,688)	(5,878,589)	(6,536,688)	(5,878,589)
Hire purchase receivables	(2,805)	-	-	-
Other receivables - subsidiaries	-	-	(2,061)	62
Short-term loans	(4,094)	(7,852)	(4,094)	(7,852)
Other current assets	(55,237)	(10,796)	(54,932)	(10,710)
Other non-current assets	(14,974)	(12,440)	(14,974)	(12,440)
Increase (decrease) in operating liabilities				
Other payables	(214,848)	(42,351)	(215,503)	(42,086)
Other current liabilities	7,834	6,476	9,847	6,072
Provision for long-term employee benefits	-	(201)	-	(201)
Cash used in operating activities	(8,682,869)	(7,338,422)	(8,684,129)	(7,341,806)
Cash received from interest and fee income from loan receivables and hire purchase receivables	5,549,022	4,389,057	5,548,847	4,388,951
Cash paid for income tax	(579,281)	(338,461)	(578,265)	(338,615)
Net cash flows used in operating activities	(3,713,128)	(3,287,826)	(3,713,547)	(3,291,470)

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 six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Increase in restricted bank deposits	-	(1,000)	-	-
Cash paid for acquisitions of land, building and equipment	(281,102)	(236,324)	(281,075)	(236,324)
Cash paid for acquisitions of intangible assets	(3,145)	(2,628)	(3,096)	(2,628)
Proceeds from disposals of equipment	998	2,973	998	2,973
Investment in subsidiary	-	-	(20,000)	-
Net cash flows used in investing activities	(283,249)	(236,979)	(303,173)	(235,979)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	2,126,646	(902,497)	2,126,646	(902,497)
Increase in short-term loans	-	97,884	-	97,884
Cash received from long-term loans	500,000	3,250,000	500,000	3,250,000
Repayment of long-term loans	(1,708,333)	(1,255,000)	(1,708,333)	(1,255,000)
Cash received from debenture issuance	4,370,000	3,000,000	4,370,000	3,000,000
Increase (decrease) in liabilities under hire purchase payable	(345)	2,587	(345)	2,587
Cash paid on interest	(672,577)	(415,054)	(672,577)	(415,054)
Dividend paid	(551,200)	(381,600)	(551,200)	(381,600)
Net cash flows from financing activities	4,064,191	3,396,320	4,064,191	3,396,320
Net increase (decrease) in cash and cash equivalents	67,814	(128,485)	47,471	(131,129)
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	947,978	1,025,230	904,451	1,005,720
	-		-	
Supplement cash flow information				
Non-cash items				
Accounts payable on purchase of assets	12,731	15,538	12,731	15,538

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 six-month period ended 30 June 2019

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of equity -	
			Appropriated - Statutory reserve	Unappropriated	Unrealised loss from cash flow hedges	
Balance as at 1 January 2018	2,120,000	2,379,843	212,000	4,261,383	(29,910)	8,943,316
Dividend paid (Note 19)	-	-	-	(381,600)	-	(381,600)
Profit for the period	-	-	-	1,745,818	-	1,745,818
Other comprehensive income for the period	-	-	-	-	9,500	9,500
Total comprehensive income for the period	-	-	-	1,745,818	9,500	1,755,318
Balance as at 30 June 2018	<u>2,120,000</u>	<u>2,379,843</u>	<u>212,000</u>	<u>5,625,601</u>	<u>(20,410)</u>	<u>10,317,034</u>
Balance as at 1 January 2019	2,120,000	2,379,843	212,000	7,601,502	(14,277)	12,299,068
Dividend paid (Note 19)	-	-	-	(551,200)	-	(551,200)
Profit for the period	-	-	-	2,026,141	-	2,026,141
Other comprehensive income for the period	-	-	-	-	2,143	2,143
Total comprehensive income for the period	-	-	-	2,026,141	2,143	2,028,284
Balance as at 30 June 2019	<u>2,120,000</u>	<u>2,379,843</u>	<u>212,000</u>	<u>9,076,443</u>	<u>(12,134)</u>	<u>13,776,152</u>

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 six-month period ended 30 June 2019

(Unit: Thousand Baht)

	Separate financial statements					Total
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of equity -	
			Appropriated - Statutory reserve	Unappropriated	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
Dividend paid (Note 19)	-	-	-	(381,600)	-	(381,600)
Profit for the period	-	-	-	1,743,045	-	1,743,045
Other comprehensive income for the period	-	-	-	-	9,500	9,500
Total comprehensive income for the period	-	-	-	1,743,045	9,500	1,752,545
Balance as at 30 June 2018	<u>2,120,000</u>	<u>2,379,843</u>	<u>212,000</u>	<u>5,598,771</u>	<u>(20,410)</u>	<u>10,290,204</u>
Balance as at 1 January 2019	2,120,000	2,379,843	212,000	7,571,377	(14,277)	12,268,943
Dividend paid (Note 19)	-	-	-	(551,200)	-	(551,200)
Profit for the period	-	-	-	2,023,111	-	2,023,111
Other comprehensive income for the period	-	-	-	-	2,143	2,143
Total comprehensive income for the period	-	-	-	2,023,111	2,143	2,025,254
Balance as at 30 June 2019	<u>2,120,000</u>	<u>2,379,843</u>	<u>212,000</u>	<u>9,043,288</u>	<u>(12,134)</u>	<u>13,742,997</u>

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 and six-month periods ended 30 June 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, condominium loans, personal loans without collateral and Nano finance. Its registered address is 32/1 Chransanitwong Road, Bangor, Bangplad, Bangkok. As at 30 June 2019, the Company has totalled 3,739 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:

TFRS 15 Revenue from Contracts with Customers

TFRS 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
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 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.

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	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Cash	348,210	57,693	348,202	57,683
Bank deposits	599,768	822,471	556,249	799,297
Cash and cash equivalents	<u>947,978</u>	<u>880,164</u>	<u>904,451</u>	<u>856,980</u>

3. Loan receivables

3.1 As at 30 June 2019 and 31 December 2018, loan receivables consist of the following:

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	30 June 2019		
	Amounts due		
	within 1 year ⁽¹⁾	over 1 year	Total
Loan receivables	32,526,034	21,109,673	53,635,707
Accrued Interest	784,854	-	784,854
Total	33,310,888	21,109,673	54,420,561
Less: Allowance for doubtful accounts ⁽²⁾	(1,495,414)	(145,633)	(1,641,047)
Loan receivables - net	31,815,474	20,964,040	52,779,514

(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.

(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 30 June 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 accounts	Allowance for doubtful accounts		
	30 June 2019	31 December 2018	30 June 2019	31 December 2018		30 June 2019	31 December 2018	
Not yet due	41,949,561	37,184,870	30,423,118	29,276,968	1	304,231	292,769	
Past due not more than 30 days	7,649,073	7,018,957	5,449,522	5,047,382	1	54,495	50,474	
Past due 31 - 90 days	4,227,001	3,303,823	2,887,104	2,044,240	2	57,743	40,885	
Past due 91 - 180 days	300,421	208,746	300,421	208,746	100	300,421	208,746	
Past due 181 - 365 days	188,220	232,546	188,220	232,546	100	188,220	232,546	
Past due more than 365 days	34,954	32,378	34,954	32,378	100	34,954	32,378	
Litigation receivables	71,331	66,153	71,331	66,153	100	71,331	66,153	
Total	54,420,561	48,047,473	39,354,670	36,908,413		1,011,395	923,951	
Allowance for doubtful accounts								
- additional provision for uncollectible receivables						629,652	575,205	
Total						1,641,047	1,499,156	

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

3.3 As at 30 June 2019, the Company had loan receivables amounting to Baht 770 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. Hire purchase receivables**4.1** As at 30 June 2019, the balances of hire purchase receivables consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		
	30 June 2019		
	Amounts due		
	within 1 year	over 1 year	Total
Hire purchase receivable	1,516	2,552	4,068
Less Unearned interest income	(609)	(615)	(1,224)
Total	907	1,937	2,844
Less: Allowance for doubtful accounts	(9)	(19)	(28)
Hire purchase receivable - Net	898	1,918	2,816

4.2 As at 30 June 2019, the balances of hire purchase receivables are classified by aging of installments past due and allowance for doubtful accounts as follows:

(Unit: Thousand Baht)

Aging	Consolidated financial statements		
	30 June 2019		
	Hire purchase receivables - net of unearned interest income	Rate of allowance for doubtful accounts	Allowance for doubtful accounts
Not yet due	2,844	1	28
Past due not more than 30 days	-	1	-
Past due 31 - 90 days	-	2	-
Past due 91 - 180 days	-	100	-
Past due 181 - 365 days	-	100	-
Past due more than 365 days	-	100	-
Total	2,844		28

5. Allowance for doubtful accounts

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the six-month period ended 30 June 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	305,865	586,211
Less: Bad debt written-off during the period	(294)	(12,066)
Allowance for doubtful accounts for loan receivables sold	(163,652)	(245,972)
Balance at end of the period	<u>1,641,075</u>	<u>1,499,156</u>

	(Unit: Thousand Baht)	
	Separate financial statements	
	For the six-month period ended 30 June 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	305,837	586,211
Less: Bad debt written-off during the period	(294)	(12,066)
Allowance for doubtful accounts for loan receivables sold	(163,652)	(245,972)
Balance at end of the period	<u>1,641,047</u>	<u>1,499,156</u>

6. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Assets foreclosed	33,003	64,328	33,003	64,328
Prepaid expenses	69,989	13,261	69,989	13,261
Other current assets	95,418	65,607	94,650	65,121
Total	198,410	143,196	197,642	142,710
Less: Allowance for impairment/allowance for doubtful accounts	(4,100)	(9,100)	(4,100)	(9,100)
Other current assets - net	194,310	134,096	193,542	133,610

7. 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.

8. 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.

9. Land, buildings and equipment

Movement of the land, building and equipment during the six-month period ended 30 June 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	288,281	288,256
Disposals/written off	(12,454)	(12,454)
Balance as at 30 June 2019	<u>2,086,646</u>	<u>2,086,535</u>
Accumulated depreciation		
Balance as at 1 January 2019	542,315	542,236
Depreciation during the period	127,121	127,115
Disposals/written off	(8,502)	(8,502)
Balance as at 30 June 2019	<u>660,934</u>	<u>660,849</u>
Net book value		
Balance as at 30 June 2019	<u><u>1,425,712</u></u>	<u><u>1,425,686</u></u>

10. Intangible assets

Movement of intangible assets during the six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Cost		
Balance as at 1 January 2019	37,389	37,389
Additions during the period	3,145	3,095
Balance as at 30 June 2019	<u>40,534</u>	<u>40,484</u>
Accumulated amortisation		
Balance as at 1 January 2019	11,632	11,632
Amortisation during the period	2,910	2,907
Balance as at 30 June 2019	<u>14,542</u>	<u>14,539</u>
Net book value		
Balance as at 30 June 2019	<u><u>25,992</u></u>	<u><u>25,945</u></u>

11. Deferred tax assets and income tax expenses

11.1 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	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Deferred tax assets				
Allowance for doubtful accounts	328,215	299,831	328,209	299,831
Allowance for impairment of assets foreclosed	820	1,820	820	1,820
Provision for long-term employee benefits	11,765	7,766	11,740	7,744
Derivative liabilities	3,356	4,575	3,356	4,575
Others	5,759	453	5,759	453
Deferred tax assets	349,915	314,445	349,884	314,423
Deferred tax liabilities				
Differences in income recognition for accounting and tax purposes	105,186	202,555	105,186	202,555
Others	18,487	14,083	18,487	14,083
Deferred tax liabilities	123,673	216,638	123,673	216,638
Deferred tax assets - net	226,242	97,807	226,211	97,785

11.2 Income tax expenses

Income tax expenses for the three-month and six-month periods ended 30 June 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2019	2018	2019	2018
Current income tax:				
Current income tax charge for the period	331,790	224,246	331,323	223,847
Adjustment in respect of income tax of previous year	(353)	99	(353)	99
Deferred tax:				
Relating to origination and reversal of temporary differences	(65,391)	(1,622)	(65,383)	(1,622)
Income tax expenses reported in the statements of comprehensive income	266,046	222,723	265,587	222,324

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2019	2018	2019	2018
Current income tax:				
Current income tax charge for the period	646,206	425,000	645,422	424,305
Adjustment in respect of income tax of previous year	(353)	99	(353)	99
Deferred tax:				
Relating to origination and reversal of temporary differences	(128,971)	5,650	(128,962)	5,651
Income tax expenses reported in the statements of comprehensive income	516,882	430,749	516,107	430,055

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2019	2018	2019	2018
Deferred tax relating to unrealized gain from cash flow hedges	(37)	(1,569)	(37)	(1,569)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2019	2018	2019	2018
Deferred tax relating to unrealized gain from cash flow hedges	(536)	(2,375)	(536)	(2,375)

(Unaudited but reviewed)

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the three-month and six-month periods ended 30 June 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2019	2018	2019	2018
Accounting profit before tax	1,286,823	1,134,908	1,284,592	1,132,914
Applicable tax rates	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rates	257,364	226,982	256,919	226,583
Adjustment in respect of income tax of previous year	(353)	99	(353)	99
Additional deductions allowed for expenses	(4,182)	(4,499)	(4,182)	(4,499)
Effects of non-deductible expenses and non-taxable income	13,217	141	13,203	141
Income tax expenses reported in the statements of comprehensive income	266,046	222,723	265,587	222,324

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2019	2018	2019	2018
Accounting profit before tax	2,543,023	2,176,567	2,539,218	2,173,100
Applicable tax rates	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rates	508,605	435,314	507,844	434,620
Adjustment in respect of income tax of previous year	(353)	99	(353)	99
Additional deductions allowed for expenses	(8,412)	(9,033)	(8,412)	(9,033)
Effects of non-deductible expenses and non-taxable income	17,042	4,369	17,028	4,369
Income tax expenses reported in the statements of comprehensive income	516,882	430,749	516,107	430,055

(Unaudited but reviewed)

12. Other non-current assets

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	30 June 2019	31 December 2018
Building lease deposits	115,808	104,532
Other non-current assets	24,330	20,632
Total	<u>140,138</u>	<u>125,164</u>

13. Short-term loans from financial institutions

As at 30 June 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	30 June 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
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	1,800,000	1,320,000
c) Promissory notes under credit facilities amounting to Baht 500 million, with principal repayable within the specific date of each promissory, and interest charged at a fixed rate, payable monthly	500,000	-
d) 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	1,910,000	-
e) Bill of exchange, with principal repayment at the date specified on each bill of exchange	2,714,689	2,955,444
Total	<u>6,924,689</u>	<u>4,775,444</u>
Less: Deferred issuing costs	-	(169)
Total short-term loans from financial institutions	<u>6,924,689</u>	<u>4,775,275</u>

(Unaudited but reviewed)

Under the agreements of loans a), b) and d) 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 30 June 2019, the Company has Baht 3,910 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).

14. Other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
30 June	31 December	30 June	31 December	
2019	2018	2019	2018	
Accrued employee expenses	92,931	314,036	92,928	314,033
Accrued special business tax expenses	61,822	59,229	61,822	59,229
Accrued expenses	9,405	6,694	9,315	6,514
Accrued interest expenses	273,643	255,093	273,643	255,093
Other account payables	32,408	24,272	23,600	16,209
Total other payables	470,209	659,324	461,308	651,078

15. Long-term loans

As at 30 June 2019 and 31 December 2018, the following are loans from local financial institutions in Thailand.

		(Unit: Thousand Baht)	
		Consolidated and separate	
		financial statements	
Facility		30 June	31 December
no.	Loan facility /Repayment schedule	2019	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
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	62,500	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	1,250,000	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
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	333,333	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	500,000	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

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and separate
financial statements

Facility		30 June	31 December
no.	Loan facility /Repayment schedule	2019	2018
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
12	Credit facility amounting to Baht 500 million, repayable principal within June 2021, and interest charged at a fixed rate, payable monthly	500,000	-
Total		6,495,833	7,704,167
Less: Deferred issuing costs		(6,763)	(9,436)
Long-term loans		6,489,070	7,694,731
Less: Current portion due within 1 year		(4,475,474)	(2,849,398)
Long-term loans - net of current portion		2,013,596	4,845,333

For loan 1) to 9), 11) and 12), 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 30 June 2019, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 500 million (31 December 2018: Baht 1,000 million).

As at 30 June 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 500 million in November 2021 and amounting to Baht 1,500 million in December 2021 respectively, in line with terms of loan payment.

16. Long-term debentures

As at 30 June 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	
Debenture	Facility /Repayment schedule	30 June 2019	31 December 2018
1	Debenture amounting to Baht 200 million with a tenor of 3 years 9 days, maturing in February 2019, bearing 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
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
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

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and separate
financial statements

Debenture	Facility /Repayment schedule	30 June	31 December
		2019	2018
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 1,947.2 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 1,295.8 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
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

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and separate
financial statements

Debenture	Facility /Repayment schedule	30 June	31 December
		2019	2018
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	-
28	Debenture amounting to Baht 270 million with a tenor of 3 years 11 days, maturing in June 2022, bearing interest at a fixed rate, payable every 3 months	270,000	-
Total		27,412,000	23,042,000
Less: Deferred issuing costs		(75,150)	(52,452)
Long-term debentures		27,336,850	22,989,548
Less: Current portion due within 1 year		(5,597,581)	(3,397,033)
Long-term debentures - net of current portion		21,739,269	19,592,515

Debentures 1) to 28) have a condition to maintain a debt to equity ratio at end of each fiscal year.

17. Provision for long-term employee benefits

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 subsidiary 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 subsidiary reflect the effect of the change by recognising past service costs as expenses in the income statement.

18. 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.

19. Dividend

On 20 April 2018, the Annual General Meeting of Shareholders of the Company approved to pay a dividend of Baht 0.18 per share from the 2017 operating results to the holders of the Company's 2,120 million shares, or a total of Baht 381.6 million.

On 18 April 2019, the Annual General Meeting of Shareholders of the Company approved to pay a dividend of Baht 0.26 per share from the 2018 operating results to the holders of the Company's 2,120 million shares, or a total of Baht 551.2 million.

20. 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 and six-month periods ended 30 June 2019 and 2018 are as follows:

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month period ended 30 June 2019				
	Lending	Insurance	Hire-purchase	Eliminations	Consolidated
	business	broker			
Interest and fee income from loan receivables and hire purchase receivables	2,862,177	-	76	-	2,862,253
Fee and service income	167,550	11,055	-	-	178,605
Other income	37,890	68	-	(7,961)	29,997
Total income	3,067,617	11,123	76	(7,961)	3,070,855
Selling and administrative expenses	1,231,141	8,829	111	(7,961)	1,232,120
Bad debts and doubtful accounts	189,139	-	28	-	189,167
Profit (loss) before finance cost and income tax expenses	1,647,337	2,294	(63)	-	1,649,568
Less: Finance cost	(362,745)	-	-	-	(362,745)
Profit (loss) before income tax expenses	1,284,592	2,294	(63)	-	1,286,823
Less: Income tax expenses	(265,587)	(459)	-	-	(266,046)
Profit (loss) for the period	1,019,005	1,835	(63)	-	1,020,777

(Unit: Thousand Baht)

	For the three-month period ended 30 June 2018				
	Lending	Insurance	Hire-purchase	Eliminations	Consolidated
	business	broker			
Interest and fee income from loan receivables	2,314,057	-	-	-	2,314,057
Fee and service income	196,575	9,686	-	-	206,261
Other income	23,002	54	-	(6,885)	16,171
Total income	2,533,634	9,740	-	(6,885)	2,536,489
Selling and administrative expenses	984,529	7,746	-	(6,885)	985,390
Loss on disposals of assets foreclosed	412	-	-	-	412
Bad debts and doubtful accounts	157,986	-	-	-	157,986
Profit before finance cost and income tax expenses	1,390,707	1,994	-	-	1,392,701
Less: Finance cost	(257,793)	-	-	-	(257,793)
Profit before income tax expenses	1,132,914	1,994	-	-	1,134,908
Less: Income tax expenses	(222,324)	(399)	-	-	(222,723)
Profit for the period	910,590	1,595	-	-	912,185

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month period ended 30 June 2019				
	Lending business	Insurance broker	Hire-purchase	Eliminations	Consolidated
Interest and fee income from loan receivables and hire purchase receivables	5,527,495	-	76	-	5,527,571
Fee and service income	335,117	21,112	-	-	356,229
Other income	60,022	116	-	(15,115)	45,023
Total income	5,922,634	21,228	76	(15,115)	5,928,823
Selling and administrative expenses	2,383,710	17,351	120	(15,115)	2,386,066
Bad debts and doubtful accounts	305,837	-	28	-	305,865
Profit (loss) before finance cost and income tax expenses	3,233,087	3,877	(72)	-	3,236,892
Less: Finance cost	(693,869)	-	-	-	(693,869)
Profit (loss) before income tax expenses	2,539,218	3,877	(72)	-	2,543,023
Less: Income tax expenses	(516,107)	(775)	-	-	(516,882)
Profit (loss) for the period	2,023,111	3,102	(72)	-	2,026,141

(Unit: Thousand Baht)

	For the six-month period ended 30 June 2018				
	Lending business	Insurance broker	Hire-purchase	Eliminations	Consolidated
Interest and fee income from loan receivables	4,454,158	-	-	-	4,454,158
Fee and service income	381,646	18,363	-	-	400,009
Other income	43,635	90	-	(13,060)	30,665
Total income	4,879,439	18,453	-	(13,060)	4,884,832
Selling and administrative expenses	1,899,797	14,986	-	(13,060)	1,901,723
Loss on disposals of assets foreclosed	3,970	-	-	-	3,970
Bad debts and doubtful accounts	314,281	-	-	-	314,281
Profit before finance cost and income tax expenses	2,661,391	3,467	-	-	2,664,858
Less: Finance cost	(488,291)	-	-	-	(488,291)
Profit before income tax expenses	2,173,100	3,467	-	-	2,176,567
Less: Income tax expenses	(430,055)	(694)	-	-	(430,749)
Profit for the period	1,743,045	2,773	-	-	1,745,818

(Unaudited but reviewed)

(Unit: Thousand Baht)

	As at 30 June 2019				
	Lending	Insurance	Hire-purchase	Eliminations	Consolidated
	business	broker			
Cash and cash equivalents	904,451	25,354	18,173	-	947,978
Loan receivables	52,779,514	-	-	-	52,779,514
Hire purchase receivables	-	-	2,816	-	2,816
Short-term loans	61,394	-	-	-	61,394
Investments in subsidiaries	22,000	-	-	(22,000)	-
Land, building and equipment	1,425,686	-	26	-	1,425,712
Other assets	590,725	22,577	353	(17,973)	595,682
Total assets	55,783,770	47,931	21,368	(39,973)	55,813,096

(Unit: Thousand Baht)

	As at 31 December 2018				
	Lending	Insurance	Hire-purchase	Eliminations	Consolidated
	business	broker			
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

21. 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 periods ended 30 June		For the three-month periods ended 30 June		
	2019	2018	2019	2018	
<u>Transactions with a subsidiaries company</u>					
Fee income on support service	-	-	7,765	6,778	As stipulated in agreements
Rental income	-	-	195	107	As stipulated in agreements
<u>Transactions with related parties</u>					
Interest income - loan to management	2	2	2	2	At the rate of 8.0 percent per annum
Rental expense - directors	1,648	1,648	1,648	1,648	As stipulated in agreements
Commission expense - shareholder	477	433	477	433	Same rate that the Company paid to other agents

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer Pricing Policy (For the period 2019)
	financial statements		financial statements		
	For the six-month periods ended 30 June		For the six-month periods ended 30 June		
	2019	2018	2019	2018	
<u>Transactions with a subsidiaries company</u>					
Fee income on support service	-	-	14,803	12,847	As stipulated in agreements
Rental income	-	-	312	213	As stipulated in agreements
<u>Transactions with related parties</u>					
Interest income - loan to management	3	3	3	3	At the rate of 8.0 percent per annum
Rental expense - directors	3,295	3,295	3,295	3,295	As stipulated in agreements
Commission expense - shareholder	923	796	923	796	Same rate that the Company paid to other agents

(Unaudited but reviewed)

As at 30 June 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	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
<u>Subsidiaries</u>				
Other receivables	-	-	4,889	2,828
Other current liabilities	-	-	13,084	11,061
<u>Related person</u>				
Short-term loans - management	65	50	65	50
Other current liabilities - shareholder	168	146	168	146

Directors and management's benefits

During the three-month and six-month periods ended 30 June 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 30 June		For the three-month periods ended 30 June	
	2019	2018	2019	2018
Short-term employee benefits	10,045	10,357	10,010	10,321
Post-employment benefits	807	252	804	249
Total	10,852	10,609	10,814	10,570

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2019	2018	2019	2018
Short-term employee benefits	19,341	19,823	19,270	19,751
Post-employment benefits	1,614	504	1,608	498
Total	20,955	20,327	20,878	20,249

22. 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 30 June 2019, future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

Payable	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	Related	Other parties	Total
Within 1 year	6,305	434,141	440,446
1 to 5 years	3,134	387,294	390,428

23. Capital expenditure commitments

As at 30 June 2019, the Company had capital commitments of Baht 450 million relating to the constructing of head office building.

24. Commitment on derivatives contracts - interest rate swap contracts

As at 30 June 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 December 2019	1,000	2
Interest rate swap agreement for Cash flow hedges		
Settle throughout the contract period until November 2021	312	4
Settle throughout the contract period until December 2021	938	11
	2,250	17

25. Contingent Liabilities / Litigation

As at 30 June 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 recognized.

26. Approval of interim financial statements

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