

# Annual Report 2020

## Mida Leasing Public Company Limited

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## Financial Summary

(Unit: Million THB)

Summary	2018	2019	2020
<b>Assets</b>			
Total assets	3,730.29	3,694.92	4,127.04
Hire-purchase receivables - Net	2,938.31	2,726.14	2,556.61
<b>Liabilities and shareholders' equity</b>			
Total liabilities	1,937.26	1,798.92	2,146.09
Total shareholders' equity	1,793.03	1,896.00	1,980.95
<b>Performance</b>			
Total revenue	601.79	582.41	572.03
Hire-purchase Income	473.07	450.14	411.60
Total expenses	477.94	454.82	473.36
Net profit	96.39	98.91	98.67
<b>Profitability ratio</b>			
Interest income** (%)	15.78%	15.22%	15.00%
Interest expense (%)	5.13%	5.37%	6.28%
Interest spread (%)	10.65%	9.85%	8.72%
Net profit (%)	16.02%	16.98%	17.25%
Earning per share (THB/share)	0.09	0.09	0.09
Return on Equity (%)	5.44%	5.36%	5.09%
<b>Efficiency ratio</b>			
Return on asset (%)	2.63%	2.66%	2.52%
Asset turnover	0.16	0.16	0.15
<b>Financial policy ratio</b>			
Debt to equity ratio (times)	1.08	0.95	1.08
Loan to borrowing ratio	2.34	2.29	2.17
Dividend payment ratio (Baht)	-	0.33	0.56
Doubtful account to total loan ratio (%)	3.22%	3.07%	2.48%
<b>Leverage Ratio</b>			
Current ratio (times)	0.80	1.49	1.67
Interest Converage (times)	2.44	2.42	2.24
Interest Converage - cash basis(times)	0.51	4.02	3.76
Debt service coverage -cash basis(times)	(0.22)	0.18	0.24

**Message from President**

Through the unexpected, 2020 will be another year of crisis that is different from the past. Which is related to money / war, etc., but it is a crisis of infectious disease, a new strain of COVID-19 that caused turbulence around the world Both the living of the people with the death that will inevitably come to visit Including living life that began to be destitute. Simply put, the crisis of contagious disease, which is more severe than any time in the past in this world.

From what happened in 2020, the company has been impacted by its ability to Existing customer debt settlement Including trying to provide assistance in settling debt to customers who are very affected but one thing the company has adjusted the strategy from giving the debt suspension is changed to additional credit in a crisis situation for the potential customers who can go through the crisis together with the company. By increasing liquidity, so the SME customers can benefit in the same way. As a result of such strategy adjustment, the Company's operating results for year 2020 has net profit of 98.67 million Baht.

From the aforementioned situation in 2020 and expected the overall economy in 2021 is likely to improve, but it appears that the economy at the time of writing this memo in January 2021, Thailand and ASEAN countries and all over the world has experienced a more severe second round of COVID-19, and the domestic economic growth trend is expected to deteriorate from the 2020 GDP growth, with a 6.4% drop in Q3 and the 2020 GDP forecast will drop 6.0 percent.

Therefore, in the year 2021, I am the chairman of the board and the board of directors. And all management would adjust strategies in order to sustain the status of the company through the year 2021.



Mr. Wisood leosivikul

President

<b>Type and Nature of Business</b>
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**1. Business Overview**

Mida Leasing Public Company Limited is in the business of leasing service focuses mainly on second-hand vehicles (both personal vehicle and pickup trucks) that are of highly marketable brands and models, such as Toyota, Isuzu, Nissan, Mitsubishi, and Honda. As of 31 December 2020, the company's hire-purchase lending portfolio comprises of personal cars and pick-up trucks in the proportion of 12.48% and 87.52%, respectively. The Company provides the services in Bangkok and other provinces through its 17 branches with cover servicing areas in 74 provinces all over Thailand.

The Company has increased the hire-purchase lending portfolio by providing hire-purchase services to new vehicles and taxi-meters and to taxi-meters operators to increase sales of the Company. In addition, the Company provides hire-purchase lending services under the "Floor Plan Loan Scheme" to second-hand car dealers as their working capital. This thus creates good business relationships with those operators, and establishes potential hire-purchase loan customer based. Moreover, the Company provides re-finance services for all types of automobiles. Customers who are in need of money can request for re-finance credit with the Company and must clearly specify the usage of the loan.

In addition to the aforementioned services, the Company provides after-sales services, which consist of the renewal of vehicle registration, car insurance policy, and third-party car insurance. These service offerings not only provide convenience to the customers and also a source of revenues of the Company.

The Company concentrates its current and future operation in providing hire-purchase loan for second-hand vehicles (all types of vehicles such as personal cars and all types of truck exclude of motorcycles). However, Mida Assets Public Company Limited, as major shareholders of the Company, will determine the future policy and the scope of business operation between itself. This is to ensure that each company will not conduct business in conflict or directly competing with one another but will operate business that will provide synergy to one another.

## 2. Revenue Structure

Revenue Structure of the company according to the financial statement as of 2018 – 2020

Revenue	2018		2019		2020	
	Million THB	%	Million THB	%	Million THB	%
New Contracted Hire-purchase Portfolio	2,135.98		1,708.08		1,599.63	
Hire –Purchase Receivables	1,441.59		1,148.10		1,084.73	
<b>1. Revenue from Hire-purchase</b>						
Personal vehicles	41.33	6.87	41.80	7.18	27.61	4.82
Pickup trucks	431.74	71.74	408.34	70.11	383.99	67.13
<b>Total Revenue from Hire-purchase</b>	<b>473.07</b>	<b>78.61</b>	<b>450.14</b>	<b>77.29</b>	<b>411.60</b>	<b>71.95</b>
<b>2. Interest income and other Revenue</b>						
- Interest income	38.98	6.48	44.91	7.71	63.05	11.02
- Car transfer registration	13.81	2.29	11.82	2.03	9.99	1.75
- Commission from auto insurance	17.75	2.95	12.14	2.08	14.40	2.52
- Penalty & Late Payment Fees	19.80	3.29	19.21	3.30	18.70	3.27
- Bad debt recovery	7.02	1.17	8.52	1.46	10.05	1.76
- Operation fee income	8.49	1.41	9.76	1.68	7.95	1.39
- Debt collection income	7.05	1.17	6.35	1.09	4.37	0.76
- Seized car transferred income	2.11	0.35	2.34	0.40	1.76	0.31
- Gain on sale of investment in securities	0.00	0.00	0.26	0.05	0.00	0.00
- Others	13.71	2.28	16.96	2.91	30.16	5.27
<b>Total interest income and other revenue</b>	<b>128.72</b>	<b>21.39</b>	<b>132.27</b>	<b>22.71</b>	<b>160.43</b>	<b>28.05</b>
<b>Total revenue</b>	<b>601.79</b>	<b>100.00</b>	<b>582.41</b>	<b>100.00</b>	<b>572.03</b>	<b>100.00</b>

Revenue classification of the Company by vehicle type

Revenue from Hire – purchase	2018		2019		2020	
	Million THB	%	Million THB	%	Million THB	%
- New car	5.55	1.17	4.71	1.05	2.57	0.63
- Second hand car	467.52	98.83	445.43	98.95	409.03	99.37
<b>Total revenue from Hire – purchase</b>	<b>473.07</b>	<b>100.00</b>	<b>450.14</b>	<b>100.00</b>	<b>411.60</b>	<b>100.00</b>

## 3. Business Operation of Each Product Line

### Nature of services

1. The company operates business of offering four main types loan services as follows:

- 1) Automobile Hire-purchase Service.
- 2) Working Capital Loan for Second-hand Car dealer ('Floor Plan Loan').
- 3) Re-financing services for all types of automobiles.

4) Additional Services such as renewal of Annual Vehicle Duty, transfer of car registration, car insurance policy, and third-party car insurance.

2. The company operates business of managing non-performing debt

Major source of income of the Company is from automobile hire-purchase service, which account approximately from 71.95% to 78.61% of total revenue from 2018 until present.

#### 4. Market Situation & Competition

New cars: Car industry for year 2020 was decreased from 2019 by 21.40% effected from Covid – 19 outbreak around the world. However, the productions and cars sales in 2021 trend to be recovered from the economic recovery and new car replacement demand from prospect customers.

Used cars: From the sales decreased in year 2020 and expect to be recover in year 2021 from the customers demands for used cars. Which effected from selling price lower than the new car. And the quality of used cars has improved by tent operators. So in 2021 expects to have new comers tent operators and tent operators would adjust sale channels to be on-line in increasingly.

Total cars sales in Thailand for year 2020 from COVID-19 crisis effected to cars sales decreased 21.4%, totals sales was 792,146 units.

Vehicle sales data (separated by type): FY2020

Vehicle type	Sales 2020 (no. of cars)	Comparing to 2019(+/-)
Total sales volume	792,146	-21.4%
Personal cars	274,789	-31.0%
Commercial cars	517,357	-15.1%
Pick-up truck 1 ton (Include personalized pick-up)	409,463	-16.8%
Pick-up truck 1 ton (Exclude personalized pick-up)	364,887	-15.5%

For the automotive market trend of 2021, it is predicted that “This year will continue to be another challenging year for the automotive industry of Thailand. Because still have to be faced with many factors from the situation of the coronavirus outbreak As well as global economic trends This includes economic stimulus measures from the government sector. All of these will affect the direction of the automotive industry. In addition, various movements In the automotive industry, such as launching new products Marketing activities And promotional activities Will play an important role in stimulating car sales.

Taking these factors into account, it is predicted that car sales in 2021 will be approximately 850,000 - 900,000 vehicles, an increase of 7-14% compared to the previous year.

Forecast of domestic car sales in 2021	Estimated sales for 2021 (no. of cars)	Comparing to 2020(+/-)
Total sales volume	850,000 – 900,000	+7-14%
Personal cars	290,000 – 318,000	+5-15%
Commercial cars	560,000 – 582,000	+8-13%



## Analysis of Financial Position and Operating Performance

### Operating Performance

Mida Leasing Public Company Limited is in the business of providing hire-purchase credit facilities for both new and used cars but mainly focusing on the used car sector. The Company first began business with its first office in Bangkok in 2000 and began its expansion. Currently, the Company has 17 branches (included head office).

### Revenue

For the FY2020 the Company had revenue of Baht 572.03 million, decreased from FY2019 at Baht 582.41 million, by 1.78%. The decreased revenue resulted from the decreasing of lending portfolio of 2020 resulting in hire purchase income decreased. In 2020, there were 6,503 new lease agreements while in 2019, there were 7,265 new lease agreements, representing a decrease of 10.49%. The outstanding lending contracts for the year 2020 and 2019 were 25,641 and 27,095 respectively; which reduced by 5.37%.

Items	2018		2019		2020	
	Million THB	%	Million THB	%	Million THB	%
Hire-Purchase Receivables	1,441.59	(0.48)	1,148.10	(20.36)	1,084.73	(5.52)
Hire-Purchase Interest Income	473.07	6.75	450.14	(4.85)	411.60	(8.56)

The Company had decreased the size of its lending portfolio by 5.52% in FY2020 which effected to portfolio and hire-purchase interest income decreased. Interest revenue decreased from Baht 450.14 million in FY2019 to Baht 411.60 million in FY2020, by 8.56%. Moreover, interest revenue generated in FY2020 came from leasing facilities provided since 2016 – 2019 and some from facilities extended in 2020.

For interest income and other revenue, including commissions earned from insurance policies, penalty fees, revenue from facilities extended for Floor Plan, and other. In 2020, total revenue amounted to Baht 160.43 million, increased from Baht 132.77 million in 2019 by 21.29% as a result of the increased revenue from facilities extended for Floor Plan.

### Expenses

In FY2020, the Company had operating expenses in Baht 447.20 million, decreased from Baht 454.82 million in FY2019. The Company's expenses consist of 3 parts, including of selling and administrative expenses, bad debts, doubtful accounts and also finance cost. The details of the expenses are outlined below:

- Selling and administrative expenses for FY2020 in the amount of Baht 269.86 million, decreased from FY2019 which was Baht 312.35 million.
- Bad debt and doubtful accounts for FY2020 in the amount of Baht 71.07 million, increased from FY2019 which was Baht 49.17 million.
- Financial cost for FY2020 in the amount of Baht 106.27 million, increased from Baht 93.30 million as a result of interest rate risig from FY2019.

### **Net profit**

The Company had net profit after income tax of Baht 98.67 million for FY2020, decreased from Baht 98.91 million in FY2019, by 0.24 %.

As a result of the company's performance, the Company earns its main income from interest income which calculates fixed interest rate. In 2019-2020, the company has interest income rate of 15.22% and 15.00%, respectively. The decrease in interest rates was due to a decrease in rental income and a drop in loans in hire-purchase interest income as a result of the decrease in hire purchase loan. Interest income for hire purchase in 2019-2020 amounted to 450.14 million baht and 411.60 million baht, respectively. Moreover, the amount of hire purchase loans in the years 2019-2020 amounting to 1,148.10 million baht and 1,084.73 million baht, respectively.

The company's interest expense consists mainly from the issuance of debentures with a fixed interest rate. In 2019, fixed debenture rate between 4.30% - 6.00% per annum, and in 2020 the Company has a fixed debenture rate of between 5.75% - 6.50% per annum. This is because the market price of the debentures has increased. Which has been affected by the overall economic condition. As a result, the cost of interest expenses increased. In 2019-2020, the Company has interest expense rates of 5.37% and 6.28%, respectively, resulting in the difference between interest income and expense interest rates at 9.85 and 8.72, respectively. As an impact, a decrease in interest income and an increase in interest expenses. As a result, the company's interest rate difference has decreased.

With lower interest rates, the company will expand its loan portfolio and reduce the interest rate by providing a source of funds with interest costs lower than the current cost of the company and repayment period close to the average age of the loan portfolio.

### **Dividend payment policy**

The Company's dividend payment policy is not less than 30% of net profit after tax of each year. Nevertheless, the Company also considered the dividend payment with other factors, such as operating performance, financial status, liquidity, company's expansion or other factors, which are relevant to the company's operation.

## **Financial Position**

### **Total Assets**

FY2020 and 2019, total assets of the company amounted to Baht 4,127.04 million, increased by Baht 432.12 million from 2019 which was Baht 3,694.92 million a result of the Company's cash and cash equivalents in 2020, the amount was Baht 338.98 million, an increase from Baht 43.18 million at the end of 2019.

### **The quality of the debtors and appropriateness of the doubtful accounts.**

Hire purchase receivables are stated at the outstanding balances less unearned hire purchase interest income and allowance for doubtful accounts. Allowance for doubtful accounts is provided for the estimated collection losses that may incur in collection of receivables. The allowance is based on collection

experience and current financial status of receivables outstanding at the balance sheet date. For FY2019 to FY2020, the Company had provisioned 3.07%, and 2.48%, respectively, which is a result of allowance for doubtful account.

In any event, after careful consideration and analysis, the Company strongly believes that it has a strong potential to collect on all accounts and that the provisions made are sufficient.

#### Total liabilities

For FY2020, the Company had total liabilities of Baht 2,146.09 million, increased from Baht 1,798.92 million in FY2019, or a 19.30%. The increasing of liabilities in FY2020 as a result the company had short term loan increased of Baht 320.00 million. Most of the company's liabilities are in the form of debentures. Since the company has a policy to issue debentures in line with the leasing period. The purpose of loan is to prevent commercial liquidity and loan risk of financial institutions.

#### Shareholders equity

In FY2020, the Company had a Shareholders' Equity of Baht 1,980.95 million, increased from Baht 1,896.00 million in FY2019, by 4.48% resulted from the the Company's operating profit.

#### Liquidity and investment structure

The nature of the car leasing business, the company's main income comes from interest income earned from loans to lease cars from customers. The company is not a financial institution; it cannot raise funds from deposits from the general public. Therefore, there are only 3 types of funding for the company to be used as loans: capital from shareholders, borrowing, and issuance of debentures.

In FY2020 and 2019, the Company had a Debt-to-Equity ratio of 1.08 and 0.95, respectively.

#### Structure and source of fund in FY2019 and 2020

	2019		2020	
	Million THB	%	Million THB	%
Shareholders' equity	1,896.00	52.88	1,980.95	46.21
Short - term loan	39.88	1.11	340.00	7.93
Long - term loan				
- Current portion	12.81	0.36	138.67	3.24
- Long-term loan	18.00	0.50	414.49	9.67
Debentures	1,618.54	45.15	1,412.65	32.95
Total loan	1,689.23	47.12	2,305.81	53.79
<b>Total</b>	<b>3,585.23</b>	<b>100.00</b>	<b>4,286.76</b>	<b>100.00</b>

As at 31 December 2020, the Company had installment receivables in the amount of Baht 3,306.18 million which divided into portion as follows:

(Unit : Million THB)

Current Portion of Hire purchase receivables (due within one year)	1,377.74
Long-term Portion of Hire purchase receivables (due over one year)	1,928.44

The current portion of the long-term outstanding loans as at ended of year 2020 was Baht 2,305.81 million while interest receivables for year 2021 is equivalent to Baht 138.67million and debentures Baht 697.02 million. Therefore, there is sufficient liquidity from future cash flow to cover the outstanding debt due.

In addition to monthly rental income, the Company still have short-term loans that can be used for institutional purposes and has been approved long-term loans from financial institutions. It is also able to issue debentures and bills of exchange to raise funds continuously. Therefore, the Company has sufficient liquidity to conduct both short-term and long-term business operations.

#### **Main factors and influence which may affect the future operational performance and financial position**

##### **Effects from Interest rates**

Hire purchase business generates revenue from the spread between interest receipt and interest expense. Changes in the prevailing hire purchase market rate and interest rate charged by financial institution affect the operations of the company.

The company as a matter of policy shall mitigate risk arising from interest rate volatility by sourcing fixed rate funding with low rate of interest rate.

##### **Effects from expanding branches to outside Bangkok**

The Company management has policy to expand leasing portfolio to outside Bangkok increasingly due to the competition is lower than in Bangkok and a few of other entrepreneurs. The Company can increase continually customer base in outside city and reach new customers. However, the competitive situation may become strongly if indirect competitors would increase do leasing services for second hand cars in the province.

##### **Business Goals and Future Project**

In the year 2020, the overall economic downturn has been affected by the COVID-19 epidemic, and has had a certain level of impact on the auto market and auto hire purchase, as well as the quality of customers. However, the Company believes that under such crisis, it would be a better opportunity for the used car market. Sales of new cars in 2020, was 792,146 units less than the year 2019 with sales of 1,007,552 units, a decrease of 215,406 vehicles or 21.38%, whereas the demand for used cars continues with various factors as follows

1. The economy is growing at the low rate or negative. But the demand for a car to be used to work still be essential. So the customers like to use second hand cars which cost less than new cars. Therefore, the second hand car sales continue to exist.

2. At present used car market uses more on online sales channels. This makes the new generation of target customers can access easier and faster to the market.

3. During the third quarter of 2020, the price of used cars increased 5-10% due to the decrease in the volume of seized cars of financial institutions as a result of the measures to provide assistance to debtors and the debt suspension from the govt. Resulting in less used cars circulating in the market and second-hand car sales operators (car tents) hurry up to looking for cars to serve the customers demand.

As a result of the aforementioned factors, in 2021, the company stress on loans for major brands of pickup trucks with high market liquidity such as TOYOTA , ISUZU , NISSAN , MITSUBISHI. By working with used car tents that are affiliated with the company for a long time to more than 2,000 tents. The financial services this year will focus on direct customer service (DIRECT MARKETING) for both old customers. And in collaboration with partners who have been appointed as MIDA AGENT which loaned in the Company's service area. As well as expedite expansion of credit service agents for providing credit services for the company the focus will be on providing direct credit (DIRECT MARKETING), increasing at a rate of 50% of total car hire purchase loan. For financial products that are service to customers, including

1. "MIDA OK" as a cash loan to existing customers who have good repayment records by providing a "ONE STOP SERVICES" through recommending from employees or customer who is still under the loan obligation with the company and need more credit by not necessary to transferring of the registration documents.
2. "MIDA AUTO FOR CASH" or "MAFC" a car hire purchase loan and cash loan to second-handed cars through direct recommendation from the company employees or agent.

Besides of the above financial products the company services credit to customers in term of "LOAN" which credit services is operated under Bank of Thailand composed of

1. **Nano Finance under Supervision** (NANO FINANCE) the company obtained licenses since 2015 Now the company give credit for good history customer. For this year the company emphasized to give a credit to the old customers and new customers who could not reach funding.
2. **Personal loan restriction** ( PERSONAL LOAN) the company have obtained licenses " Personal loan Restriction" since October 9,2018 this financial services is for the old customers and new customers who need funding.
3. **Credit with vehicle registration as collateral** This credit is continue from personal loan restriction the company emphasize on highly turnover car in the market both personal cars and pick-up truck. Target customers including the existing and new customers who want to use the money to expand their business or use for working capital and the employee or customer recommendations or direct customers, as well as a loan agent (MIDA AGENT).

## **Risk Factors**

Risk factors that may occur and affect the operation performance of the Company from providing automobile hire-purchase leasing are as follows:

### **Risk from leasing second hand cars**

Hire-purchased service for second hand cars faces risk in term of the quality of the debtors and the quality of the cars used as collateral. However, the return from second hand car hire-purchase service is higher than that of new car. As of the 31 December 2020, the proportion of hire-purchased service revenues from second cars and from new cars was 99.37%: 0.63% respectively.

### **Risk from Non-performing loans (NPL)**

The credits do not pose a risk are coupled assembling business. That the lessee is unable to repay under the legal conditions which might be caused by its internal factors such as the customer's use of the money to health care, maintenance vehicles on the installment, etc., as well as the problems from external factors such as the economic problem of oil price rise. The problem of being unemployed or quit, natural disasters, etc. These issues the company aims to focus on credit quality, effective control of debt collection, and a good internal control system. And includes strict lending policies, to limit credit risk in which affect to the company's overall operation. The company has a process to manage the credit risk as follows.

**1 . Quality control of lending** By check payment behavior of customers, from the National Credit Bureau Limited (NCB) and the introduction of the credit system SCORING used to evaluate the quality of customers applying for car leasing.

**2. Effective control of debt collection.** Using the information to control the number of outstanding contracts coupled with strict policy to follow debt. The overdue return to the normal status as much and as quick as possible. The measures are as follows: In case of default 1<sup>st</sup> installment will send official warning letter no. 1 along with the authorities to track down and call customers. In case of default the 2<sup>nd</sup> and 3<sup>rd</sup> installment authorities to send warning letters to accelerate the introduction and monitoring customer demand and the guarantor if the customer does not contact or payment. The company will have staff on the ground to meet the customer immediately. In case of default more than 3 installments, the Company will issue to terminate the lease agreement, by the time the 30-day maturity period. If customers do not contact, the company will continue to press and seize the car back. If the company cannot keep track of confiscated cars have been restored or if the auction sale of confiscated vehicles but have insufficient funds to pay outstanding debts. The company will take legal action against the customer and the guarantor. It is a lawsuit in order to get the most debt.

### **Risk from sale of the seized cars**

When a client defaults payment or payments not taken unpaid accumulated since 3 consecutive periods. The company will terminate the contract and seize the car back. The car taken will be sold by auction method. If the proceeds from the sale of car seized not enough to pay debt, the Company also claims the absence from the absence and gurantor. However, the risk from loss of the sale of the seized cars or secondhand cars, this generally occurs less than in the case of new cars due to the decline in car prices

according to the useful life of each year will be high in the first year or in the case of new cars and a slower rate in the period of the car has a longer useful life.

#### **Risk from relying on funding sources from debt securities funding**

In the past year, the company issued debentures as the main working capital of the company. To be used for supporting investments in the company's business. The market price of the debentures is subject to change depending on various factors such as the interest rate level in the financial market. Policy of the Bank of Thailand economy situation inflation rate. Therefore, if there is fluctuation in the bond market and the company is unable to renewal of the matured debentures (Rollover), it may affect the company in the repayment of principal and interest.

In 2020, the company had outstanding debentures of 1,142.65 million baht, or 56.13% of total interest-bearing liabilities of 2,035.81 million baht.

Balance As of 31 December 2020, the Company has outstanding debentures. The details are as follows.

(Unit :Thousand Baht)					
Debenture	Duration	Date of issue	Maturity date	Interest rate (% p.a.)	Consolidated and separate F/S
1	2 years	13 November 2019	13 November 2021	5.75	697,026
2	1 years 6 month	7 October 2020	7 April 2022	6.50	445,626
Total					1,142,652
<u>Less</u> Current portion					(697,026)
Debentures - net					445,626

In year 2021, the Company has debentures due amounting to Baht 697.03 million. The company plan to repay some of the debentures by issuing new debentures. However, the company plans to reduce its reliance on debt financing sources by increasing credit limit from financial institutions to reduce the said risk. And when the company has sufficient cash flow from operation to gradually repay debentures in order to low level of debt to equity.

#### **Interest rate risk**

The Company has main revenue from interest hire-purchase income. Which calculate interest at the fixed rate. Interest rate depends on the amount of loan, installment period, age of car loan. In the mean time, the company's interest payment mainly from the interest paid for debentures at fixed rate. The market price of debentures may be fluctuated depends on many factors such as interest level in money market, Bank of Thailand's policy, economy situation, inflation.

Therefore, if the interest rate of debentures in the market is very volatile, with the interest rate being adjusted higher. And the interest rate received could not rise to keep up with the rising interest rates payment. Will affect the difference between interest rates received and interest rate payment to be reduced. From such risk, the company will try to increase the interest rate received more. Which will increase the company's income by expanding branches to more provincial markets. The intensity of competition in upcountry markets is still less than that in Bangkok and its suburbs. And more ways to expand new hire purchase loans in the provincial market, the company can charge interest rates higher than the market in Bangkok. At the same time, the company tries to maintain its market share in the same market by providing good and fast service that impresses its customers in order to keep customers coming back or recommending other customers to use the service. Of the company in addition, the company tries to maintain a good relationship with the second-hand car tent operators by providing Floor Plan loans. The loan gives such operators working capital for their operations and to build a customer base for the company. And the company will reduce the interest rate payment by seeking source of funds with low financial costs. To maintain the difference between interest rate income and interest rates payment at the appropriate level.

#### **Risk from investing and management in non-performing debt**

The company has invested in non-performing loan from financial institutions to be collected by collection itself. In determining the auction price to purchase debt, the company will consider the type of debt, the quality of each type of debt, overdue period. Acquisition of non-performing loan from financial institutions to manage. The main income was come from manage debt collection on non-performing loan to target. As well as bringing property to sales by the auction, risk primarily comes from asset quality. If asset quality deteriorates, it will affect to revenue and performance of the company.

In 2015, the company bought non-performing loan from financial institution. By purchased Hire-purchase loan for collection. The company has the policy to manage the non-performing loan in case the customers faced with the problem such as economic slow-down, the drought etc., resulting in the customer could not pay the debt. The company will have a compromise on the basis of cooperation between creditor and debtors (Voluntary basis Restructuring.) and help debtors who have problems in various fields. Including financing to make debtors turned to normal status. In the event that the debtor was unable to pay the debt and want to return the collateral. The company will sell the collateral by auction. The value of collateral assets or assets held for sale may change according to market conditions. The company has a risk from holding such assets for a long time. This will affect the revenue of the company, if there is improper or ineffective management such as the change in property prices resulting in economic conditions and the company determines the selling price of the property that is not consistent with the market conditions. This will make the opportunity to sell assets more difficult or get a lower price this cases , the company tries to control the period that will be able to dispose of assets quickly and efficiently and set marketing strategies that are suitable for target customers to reduce the risk of long-term holding of assets.



However, the Company emphasizes on the optimization of the work process by considering the re-process, starting from the acquisition of the asset portfolio to manage it according to customer needs. Including giving importance to knowledge management from experience in the business of non-performing assets management such as Due Diligence, asset appraisal and collection of debt including management and disposal of foreclosed assets etc. . In addition, the company has important strengths that have advantages over competitors. That is the company has headquarters and 16 branch offices covering key areas throughout the country, with experienced personnel in each area, both physical and customer behavior including making portfolio management and non-performing loan management to be efficient.

**Management Risk of Shareholding in the Company by a group of major shareholder.**

As of December 31, 2020, MIDA Assets Public Company Limited holds 500,214,000 shares with a par value of 0.50 baht per share, or 46.98 percent of the paid-up capital, as a result, the agenda of law of regulation required to receive votes of not less than three-fourths of the number of vote of the shareholders who attend the meeting and have the right to vote. A resolution will not be passed if MIDA Assets Public Company Limited abstained or voted against the agenda. But if it is a consideration of the connected transaction and the acquisition or disposition of assets, required to receive votes of not less than three-fourths of the number of shareholders' votes and voting rights. Therefore, the minority shareholders can check and balances the important matters relating to the Company's major shareholders. However, the company has a policy towards all shareholders equally.

**The risk from the difference between credit term & borrowing term and financial liquidity.**

Most companies operating in hire purchase business face risks arising from differences in credit term & borrowing term and financial liquidity. The Company provides loans to customers for a period of 1 - 5 years. while most of the company's financing comes from loans from financial institutions and debt instruments with a term of 1-3 years. Therefore, there may be a risk from the time difference (Duration Gaps) and resulting in inconsistent income and expenditure conditions, It could lead to the risk of lack of operating liquidity. Therefore, the company is aware of risks and perform risk management by classifying the Company's new hire purchase receivables into short and long term. The Company realizes such risk and manages it by stratifying the new hire purchase receivables of the company into short and long term including adjusting the credit term to be consistent with the repayment period of the loan from various sources and also increasing the proportion of loans from various sources with a suitable period of time. This will reduce time differences and be able to manage financial costs more appropriately, also it will reduce the risk of lack of operation of liquidity to be at the appropriate level for continued business continuity.

**Risk from relying on personnel with specific expertise.**

As the Company's business requires credit personnel with knowledge, expertise and experience in inspections and market price of used cars as well, including personnel involved in credit acceleration with knowledge and ability to track customers. In 2020, the company has personnel responsible for 65 credit personnel and 42 credit debt collector, which are the advantages of Company compared to competitors. Moreover, the Company's personnel have knowledge, understanding & experience in marketing and customer services. In building a good relationship with many car distributors continuously, including empathy and continuous development of after-sales service. The company was able to maintain the existing customer base and able to expand to new customer groups.

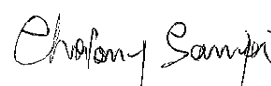
Therefore, if the company lacks personnel as mentioned, there is a potential impact on the short-term operations of the company. However, the company has a policy to reduce the loss of these skilled personnel by persuading them to work with the company for the long term, with various compensation and providing them with ongoing knowledge development

### Report from the Audit Committee

The Audit Committee of the Company consists of three independent directors who have all qualifications determined by the Stock Exchange of Thailand, to perform duties and responsibilities in accordance with the rules and regulations of the Stock Exchange Commission and the Stock Exchange of Thailand. The Audit Committee reports directly to the Board of Directors of the Company. During the fiscal year 2020, the Audit Committee held 4 meetings to examine the following issues (every audit committee members attended every meeting).

- 1) Review and provide opinions on the quarterly financial statement and annual financial statement of the Company with auditors, accounting and finance department, and internal audit department prior to presenting those financial statement to the Board of Director
- 2) Review the internal control plan of 2020 of the internal audit department and recommend the set up of detailed manual of audit committee to ensure the effectiveness of the internal control system and monitor the control to be in accordance with the plan.
- 3) Review and examine the Company to perform by laws, government rules, and the Company's regulations.
- 4) Review the regulations of Related Transaction and disclosure of the information in accordance with the rules and regulations of the Stock Exchange of Thailand.

The Audit Committee gives an opinion that in 2020, the Company has an adequate corporate governance and internal control system. The preparation of and the disclosure in the financial statement are accurate and in compliance with the generally accepted accounting principles, in which the Audit Committee had reported the performance to the Board of Directors of the Company.



Pol.Lt.Gen. Chalongsam Sonjai

Audit Committee Chairman



## INDEPENDENT AUDITOR'S REPORT

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### To the Shareholders of Mida Leasing Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of Mida Leasing Public Company Limited and subsidiary ("the Group"), which comprise the consolidated and separate statement of financial position as at 31 December 2020, the consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Mida Leasing Public Company Limited and subsidiary as at 31 December 2020, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### *Basis for Opinion*

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





### Key Audit Matters

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

Key audit matter	How the matter was addressed in the audit
<p><b>Allowance for impairment of hire-purchases receivable</b></p> <p>As at 31 December 2020, the Group has hire-purchase receivables in consolidated and separate financial statements of Baht 2,556.61 million net of allowances for impairment in consolidated and separate financial statements of Baht 87.52 million</p> <p>The Group has adopted Thai Financial Reporting Standard No. 9 Financial Instruments, effective from 1 January 2020, which stipulates the basis to be used for calculation of impairment on financial instruments is the expected credit loss method. The estimation of allowance for impairment of hire-purchases receivable was applied simplified approach for measurement the expected credit loss for the hire-purchases receivable. It is no longer necessary for a credit event to have occurred before credit losses are recognized and judgement about how changes in economic factors affect expected credit loss and probability-weighted basis. Estimation is necessary to use significant management judgement to develop the expected credit loss model from past event to present. The estimation of allowance for impairment is significant, I therefore, focused on the audit for adequacy of the allowance for impairment of hire-purchases receivable.</p> <p>The Group disclosed allowance for impairment for hire-purchases receivable in Note 6 to financial statements and significant accounting policies.</p>	<p>I made an inquiry the responsible management to obtain understanding of the internal control relevant to the recording of transactions, collection of debts and receipt of payment from debtors, and the procedures for the estimation of the allowance for impairment of hire-purchases receivable.</p> <p>I tested, on a sampling basis, the operating effectiveness of designed internal control.</p> <p>I assessed and tested the reasonableness of the expected credit loss model, reviewed the model development documentation, and tested, on a sampling basis, the accuracy and completeness of the data used in model development. I also assessed the methods and assumptions applied by the Group in the calculation of the allowance for expected credit losses from past event to present, including reviewing the method used to incorporate the management overlay on the allowance for expected credit losses and assessed the reasonableness of economic factors.</p> <p>I also considered the adequacy and appropriateness of disclosures in the notes to financial statements.</p>

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### *Other Information*

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and revised a material misstatement.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



**Mr. Narin Churamongkol**  
Certified Public Accountant  
Registration No. 8593

Grant Thornton Limited  
Bangkok  
1 March 2021



**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENT OF FINANCIAL POSITION**

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	338,984,208	43,179,226	338,973,322	43,142,487
Current portion of hire-purchases receivable	6	986,471,266	1,022,109,642	986,471,266	1,022,109,642
Other receivables - general customers - net	7	69,465,553	64,330,023	69,465,553	64,330,023
- related companies	8	-	-	998,071	815,441
Short-term loan to related companies					
and interest receivable	8	464,567,937	215,862,500	520,191,885	339,350,001
Current portion of loans to other parties	9	221,380,928	207,361,174	221,380,928	207,361,174
Inventories		2,555,607	2,555,607	2,555,607	2,555,607
Assets foreclosed - net	10	30,253,974	42,121,027	30,253,974	42,121,027
Other current assets		69,711	48,503	68,339	47,031
<b>Total current assets</b>		<b>2,113,749,184</b>	<b>1,597,567,702</b>	<b>2,170,358,945</b>	<b>1,721,832,433</b>
<b>NON-CURRENT ASSETS</b>					
Restricted deposit with bank	11	113,658	112,874	113,658	112,874
Investments in accounts receivable - net	12	115,229,335	117,990,596	433,539	3,194,800
Hire-purchases receivable - net	6	1,570,143,149	1,704,025,592	1,570,143,149	1,704,025,592
Loans to other parties - net	9	76,514,873	31,144,920	76,514,873	31,144,920
Investment in subsidiary company	13	-	-	99,999,970	24,999,970
Property, building and equipment - net	14	97,591,731	101,374,283	97,591,731	101,374,283
Right-of-use assets - net	15	5,062,940	-	5,062,940	-
Investment properties	16	83,743,462	36,168,462	83,743,462	36,168,462
Assets with restriction on sale	17	8,506,924	49,575,000	8,506,924	49,575,000
Deferred tax asset	18	55,773,594	56,381,180	55,773,594	56,381,180
Other non-current assets		611,800	586,300	611,800	586,300
<b>Total non-current assets</b>		<b>2,013,291,466</b>	<b>2,097,359,207</b>	<b>1,998,495,640</b>	<b>2,007,563,381</b>
<b>TOTAL ASSETS</b>		<b>4,127,040,650</b>	<b>3,694,926,909</b>	<b>4,168,854,585</b>	<b>3,729,395,814</b>

## MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term loans					
from financial institutions	19	340,000,000	39,878,379	340,000,000	39,878,379
Trade accounts payable and other payables	20	67,917,669	76,516,760	67,817,354	76,416,442
Other payable - related companies	8	43,409	39,897	43,409	39,897
Current portion of :					
- Lease liabilities	21	2,356,900	-	2,356,900	-
- Long-term loans	22	138,668,000	12,809,003	138,668,000	12,809,003
- Debentures	23	697,025,876	924,812,248	697,025,876	924,812,248
- Employee benefits obligation	24	370,263	134,163	370,263	134,163
Income tax payable		18,337,369	16,188,744	18,337,369	16,188,744
Other current liabilities		531,517	660,235	531,517	660,235
<b>Total current liabilities</b>		<b>1,265,251,003</b>	<b>1,071,039,429</b>	<b>1,265,150,688</b>	<b>1,070,939,111</b>
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities - net	21	2,895,513	-	2,895,513	-
Long-term loans - net	22	414,493,000	18,004,337	414,493,000	18,004,337
Debentures - net	23	445,626,157	693,726,869	445,626,157	693,726,869
Employee benefits obligation - net	24	17,824,713	16,153,363	17,824,713	16,153,363
<b>Total non-current liabilities</b>		<b>880,839,383</b>	<b>727,884,569</b>	<b>880,839,383</b>	<b>727,884,569</b>
<b>TOTAL LIABILITIES</b>		<b>2,146,090,386</b>	<b>1,798,923,998</b>	<b>2,145,990,071</b>	<b>1,798,823,680</b>

## MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital : ordinary share, Baht 0.50 par value					
Registered 1,064,797,263 shares					
(2019 : 1,597,193,482 shares)	25	532,398,632	798,596,741	532,398,632	798,596,741
Issued and fully paid-up					
1,064,797,263 shares		532,398,632	532,398,632	532,398,632	532,398,632
Premium on share capital	26	165,221,730	165,221,730	165,221,730	165,221,730
Retained earnings					
Appropriated for statutory reserve	27	65,300,000	65,300,000	65,300,000	65,300,000
Unappropriated		1,218,029,902	1,133,082,549	1,259,944,152	1,167,651,772
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,980,950,264</b>	<b>1,896,002,911</b>	<b>2,022,864,514</b>	<b>1,930,572,134</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>4,127,040,650</b>	<b>3,694,926,909</b>	<b>4,168,854,585</b>	<b>3,729,395,814</b>

**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	2020	2019	2020	2019
REVENUES					
Hire-purchase financing income		411,605,610	450,140,781	411,605,610	450,140,781
Interest income	8	63,047,856	44,920,636	69,973,964	52,585,934
Other income	30	97,379,632	87,351,269	97,559,632	87,531,269
Total revenues		572,033,098	582,412,686	579,139,206	590,257,984
EXPENSES					
Selling expenses	31	37,320,336	43,825,188	37,320,336	43,825,188
Administrative expenses	8, 31	232,537,375	268,524,188	232,298,456	266,303,584
Bad debts and allowance for doubtful accounts	31	71,066,425	49,168,139	71,066,425	49,168,139
Finance cost	8	106,271,854	93,304,262	106,271,854	93,304,262
Total expenses		447,195,990	454,821,777	446,957,071	452,601,173
Profit before income tax		124,837,108	127,590,909	132,182,135	137,656,811
Income tax	18	(26,166,485)	(28,680,760)	(26,166,485)	(28,680,760)
Profit for the year		98,670,623	98,910,149	106,015,650	108,976,051
Other comprehensive income for the year					
Item not to be reclassified subsequently to profit or loss					
Actuarial gain - net of tax	18, 24	-	4,055,769	-	4,055,769
Total comprehensive income for the year		98,670,623	102,965,918	106,015,650	113,031,820
ATTRIBUTION OF PROFIT FOR THE YEAR					
The Company's shareholders		98,670,623	98,910,149	106,015,650	108,976,051
Non-Controlling interests in subsidiary		-	-	-	-
		98,670,623	98,910,149	106,015,650	108,976,051
ATTRIBUTION OF COMPREHENSIVE INCOME FOR THE YEAR					
The Company's shareholders		98,670,623	102,965,918	106,015,650	113,031,820
Non-Controlling interests in subsidiary		-	-	-	-
		98,670,623	102,965,918	106,015,650	113,031,820
Basic earnings per share					
Profit (Baht per share)		0.09	0.09	0.10	0.10
Weighted average number of ordinary shares (Unit : share)		1,064,797,263	1,064,797,002	1,064,797,263	1,064,797,002

**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Baht)								
	Notes	Issued and fully paid - up share capital	Premium on share capital	Retained earnings Statutory reserve	Unappropriated	Total equity of the Company's shareholders	Non-controlling interests' equity	Total shareholders' equity
<u>Consolidated F/S</u>								
Balance as at 1 January 2019		532,398,318	165,220,048	59,800,000	1,035,616,631	1,793,034,997	-	1,793,034,997
Warrants converted to ordinary shares	25	314	1,682	-	-	1,996	-	1,996
Appropriated for statutory reserve		-	-	5,500,000	(5,500,000)	-	-	-
Transactions with shareholders		314	1,682	5,500,000	(5,500,000)	1,996	-	1,996
Profit for the year		-	-	-	98,910,149	98,910,149	-	98,910,149
Other comprehensive income for the year	18, 24	-	-	-	4,055,769	4,055,769	-	4,055,769
Total comprehensive income for the year		-	-	-	102,965,918	102,965,918	-	102,965,918
Balance as at 31 December 2019		532,398,632	165,221,730	65,300,000	1,133,082,549	1,896,002,911	-	1,896,002,911
Balance as at 1 January 2020 - as previously reported		532,398,632	165,221,730	65,300,000	1,133,082,549	1,896,002,911	-	1,896,002,911
Impact of first-time adoption of new accounting standards	2.4.3	-	-	-	18,219,693	18,219,693	-	18,219,693
Balance as at 1 January 2020 - after adjustments		532,398,632	165,221,730	65,300,000	1,151,302,242	1,914,222,604	-	1,914,222,604
Cash dividend payment	28	-	-	-	(31,942,963)	(31,942,963)	-	(31,942,963)
Transactions with shareholders		-	-	-	(31,942,963)	(31,942,963)	-	(31,942,963)
Profit for the year		-	-	-	98,670,623	98,670,623	-	98,670,623
Total comprehensive income for the year		-	-	-	98,670,623	98,670,623	-	98,670,623
Balance as at 31 December 2020		532,398,632	165,221,730	65,300,000	1,218,029,902	1,980,950,264	-	1,980,950,264

**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Baht)

		Issued and fully paid - up	Premium on	Retained earnings		
	Notes	share capital	share capital	Statutory reserve	Unappropriated	Total
<u>Separate F/S</u>						
Balance as at 1 January 2019		532,398,318	165,220,048	59,800,000	1,060,119,952	1,817,538,318
Warrants converted to ordinary shares	25	314	1,682	-	-	1,996
Appropriated for statutory reserve		-	-	5,500,000	(5,500,000)	-
Transactions with shareholders		314	1,682	5,500,000	(5,500,000)	1,996
Profit for the year		-	-	-	108,976,051	108,976,051
Other comprehensive income for the year	18, 24	-	-	-	4,055,769	4,055,769
Total comprehensive income for the year		-	-	-	113,031,820	113,031,820
Balance as at 31 December 2019		532,398,632	165,221,730	65,300,000	1,167,651,772	1,930,572,134
Balance as at 1 January 2020 - as previously reported		532,398,632	165,221,730	65,300,000	1,167,651,772	1,930,572,134
Impact of first-time adoption of new accounting standards	2.4.3	-	-	-	18,219,693	18,219,693
Balance as at 1 January 2020 - after adjustments		532,398,632	165,221,730	65,300,000	1,185,871,465	1,948,791,827
Cash dividend payment	28	-	-	-	(31,942,963)	(31,942,963)
Transactions with shareholders		-	-	-	(31,942,963)	(31,942,963)
Profit for the year		-	-	-	106,015,650	106,015,650
Total comprehensive income for the year		-	-	-	106,015,650	106,015,650
Balance as at 31 December 2020		532,398,632	165,221,730	65,300,000	1,259,944,152	2,022,864,514



**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED 31 DECEMBER**

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Profit before income tax	124,837,108	127,590,909	132,182,135	137,656,811
<b>Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities</b>				
Depreciation	6,651,686	4,629,319	6,651,686	4,629,319
Gain on sales of investments in trading securities	-	(180,091)	-	(180,091)
Bad debts and allowance for doubtful accounts	71,066,425	49,168,139	71,066,425	49,168,139
Loss from disposal and written-off of fixed assets	2,626	136,900	2,626	136,900
Loss (gain) from disposal of assets foreclosed	(16,988,074)	9,158,161	(16,988,074)	9,158,161
Allowance for impairment of assets foreclosed	71,462,614	78,762,575	71,462,614	78,762,575
Gain on sale of investment in property	(2,900,000)	(5,940,000)	(2,900,000)	(5,940,000)
Employee benefits obligation expense	1,566,690	5,175,455	1,566,690	5,175,455
Interest income	(63,047,856)	(44,920,636)	(69,973,964)	(52,585,934)
Finance cost	106,271,854	93,304,262	106,271,854	93,304,262
<b>Cash provided from operating activities before changes in operating assets and liabilities</b>	<b>298,923,073</b>	<b>316,884,993</b>	<b>299,341,992</b>	<b>319,285,597</b>
<b>Decrease (increase) in operating assets</b>				
Hire-purchases receivable	(70,110,040)	(80,873,659)	(70,110,040)	(80,873,659)
Other receivables - general customers	(11,748,196)	(3,407,163)	(11,748,196)	(3,588,468)
- related company	-	-	(182,630)	-
Investment in accounts receivable	2,622,422	73,697,966	2,622,422	8,493,762
Inventories	-	2,518,225	-	2,518,225
Assets foreclosed	167,745,690	141,848,619	167,745,690	141,848,619
Other current assets	(21,208)	134,643	(21,308)	134,744
Other non-current assets	(25,500)	76,300	(25,500)	76,300
<b>Increase (decrease) in operating liabilities</b>				
Trade accounts payable and other accounts payable	(10,224,378)	(28,739,557)	(10,224,374)	(28,779,530)
Other payable - related companies	3,512	(55,459)	3,512	(55,459)
Other current liabilities	(128,718)	(805,288)	(128,718)	(805,288)
Employee benefits paid	-	(10,000,740)	-	(10,000,740)
<b>Cash provided from operations</b>	<b>377,036,657</b>	<b>411,278,880</b>	<b>377,272,850</b>	<b>348,254,103</b>
Cash paid for interest	(100,192,892)	(102,193,325)	(100,192,892)	(102,193,325)
Income tax paid	(27,965,197)	(31,579,622)	(27,965,197)	(31,579,622)
<b>Net cash provided from operating activities</b>	<b>248,878,568</b>	<b>277,505,933</b>	<b>249,114,761</b>	<b>214,481,156</b>

**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED 31 DECEMBER**

	<b>Consolidated F/S</b>		<b>Separate F/S</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows from investing activities</b>				
Interest received	48,097,741	27,410,544	59,057,401	53,765,487
Purchases of investment in trading securities	-	(700,000,000)	-	(700,000,000)
Proceeds from sales of investments in trading securities	-	700,235,773	-	700,235,773
Payment for investment in subsidiary	-	-	(75,000,000)	-
Increase in restricted deposits with bank	(784)	(997)	(784)	(997)
Payment for loans to related companies	(614,000,000)	(253,000,000)	(614,210,000)	(253,750,000)
Proceeds from loans to related companies	369,200,000	38,000,000	433,240,000	75,390,000
Proceeds from disposal of investment property	4,900,000	15,000,000	4,900,000	15,000,000
Payment for loans to other parties	(276,252,750)	(247,978,305)	(276,252,750)	(247,978,305)
Proceeds from loans to other parties	207,138,176	241,731,038	207,138,176	241,731,038
Payment for acquisition of assets	(369,684)	(1,901,681)	(369,684)	(1,901,681)
Proceeds from disposal of assets	-	252,776	-	252,776
<b>Net cash used in investing activities</b>	<b>(261,287,301)</b>	<b>(180,250,852)</b>	<b>(261,497,641)</b>	<b>(117,255,909)</b>
<b>Cash flows from financing activities</b>				
Proceeds from bank overdrafts and short-term loans from financial institutions	437,813,660	132,890,624	437,813,660	132,890,624
Repayment for bank overdrafts and short-term loans from financial institutions	(137,692,039)	(132,609,069)	(137,692,039)	(132,609,069)
Repayment for loans from parent company	-	(78,000,000)	-	(78,000,000)
Proceeds from issuance of debentures	450,000,000	1,470,000,000	450,000,000	1,470,000,000
Repayment for debentures	(930,000,000)	(1,470,000,000)	(930,000,000)	(1,470,000,000)
Proceeds from long-term loans	596,000,000	-	596,000,000	-
Repayment for long-term loans	(73,652,340)	(12,090,444)	(73,652,340)	(12,090,444)
Repayment of lease liabilities	(2,312,603)	-	(2,312,603)	-
Proceeds from warrants converted to ordinary shares	-	1,996	-	1,996
Cash dividend payment	(31,942,963)	-	(31,942,963)	-
<b>Net cash provided from (used in) financing activities</b>	<b>308,213,715</b>	<b>(89,806,893)</b>	<b>308,213,715</b>	<b>(89,806,893)</b>
<b>Net increase in cash and cash equivalents</b>	<b>295,804,982</b>	<b>7,448,188</b>	<b>295,830,835</b>	<b>7,418,354</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>43,179,226</b>	<b>35,731,038</b>	<b>43,142,487</b>	<b>35,724,133</b>
<b>Cash and cash equivalents at end of year</b>	<b>338,984,208</b>	<b>43,179,226</b>	<b>338,973,322</b>	<b>43,142,487</b>
<b>Supplemental cash flows information:</b>				
Non-cash transactions				
Transfer foreclosed assets from hire-purchases receivables to assets foreclosed	210,353,178	242,255,126	210,353,178	242,255,126
Transfer assets with restriction on sale to investment properties	49,575,000	-	49,575,000	-
Recognition of right-of-use assets and lease liabilities	7,565,017	-	7,565,017	-
Settlement of loans to other parties and accrued interest income with asset:	8,506,924	-	8,506,924	-



**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**31 DECEMBER 2020 AND 2019**

**1. GENERAL INFORMATION**

Mida Leasing Public Company Limited (“the Company”) was incorporated in Thailand and has its registered office at 482-5, Soi Chaengwattana 14, Chaengwattana Road, Thungsonghong, Lak si, Bangkok, Thailand. As of 31 December 2020, the Company has 17 branches in Bangkok and in the provinces.

The Company has listed its shares for trading on the Stock Exchange of Thailand since 19 August 2004.

The Company’s major shareholder is Mida Assets Public Company Limited, a listed company on the Stock Exchange of Thailand, (at 46.98% shareholding).

The Group has its own operations in Thailand and is principally engaged in providing financial services for used cars hire-purchasing, other financial services and management of non-performing assets.

**2. BASIS OF FINANCIAL STATEMENTS PREPARATION**

**2.1 Statement of compliance**

The accompanying financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) issued under the Accounting Professions and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must be in compliance with the official report in Thai.

The consolidated and separate financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to use of certain critical accounting estimates and to exercise judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.1.

## 2.2 Principles of consolidation

The consolidated financial statements include the accounts of Mida Leasing Public Company Limited and subsidiary, Mida Asset Management Company Limited, for which it owns 99.99% of capital shares.

The percentage of subsidiary's total assets as at 31 December 2020 and 2019 and total revenue for the years ended 31 December 2020 and 2019 as included in the consolidated of financial statement are as follow:

	Percentage of subsidiaries' total assets to consolidated total assets		Percentage of subsidiaries' total revenues to consolidated total revenues	
			For the years ended 31 December	
	2020	2019	2020	2019
<u>Subsidiary Company</u>				
Mida Asset Management Company Limited	2.78	3.11	-	-

Significant inter-company transactions with subsidiary included in the consolidated financial statements have been eliminated.

The consolidated financial statements have been prepared with the same accounting policies as for the separate financial statements for the same accounting transactions or accounting events.

## 2.3 Significant changes during the year 2020 are as follows:

### 2.3.1 Effect from Coronavirus 19 pandemic

The Coronavirus 19 pandemic is continuing to evolve, resulting in an economic slowdown, and adversely impacting most businesses and industries. This situation may bring uncertainties and also have impact on the environment in which the Group operates. The Group's management has used estimates and judgment for recognizing the effects to the financial statements in respect of various issues as the situation has evolved, using the best information obtained up to the date of this report.

### 2.3.2 Accounting guidance on temporary relief measures of the COVID-19 pandemic for accounting alternatives by the Group

As at 31 December 2020, The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in uncertainties assessed the financial impact from estimation. The Group has elected Accounting Guidance on Temporary relief Measures for Accounting Alternatives which announced by The Federation of Accounting Professions for alleviate impact from Coronavirus disease 2019 pandemic (COVID 19) for the reporting periods ending between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss.

## 2.4 Changes in the Financial Reporting Standards

Financial Reporting Standards, Interpretations and guidance which effective from 1 January 2020

### 2.4.1 Thai Financial Reporting Standards related to “Financial instruments”

TFRS 7	Financial instruments: Disclosure
TFRS 9	Financial instruments
TAS 32	Financial instruments: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

In which present the new requirements on the classification and measurement of financial assets and financial liabilities, impairment methodology and hedge accounting, replacing the accounting standards, guidance and interpretations relevant to financial instruments that have been effective.

The Group's management has assessed the potential impact on the financial statement of Thai Financial Reporting Standards related to “Financial instruments” as follows:

#### Classification and measurement of financial assets and financial liabilities

##### Financial assets

Financial assets for debt instrument contain three principal classification categories: measured at (1) amortized cost, (2) fair value through profit or loss, and (3) fair value through other comprehensive income based on the business model of the Group in which they are managed and based on the cash flow characteristics of the financial assets.

Financial assets measured at amortized cost shall be calculated using effective interest rate and recognized revenues in statement of profit or loss.

Financial assets for equity instrument are measured at fair value through profit or loss. The Group considers to recognize financial assets at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss.

### Financial liabilities

Financial liabilities which classified and measured at amortize cost. Interest expenses is calculated by using effective interest rate and recognized as expenses in statement of profit or loss.

Derivative liabilities are classified and measured at fair value through profit or loss except for derivatives contracts which applied hedge accounting are measured at fair value through other comprehensive income.

The classification and measurement under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Group's financial assets and financial liabilities as at 1 January 2020.

(Unit : Thousand Baht)

Transactions	Consolidated F/S			Separate F/S		
	Classification under previous standards as at 31 December 2019	Classification under TFRS 9 as at 1 January 2020 - before adjustment		Classification under previous standards as at 31 December 2019	Classification under TFRS 9 as at 1 January 2020 - before adjustment	
	Carrying amounts	Fair value through profit or loss	Amortized cost - net	Carrying amounts	Fair value through profit or loss	Amortized cost - net
<b>Financial assets</b>						
Cash and cash equivalents	43,179	-	43,179	43,142	-	43,142
Hire-purchases receivable	2,726,136	-	2,726,136	2,726,136	-	2,726,136
Other receivables - general customers	64,330	-	64,330	64,330	-	64,330
Short-term loan to related company and interest receivable	215,862	-	215,862	339,350	-	339,350
Loans to other parties	238,506	-	238,506	238,506	-	238,506
Restricted deposit with bank	113	-	113	113	-	113
Investments in accounts receivable	117,991	117,991	-	3,195	3,195	-
<b>Total</b>	<b>3,406,117</b>	<b>117,991</b>	<b>3,288,126</b>	<b>3,414,772</b>	<b>3,195</b>	<b>3,411,577</b>
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	39,878	-	39,878	39,878	-	39,878
Debentures	1,618,539	-	1,618,539	1,618,539	-	1,618,539
Long-term loans	30,813	-	30,813	30,813	-	30,813
<b>Total</b>	<b>1,689,230</b>	<b>-</b>	<b>1,689,230</b>	<b>1,689,230</b>	<b>-</b>	<b>1,689,230</b>

Financial assets and financial liabilities which measured at amortize cost is closed to fair value.

Impairment - Financial assets and contract assets

The Group has assessed the impairment of financial assets and contract assets by forward-looking 'expected credit loss' (ECL) model. It is no longer necessary for a credit event to have occurred before credit losses are recognizes and judgement about how changes in economic factors affect expected credit loss and probability - weighted basis. However, the new assessment applies to financial assets measured at amortize cost and fair value to other comprehensive income.

The Group has determined that the application of TFRS 9 are as follows:

- Hire-purchase receivable and other receivables applied simplified approach for measurement by expected credit loss for the receivable.
- Loans to other parties and investments in accounts receivable applied general approach by 12-months expected credit loss / lifetime expected credit loss.

The result of the Group an additional allowance for impairment loss as at 1 January 2020 are as follows:

	(Unit : Thousand Baht)
	Consolidated and Separate F/S
Allowance for impairment losses as at 31 December 2019 for :	
- Allowance for doubtful debts - hire-purchases receivable	117,139
- Allowance for doubtful debts - other receivables	21,049
	<u>138,188</u>
Reversal on impairment as at 1 January 2020 for :	
- Hire-purchases receivable	(22,327)
- Other receivables	(447)
	<u>115,414</u>
Allowance for impairment losses as at 1 January 2020	<u>115,414</u>

The Group has chosen to recognize the reversal on impairment as an adjustment to retained earnings as at 1 January 2020.

## 2.4.2 Thai Financial Reporting Standards 16 “Lease”

TFRS 16 describes the new principles for the recognition of leases, replacing Thai Accounting Standard No. 17 “Leases”, and several leases-related Interpretations. The new standard defines the requirements for leases will be recorded in the statement of financial position in the form of right-of-use asset and lease liabilities except short-term leases agreement which period less than 12 months or low value of asset and provides additional guidance in many areas.

Under the Thai Financial Reporting Standard No. 16 “Leases”, no significant changes to the accounting for lessors.

The Group recognizes the right-of-use assets and lease liabilities that effect to change in nature of expenses related to those leases. The Group recognizes depreciation expenses from the right-of-use assets and interest expense of lease liabilities instead of expenses from lease agreements.

For payments of short-term lease or leases of low-value assets will be recognizes as expenses in profit or loss on a straight-line basis over the lease term.

The Group uses the Temporary Relief Measures approach and recognize the right-of-use assets and lease liabilities at the first adoption date in which this method will have no effect to the retained earnings as at 1 January 2020 and no restatement to the comparative information.

The measurement of lease liabilities at the 1 January 2020 are as follows:

	(Unit: Thousand Baht)
	Consolidated and Separate F/S
Operating lease commitments disclosed as at 31 December 2019	4,177
<u>Add</u> Right of extension options reasonably certain to be exercised	4,204
<u>Less</u> Deferred interest expenses	(816)
Lease liabilities from TFRS 16 adoption as at 1 January 2020	7,565
Comprised of	
- Current portion of lease liabilities	2,695
- Lease liabilities - net	4,870
Total	7,565

#### 2.4.3 Impact on the financial information

The adoption of Thai Financial Reporting Standard No. 9 and Thai Financial Reporting Standard No.16 has impact to the Group statements of financial position as of 1 January 2020 are as follows:

	(Unit: Thousand Baht)		
	Consolidated and Separate F/S		
	Adjustments		
	Thai Financial Reporting Standard No. 9	Thai Financial Reporting Standard No. 16	Restated
<b>Statement of financial position</b>			
<u>Current assets</u>			
Current portion of hire-purchases			
receivable	1,022,110	22,327	-
Other receivables - general customers	64,330	447	-
<u>Non-current assets</u>			
Hire-purchases receivable	1,704,026	-	-
Right-of-use assets	-	-	7,565
Deferred tax assets	56,381	(4,555)	-
<b>Total assets</b>	<b>2,846,847</b>	<b>18,219</b>	<b>7,565</b>
			<b>2,872,631</b>



	Consolidated and Separate F/S			
	Adjustments			Restated
	The previous accounting policies	Thai Financial Reporting Standard No. 9	Thai Financial Reporting Standard No. 16	
<u>Current liabilities</u>				
Current portion of liabilities under lease agreements	-	-	2,695	2,695
<u>Non-current liabilities</u>				
Lease liabilities	-	-	4,870	4,870
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>7,565</b>	<b>7,565</b>
Retained earnings - Unappropriated (Consolidated F/S)	1,133,083	18,219	-	1,151,302
Retained earnings - Unappropriated (Separate F/S)	1,167,652	18,219	-	1,185,871

## 2.5 Financial Reporting Standards, Interpretations and guidance which effective from 1 January 2021

### 2.5.1 Thai Accounting Standard No.1 “Presentation of financial statements” and Thai Accounting Standard No.8 “Accounting policies, Changes in Accounting Estimates and Errors”

The amendment definition of “Materiality” to comply with the Financial Reporting Standards and frameworks. Including the explanation that clarified the materiality application to Thai Financial Reporting Standard No.1. The amendment also makes consequential amendments to other TFRS including TAS 8, TAS 10, TAS 34 and TAS 37.

### 2.5.2 Thai Financial Reporting Standard No.3 “Business combinations”

- Provide an option for the entity to use “Concentration Test” that allows a simplified assessment of whether a transaction is an acquired of assets or a business combination.
- The amendment definition of “Business” that define the business combination must include, at a minimum, an input and a substantive process that are collective significantly contribute to the ability to create outputs. Furthermore, amendment definition of “Outputs” which focusing on goods and services provided to customers and removing the reference to an ability to lower the costs.

### 2.5.3 Thai Financial Reporting Standard No.9 “ Financial instruments” and Thai Financial Reporting Standard No.7 “Disclosure of Financial instruments”

Change in specific hedge accounting requirements for relief the uncertainties arising from impact of interest rate benchmark reform such as Interbank offer rates - IBORs. In addition, the amendment requires the entity to provide information of all hedging relationships directly affected by such uncertainty.

### 2.5.4 Conceptual Framework for Financial Reporting

The amendment conceptual framework in definition of assets and liabilities and criteria for recognizing assets and liabilities in financial statements. The principles and practices are as following:

- Measurement including factors to be considered when selecting a benchmark basis.
- Presentation and disclosure including classification of revenue and expenses in other comprehensive income.
- Derecognition assets and liabilities from financial statements.

In addition, this framework describes responsibilities, conservatism, and measurement uncertainty in preparation of financial reporting. The revised in conceptual framework that effect to revised in others framework including TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS 2, TFRS 3, TFRS 6, TFRIC 20, TFRIC 22 and TSIC 32.

## 3. **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all fiscal periods presented in these financial statements.

### Revenues recognition

#### *Financial service income on hire-purchase*

The Company accounts for financial service income on hire-purchase business as unearned interest income at the date the transaction is execution and recognizes it as income based on the installments due with the effective interest rate method. Income from each installment is recognizes on an accrual basis (based on the due date of the installment irrespective of actual collection). The Company ceases recognizing income when the receivables are overdue for 4 consecutive installments. When there is an indication that its customers will not be able to pay the balance, the income recognition is ceased immediately.

*Revenues recognition on investments in accounts receivable*

The Group recognizes revenues from investments in accounts receivable by using effective interest rates (expected return on debts collection) calculated from outstanding investments in accounts receivable. If actual cash flows from collection exceed calculated revenues, the remaining cash collection will be deducted from the value of investments in accounts receivable for each period. If investments in receivable are fully deducted, the Group will recognize such cash collection as revenues and recognizes loss on impairment immediately when there is an indication of significant decrease in cash flows.

*Services income*

Service income is recognizes when services have been rendered.

*Interest income**Accounting policy adopted since 1 January 2020.*

The Group recognizes interest income using the effective interest rate method and recognized on an accrual basis. The Company calculates interest income by applying the effective interest rate to the gross book value of financial assets. When financial assets are impaired, the Group calculates interest income using the effective interest rate, based on the net book value (gross book value less expected credit losses) of the financial assets. If the financial assets are not credit impaired, the Group will calculate interest income based on the original gross book value.

*Accounting policy adopted before 1 January 2020.*

Interest income is recognizes in the statement of profit and loss on an accrual basis.

Cash and cash equivalent

Cash and cash equivalents include cash on hand and highly liquid cash in banks (which do not have restriction of usage) that are readily convertible to cash on maturity date with insignificant risk of change in value.

Restricted deposits with bank are presented under non-current assets in the statement of financial position.

Hire-purchases receivable and allowance for impairment*Accounting policies are effective from 1 January 2020*

Hire-purchases receivable are stated at net realizable value which results from carrying book value less unearned income and allowance for impairment. The Group provides allowance for impairment to the estimated credit losses by the Group records allowances for impairment from applying simplified approach for measurement by expected credit loss for the hire-purchases receivables. It is no longer necessary for a credit event to have occurred before credit losses are recognizes and judgement about how changes in economic factors affect expected credit loss and probability-weighted basis. Estimation, it is necessary to use judgement in estimating losses from past event to present.

*Accounting policies are effective before 1 January 2020.*

Hire-purchases receivable are stated at net realizable value which results from carrying book value less unearned income and allowance for impairment. The Group provides allowance for impairment to the estimated losses that may occur in collection of receivables. The allowance is generally based on collection experiences, payment ability of the debtors and analysis of debtor aging. The percentages of allowance for impairment are summarized below:

Ages		Percentage of allowance for impairment
Not yet due		1
Past due:		
1 - 3	Months	2
4	Months	20
5 - 6	Months	25
7 - 9	Months	75
Over 9	Months	100

Loans to other parties

Loans to other parties are initially recognizes at an amount equal to the net investment.

*Accounting policies are effective from 1 January 2020*

The Group applies the TFRS 9 General approach to measuring expected credit losses, which determines the expected loss within 12-months or over the life of the asset depends on whether there is a significant increase in credit risk. The Group recognizes the impairment loss since the financial asset was recognizes. To measure the expected credit losses, each loans have been grouped based on collection experience, default experience, analysis of payment history, loss given default, predictions about the future repayment of receivables and taking into account of change in the current economic conditions.

*Accounting policies are effective before 1 January 2020*

In determining an allowance for Loans to other parties, the management needs to make judgment to estimate expected losses over the life of each debtor contract. The allowance for impairment is determined through a combination of collection experience, default experience, analysis of payment history, loss given default, predictions about the future repayment of receivables and taking into account of change in the current economic conditions. The allowance for impairment will be additional provided to specific accounts which there is any indication on the failure of the receivable to settle their obligations to the Group.

### Inventories

Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the normal course of business less estimated costs to sell.

### Assets foreclosed

These represent assets repossessed from debtors under hire-purchase agreements. These are stated at the lower of cost or estimated net realizable value, whichever is lower.

The Company sets up allowance for possible loss on foreclosed vehicles on hand at the end of year at 30% of cost.

### Investments

#### *Investment in accounts receivable*

The investment in accounts receivable represents the Group's investments in non-performing receivables of financial institutions and credit service companies at discounted values from bidding for debts management and collection. Under the purchase contracts at the discounted values of receivables, the Group take all the risks in the collection without recourse. Such investments in accounts receivable are carried at purchase cost less amortized costs and allowance for impairment (if any). The Group recognizes loss on impairment of investment when it anticipates discounted cash flows to the present values of receivables are lower than book value.

#### *Investment in subsidiary companies*

Investment in subsidiary companies are accounted for in the separate financial statements by the cost method. Such investments are 100% owned by the Company under the control of the Company's management. When there is an indication of impairment on investment, the Company will recognize loss from impairment as expense out rightly in the statement of profit or loss. The Company recognizes dividend income upon the subsidiary's declaration of the payment.

#### *Investment in trading securities*

Investment in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss. The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of unit trusts is determined from their net asset value.

On disposal of investments, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognizes in the statement of profit or loss.

If the Group dispose of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

## Property, building and equipment, and depreciation

### *Recognition and measurement*

#### *Owned assets*

Property, building and equipment are stated at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalize borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, building and equipment. Purchased software that is an integral of the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, building and equipment are significant with different useful lives, they are accounted for as separate items (major components) of property, building and equipment.

Gains or losses on disposal of an item of property, building and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, building and equipment, and are recognized at net amount as other income in profit or loss.

#### *Subsequent costs*

The cost of replacing a part of an item of property, building and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, building and equipment are recognized in profit or loss as incurred.

### *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value of building and equipment.

Depreciation is charged as expenses to profit and loss on a straight-line basis over the estimated useful live of each component of assets. The estimated useful lives are as follows:

Building and building improvement	5 - 20	years
Furniture, fixtures and office equipment	5	years
Vehicles	5	years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### Right-of-use assets

As discussed in Note 24.2 to the financial statement, the Group has elected accounting Guidance on Temporary relief Measures for Accounting Alternative in the initial application of TFRS16. The comparative financial information has not been revised, therefore the comparative information is still followed TAS17.

#### *Accounting policies are effective from 1 January 2020*

##### Leases - where the Company is the lessee

The Group recognizes the right-of-use assets and lease liabilities at the beginning of the contract and when the Group has to access the assets lease. Right-of-use assets is recognized at a cost that consists of the initial recognition amount of the lease liability, initial direction costs incurred, estimated reconditioning costs and lease payments paid before the date of the contract, net of incentive receiving under the lease.

The Group depreciates right-of-use assets based on a straight-line basis over the shorter useful lives between the asset life and the lease term. The includes assessing the impairment of right-of-use assets, when there is an indicator.

At the beginning of the contract, the Group recognizes the initial lease liabilities at the present value of the lease payment. The Group will discount at the interest rate implicit in the contract. If unable to find the implicit interest rate, the Group will discount at the incremental borrowing rate of the lessee.

The rent included in the value of the lease liability comprises the fixed rental (including fixed payment by content) variable rental based on rate or index, the amount expected to be paid from the residual value guarantee and the option price if there is reasonable certainty that the group will exercise the right.

After the initial measurement, the lease liability will be reduced from the payment and increased from interest expense. This is a measure to reflect a new appraisal or adjustment or significant changes to the fixed lease. When the lease liability is remeasured, the right-of-use assets have decreased to be zero, the lessee must recognize the remainder of the remeasurement in profit or loss.

The rent paid under short-term leases and low value asset leases are recognizes as expense on a straight-line method. The short-term lease is a lease with a lease term less than or equal 12 months, the assets with low value comprises small office equipment lease.



*Leases - where the Company is the lessor*

Accounting policies under TFRS16 "Lease liability" in case the Group is the lessor, there is no change from the previous year.

When the Group is the lessor, determining at the inception of the lease whether transfer the control in assets and rewards of all or most of the assets and returns to the owners may have on the underlying assets to the lessee. If applicable, the lease is classified as a finance lease. If not, it is classified as an operating lease.

The assets leased under the financial lease are recognizes as receivable at the present value of the lease payments. The difference between the total amount of receivable that have not yet been discounted with the present value of the receivable and are gradually recognizes as financial income using the net investment method reflecting the constant rate of return. The initial direct costs are included in initially measurement of the finance lease receivable and are gradually recognizes by reducing income over of the lease term.

The Group recognizes rental income from operating leases as rental income on a straight-line basis over the lease term and presented as a part of other income. The initial direct costs incurred for obtaining an operating lease included the carrying amount of the assets leased. And costs are recognizes as an expense over the lease term based on the rental income basis. Contingent rental is recognizes as income in the period of receiving.

*Accounting policies are effective before 1 January 2020*

*Leases - where the Company is the lessee*

Leases of equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the fair value of the leased of assets or estimated present value of the underlying lease payments whichever is lower. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding lease payments. Lease payments, net of financial charges, are recognizes as liabilities under financial lease agreements. The interest expense is charged to the statement of profit or loss over the lease year. Assets acquired under finance lease agreements are depreciated over the useful lives of the assets.

Leases of assets, under which the risks and benefits of ownership are effectively retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss on a straight-line basis over the lease year. When an operating lease is terminated before expiry date of the lease year, any payment required to be made to the lessor by way of penalty is recognizes as an expense in the year in which termination takes place.

*Leases - where the Company is the lessor*

Assets leased out under operating leases are included in investment property in the statement of financial position. Depreciation is calculated over their expected useful lives on a basis consistent with other similar assets. Rental income is recognizes on a straight-line basis over the lease year in the statement of profit or loss.

### Investment property

Land that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs, and subsequently carried out at cost less any accumulated impairment (if any).

### Debentures

Debentures are recognizes initially at fair value less related transaction charges. Subsequent to initial recognition, debentures are presented at amortized cost with any difference between cost and redemption value being recognizes in the statement of profit or loss over the period of the debentures at an effective interest rate. Gains or losses on early redemption are recognizes in the statement of profit or loss upon redemption.

### Employee benefits

#### *Short-term employee benefits*

Salaries, wages, bonuses and contribution to the social security are recognizes as expenses when incur based on the accrual basis.

#### *Post-employment benefit (Defined contribution plan)*

The Company and its employees have jointly established a provident fund plan to which monthly contributions are made by employees and by the Company. The fund's asset is held in a separate trusted fund from the Company's asset. The Company contribution to the fund is recognizes as expenses when incur.

#### *Post-employment benefit (Defined benefit plan)*

The Company has obligation in respect of the severance payment they must make to employees upon retirement under the labour law.

The obligations under the defined benefit plan are determined by the actuarial technique computed by a qualified independent actuary, using the projected unit credit method.

Actuarial gains or losses for the computation of post-employment benefits are presented under other comprehensive income.

### Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1      quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2      inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3      inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Financial instruments

### *Recognition and derecognition*

Financial assets and financial liabilities are recognizes when the Company and its subsidiary becomes a party to the contractual provisions of the financial instrument.

The Company and its subsidiary shall financial assets are derecognizes when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

### *Classification and initial measurement of financial assets*

Financial assets are initially recognizes at fair value plus or less directly costs attributable to the acquisition of the asset. For financial assets measured at fair value through profit or loss (FVTPL), the Group recognizes the associated costs as an expense in profit or loss.

The Company and its subsidiary shall classification financial assets measurement by amortized cost method, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL) the classification is determined by both as follow:

- a. the entity's business model for managing the financial asset, and
- b. the contractual cash flow characteristics of the financial asset

The Company and its subsidiary classified revenue and expenses relating to financial assets that are recognizes in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of receivables which is presented within other expenses.

### *Subsequent measurement of financial assets*

#### Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions.

- a. they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- b. the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI)

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than hold to collect contractual cash flows or hold to collect contractual cash flows and sell financial assets are categorized at fair value through profit or loss (FVTPL). Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at financial assets at fair value through profit or loss. All derivative financial instruments fall into this category.

Financial assets at fair value through other comprehensive income (FVOCI)

The Group accounts for financial assets at fair value through other comprehensive income if the assets meet the following conditions:

- a. The Group held under a business model whose objective it is “hold to collect” the associated cash flows and sell, and
- b. the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) on the specified day.

Any gains or losses recognizes in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

*Impairment of financial assets*

Since 1 January 2020, the Group has considered impairment for financial assets that are measured at amortized cost. And measure fair value through other comprehensive income (FVOCI)

The Group uses a simplified approach to recognize impairment of assets that do not have significant financing elements and contractual assets according to estimates of credit losses over the life of such assets since the Group recognize. General approach is used for other financial assets that do not have significant financing elements to measure the expected credit loss which determines the expected loss within 12 months or over the life of the asset depends on whether there is a significant increase in credit risk. The Group recognizes the impairment loss since the financial asset was recognized.

In determining the expected credit loss, executives groups accounts receivable by type and consider credit risks that are common nature. The expected credit loss rate is determined by the nature of the payment in the past. Information of credit losses from past experience, external factors, and future factors that may affect debtor payment.

The Group assesses credit risk of financial assets at the end of every period whether there has been a significant change.

The Group considers and recognizes the expected credit loss by taking into account the past experience and anticipating the future. The recognizes credit losses arise from the weighted average credit loss probability estimate. The amount of cash expected to be discounted the effective interest rate.

Losses and reversals of impairment losses are recorded in profit or loss separately.

#### *Classification and measurement of financial liabilities*

The Group classifies the financial instruments issued by the Group as financial liabilities or equity instruments consider based on contractual obligations to deliver the financial assets to other persons or entities.

The Group's financial liabilities include borrowings, trade and other payables

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs of financial liability.

#### *Subsequent measurement of financial liabilities*

Financial liabilities are subsequent measured at amortized cost. Interest expense is to be calculated by using effective interest rate and charged to statement of profit or loss

#### Segment reporting

Segmental results that are reported to the executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### Share premium

The Company records cash received in excess of the par value of the shares issued as share premium in the statement of financial position, share premium is netted of transaction costs associated with the issuing of shares and related income tax benefits.

#### Dividend payment

Dividend payment is recorded in the financial statements in the period in which they are approved by the Shareholders or Board of Directors of the Company.

#### Income tax

The income tax expense for the year comprises current and deferred income taxes. Current and deferred income taxes are recognized in profit or loss, except to the extent that they relate to items recognizes directly in equity or other comprehensive income.

*Current income tax*

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of earlier years.

*Deferred tax*

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts of corresponding items used for income tax computation purpose. Deferred income tax is measured by applying the tax rate to the temporary differences which are expected to be reversed, using tax rate enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that the related tax benefit will be realized.

Basic earnings per share

The Company presents basic earnings per share for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Use of accounting estimates

The preparation of the financial statements in accordance with Thai Financial Reporting Standards requires management to make estimates and assumption that affect the reporting amounts of revenues, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The actual results may differ from those estimates.

Provisions for liabilities and expenses, and contingent assets

Provisions are recognized in the financial statements when the Group has legal or constructive obligation as a result of past events with probable outflow of resources to settle the obligation and where a reliable estimate of the amount can be made. The contingent asset will be recognized as separate asset only when the realization is virtually certain.

#### **4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGEMENT AND CAPITAL RISK MANAGEMENT**

##### **4.1 Critical accounting estimates, assumption and judgments**

###### **4.1.1 Impairment of receivables and financial asset**

The Group sets an allowance for impairment to reflect impairment of trade accounts receivable resulting from possible non-collection of receivable. The allowance is based on a review of the expected credit loss. Executives groups accounts receivable by type and consider credit risks that are common nature. The expected credit loss rate is determined by the nature of the payment in the past. Information of credit losses from past experience, external factors, and future factors that may affect debtor payment which assesses credit risk of financial assets at the end of every period whether there has been a significant change.

###### **4.1.2 Property, building and equipment**

Management regularly determine the estimated useful lives and residual values for building and equipment of the Company and will revise the depreciation where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or if they are no longer in use.

###### **4.1.3 Impairment of investments**

The Group treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or when other objective evidence of impairment exists. The determination of what is “significant” or “prolong” requires management judgement.

###### **4.1.4 Impairment of assets**

The Group considers allowance for impairment of assets whenever there is an indication that an asset may be impaired. If such indication exists with a significant decline in the fair value below its cost, the Group makes an estimate of the asset recoverable amount for comparison with the recorded value. The determination of recoverable amount requires management judgement



#### 4.1.5 Leases

##### *Determine the lease terms*

The Group shall determine the lease term is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group shall consider all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The Group shall revise the lease term if there is a change in the non-cancellable of a lease by may be caused by the group of companies using (or not exercising) rights. The reasonably certain assessment of certainty upon the occurrence of either a significant event or a significant change in circumstances. This has an impact on assessment of the lease term and is under the control of the group.

##### *Determination of the discount rate on lease liabilities*

The Group assesses interest rate of incremental borrowing of lessee using information provided by third-party financing of each leasing entity and updating information obtained to reflect changes in the tenant's financial factors, if possible.

#### 4.1.6 Post-employment benefit under defined benefit plans

The obligation under defined benefit plan is determined based on actuarial techniques. Inherent within these calculations are assumption as to discount rates, future salary increases, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality table for the country. Actual post-retirement costs may ultimately differ from these estimates.

#### 4.1.7 Deferred tax assets

The extent to which deferred tax assets can be recognizes is based on an assessment of the probability of the future taxable income against which the deductible temporary differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

## 4.2 Capital risk management

The Company's objectives in the management of capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust dividend payment policy, issue new shares or issue new debentures to finance debts or sell assets to reduce debts.

## 5. CASH AND CASH EQUIVALENTS

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Cash on hand	1,028	1,027	1,028	1,027
Cash in transit	19,091	23,340	19,091	23,340
Savings Accounts	312,535	13,495	312,524	13,458
Current Accounts	6,330	5,317	6,330	5,317
Total	338,984	43,179	338,973	43,142

As at 31 December 2020, savings accounts with banks bear interest at the rates 0.05% - 0.25% per annum. (31 December 2019: 0.10% - 0.38% per annum).

## 6. HIRE-PURCHASES RECEIVABLE - NET

	(Unit : Thousand Baht)							
	Consolidated and Separate F/S							
	Current portion due within one year		Long-term portion due over one year but not over five years		Long-term portion due after five years		Total	
			2020	2019	2020	2019		
Hire-purchases receivable	1,377,740	1,459,663	1,926,879	2,115,969	1,556	597	3,306,175	3,576,229
<u>Less</u> Unearned hire-purchases interest income	(333,962)	(370,232)	(328,037)	(362,698)	(47)	(24)	(662,046)	(732,954)
Balance	1,043,778	1,089,431	1,598,842	1,753,271	1,509	573	2,644,129	2,843,275
<u>Less</u> Allowance for impairment	(57,307)	(67,321)	(30,201)	(49,802)	(7)	(16)	(87,515)	(117,139)
Net	986,471	1,022,110	1,568,641	1,703,469	1,502	557	2,556,614	2,726,136

As at 31 December 2020 and 2019, the balances of receivables under hire-purchase contracts (net of unearned hire-purchase interest income) and allowance for impairment, classified by ages of outstanding receivables are as follows:

(Unit : Thousand Baht)

	Consolidated and Separate F/S							
	Hire-purchases receivable		Percentage of allowance for impairment		Allowance for impairment		Hire-purchases receivables - net	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Hire-purchases receivable</b>								
Not yet due	1,531,786	1,662,755	0.33	1	5,071	16,671	1,526,715	1,646,084
Past due								
1 - 3 periods	966,868	1,003,723	1.35-2.45	2	17,306	20,074	949,562	983,649
4 periods	47,682	70,853	9.18	20	4,377	14,171	43,305	56,682
5 - 6 periods	40,452	44,268	21.95-36.48	25	10,991	11,067	29,461	33,201
7 - 8 periods	16,969	17,684	52.80-68.89	75	10,189	13,263	6,780	4,421
9 periods	4,882	8,393	83.79	75	4,091	6,294	791	2,099
Over 9 periods	35,490	35,599	100	100	35,490	35,599	-	-
Total	<u>2,644,129</u>	<u>2,843,275</u>			<u>87,515</u>	<u>117,139</u>	<u>2,556,614</u>	<u>2,726,136</u>

As at 31 December 2020, balance of hire-purchases receivable which have been overdue for more than 3 consecutive periods and the Company still recognizes revenue amounted to Baht 47.68 million. (31 December 2019 : Baht 70.85 million).

Movement of allowance for impairment of hire-purchases receivable for the year ended 31 December 2020 are as follows:

(Unit : Thousand Baht)

	Consolidated and Separate F/S
As at 1 January 2020 - before adjustment	117,139
Impact of first-time adoption of new accounting standard	(22,327)
As at 1 January 2020 - restated	<u>94,812</u>
Additional provision during the year	<u>45,200</u>
Reversal and written-off during the year	<u>(52,497)</u>
As at 31 December 2020	<u>87,515</u>

## 7. OTHER RECEIVABLE-GENERAL CUSTOMERS - NET

(Unit : Thousand Baht)

	Consolidated and Separate F/S	
	2020	2019
Penalty fees receivable	54,367	50,404
Interest receivable from loan to other parties	43,249	32,204
Advanced insurance premium for customers	1,266	1,689
Other	9,080	1,957
Total	107,962	86,254
<u>Less</u> Allowance for impairment	(38,497)	(21,924)
Net	69,465	64,330

## 8. TRANSACTIONS WITH RELATED PARTIES

The financial statements include the transactions with related parties which have been reflected on the basis agreed upon between the Company and the related companies which basis might be different from the basis used for transactions with unrelated persons or juristic persons as follows:

Name of Companies	Type of business	Type of relationship
Mida Assets Public Company Limited	Sales and hire purchase of electric appliances and real estate development business	Parent company
Mida Asset Management Company Limited	Asset management from transferred non-performing asset of financial institution	Subsidiary
Max Hotel Co., Ltd.	Hotel operations	Co directors
Mida Development Co., Ltd.	Real estate development	Co directors

Pricing policies for each transaction are as follows:

Type of transactions	Pricing policy
Interest income	Interest rates of 6.50% per annum
Other income	Contract price
Other expenses	At agreed price
Finance cost	Interest rates of 5.75% per annum

The significant transactions with related parties for the years ended 31 December 2020 and 2019 are as follows:

	(Unit : Million Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<b>Transactions with parent company</b>				
Interest income	25.40	2.31	25.40	2.31
Other expenses	0.57	1.35	0.57	1.35
Finance cost	-	1.18	-	1.18
<b>Transactions with subsidiary company</b>				
Interest income	-	-	6.93	7.68
Other income	-	-	0.18	0.18
<b>Transactions with related parties</b>				
Other expenses	0.06	0.05	0.06	0.05
<b>Key management personnel compensation</b>				
Short-term benefits	14.30	15.61	14.30	15.61
Post-employment benefits	0.41	0.39	0.41	0.39
<b>Total</b>	<b>14.71</b>	<b>16.00</b>	<b>14.71</b>	<b>16.00</b>

The balances with related companies as at 31 December 2020 and 2019 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<u>Other receivables-related companies</u>				
Subsidiary company	-	-	998	815
<u>Short-term loan to related companies and interest receivable</u>				
Parent company	464,568	215,862	464,568	215,862
Subsidiary company	-	-	55,624	123,488
<b>Net</b>	<b>464,568</b>	<b>215,862</b>	<b>520,192</b>	<b>339,350</b>

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<u>Other payable-related companies</u>				
Parent company	43	40	43	40
<u>Key management personnel compensation</u>				
Provision for post-employment benefits	4,844	4,435	4,844	4,435
Accrued bonus	-	563	-	563
Total	4,844	4,998	4,844	4,998

Movements in the short-term loans to related companies for the year ended 31 December 2020 are as follows:

(Unit : Thousand Baht)

	Consolidated F/S		
	1 January 2020	Increase	Decrease 31 December 2020
<u>Short-term loans to parent company</u>			
Parent company			
Short-term loans	215,000	614,000	(369,200)
Interest receivable	862	25,397	(21,491)
Total	215,862	639,397	(390,691)

(Unit : Thousand Baht)

	Separate F/S		
	1 January 2020	Increase	Decrease 31 December 2020
<u>Short-term loans to related companies</u>			
Parent company			
Short-term loans	215,000	614,000	(369,200)
Interest receivable	862	25,397	(21,491)
Subsidiary company			
Short-term loans	118,750	210	(64,040)
Interest receivable	4,738	6,926	(10,960)
Total	339,350	646,533	(465,691)

## 9. LOANS TO OTHER PARTIES – NET

(Unit : Thousand Baht)		
Consolidated and Separate F/S		
	2020	2019
Loans to other parties	304,982	243,289
<u>Less</u> Allowance for impairment	(7,086)	(4,783)
Balance	297,896	238,506
<u>Less</u> Current portion due within one year	(221,381)	(207,361)
Net	76,515	31,145

The movements in loans to other parties during the year are as follows:

(Unit : Thousand Baht)			
Consolidated and Separate F/S			
	1 January 2020	Increase Decrease	31 December 2020
Loans to other parties	243,289	276,253 (214,560)	304,982

During the year 2020, the Company received a transfer of 4 plots of land to settle of loan receivable of Baht 7.42 million with mutual agreement as described in Note 17.

The above loans bear interest at rates of 12% - 24% per annum. The outstanding balance with collaterals as at 31 December 2020 and 2019, are as follows:

(Unit : Million Baht)			Collateral
Principal amount			
Consolidated and Separate F/S			
2020	2019		
1)	159.03	137.83	The pledges of car registration books, share certificates of a local company, and land title deeds
2)	75.82	32.84	Personal guarantee
3)	-	2.59	Secured by transferring right of rental area of 3 - floor building
4)	22.98	21.94	Factoring credit guarantee
5)	40.00	40.87	Postdate cheque
6)	7.15	7.22	Joint guarantee
304.98	243.29		



**10. ASSETS FORECLOSED - NET**

(Unit : Thousand Baht)

	Consolidated and Separate F/S	
	2020	2019
Vehicles	43,220	64,802
<u>Less</u> Allowance for impairment of vehicles	(12,966)	(22,681)
Net	30,254	42,121

The movements in assets foreclosed for the year ended 31 December 2020 are as follows:

(Unit : Thousand Baht)

	Consolidated and Separate F/S		
	1 January 2020	Increase	Decrease
			31 December 2020
Vehicles	64,802	210,353	(231,935)
Allowance for impairment of vehicles	(22,681)	(71,462)	81,177
Net	42,121	138,891	(150,758)

**11. RESTRICTED DEPOSITS WITH BANK**

As at 31 December 2020, the Company's fixed deposit with a bank of Baht 0.11 million is restricted for usage as it has been pledged as collateral for electricity usage (31 December 2019: Baht 0.11 million).

**12. INVESTMENT IN ACCOUNTS RECEIVABLE - NET**

(Unit : Thousand Baht)

	Consolidated F/S			
	2020		2019	
	No. of contracts	Amount	No. of contracts	Amount
Accounts receivable - Hire-purchases	362	2,483	367	5,106
Accounts receivable - Collateral	1	114,796	1	114,796
Total	363	117,279	368	119,902
<u>Less</u> Allowance for impairment of investment in receivable		(2,050)		(1,911)
Net		115,229		117,991

(Unit : Thousand Baht)

	Separate F/S			
	2020		2019	
	No. of Contracts	Amount	No. of contracts	Amount
Accounts receivable - Hire-purchases	362	2,483	367	5,106
<u>Less</u> Allowance for impairment of investment in receivable		(2,050)		(1,911)
Net		433		3,195

In during the year 2016, the subsidiary company has received rights in accounts receivable total amount of Baht 180 million, which have 3 plots of land as collateral. Event after reporting period, the subsidiary company hired an independent appraiser to appraise the land by using the market approach in amount of Baht 506.40 million. During the year 2019, the subsidiary company has collected payment partially from the accounts receivable amount of Baht 65.20 million and file a suit case with the Civil Court for enforcement of mortgage the said land amount of Baht 120 million, with interest rate of 19% per annum for 5 years period, or calculated as interest expense of Baht 114 million, total claim amount of Baht 234 million. Currently, the case is in consideration of the Civil Court. However, the subsidiary company believes that the value of the collateral asset is higher than the loan, so it does not set allowance for impairment.

Movements in investment in account receivable during the year are as follows:

	(Unit : Thousand Baht)			
	Consolidated and Separate F/S			
	1 January 2020	Portion decreased from cash collection	Additional allowance for impairment	31 December 2020
Purchase cost	119,902	(2,623)	-	117,279
Allowance for impairment of investment in accounts receivable	(1,911)	-	(139)	(2,050)
Net	117,991	(2,623)	(139)	115,229

### 13. INVESTMENT IN SUBSIDIARY COMPANY

(Unit : Thousand Baht)

	Separate F/S					
	Paid up share capital		Shareholding Percentage (%)		Cost	
	2020	2019	2020	2019	2020	2019
Mida Asset Management Company Limited (Asset management from transferred non-performing asset of financial institution)	100,000	25,000	99.99	99.99	100,000	25,000

At the Extraordinary General Meeting No. 1/2020 of Mida Asset Management Company Limited (“the subsidiary”) held on 19 October 2020, passed the resolution to approve an increment of the Company’s share capital totaling of 7.5 million shares at par value of Baht 10 per share, totaling Baht 75 million and allocate to Mida Leasing Public Company Limited (“the Company”) which executed to increase the share capital and register with the Department of Business Development on 22 October 2020.

### 14. PROPERTY, BUILDING AND EQUIPMENT - NET

(Unit : Thousand Baht)

	Consolidated and Separate F/S				
	Land and land improvement	Building and improvement	Furniture, fixtures and equipment	Vehicles	Total
<b>Cost</b>					
As at 1 January 2019	76,336	26,542	18,693	24,225	145,796
Acquisitions	-	162	781	959	1,902
Disposals/write-off	-	(282)	(363)	(898)	(1,543)
As at 31 December 2019	76,336	26,422	19,111	24,286	146,155
Acquisitions	-	27	343	-	370
Disposals/write-off	-	(243)	(163)	-	(406)
As at 31 December 2020	76,336	26,206	19,291	24,286	146,119

## Consolidated and Separate F/S

	Land and land improvement	Building and improvement	Furniture, fixtures and equipment	Vehicles	Total
<b><u>Accumulated depreciation</u></b>					
As at 1 January 2019	-	16,797	16,316	8,192	41,305
Depreciation charge for the year	-	1,160	1,091	2,378	4,629
Accumulated depreciation for disposal/ write-off	-	(270)	(344)	(539)	(1,153)
As at 31 December 2019	-	17,687	17,063	10,031	44,781
Depreciation charge for the year	-	1,070	764	2,316	4,150
Accumulated depreciation for disposal/ write-off	-	(242)	(162)	-	(404)
As at 31 December 2020	-	18,515	17,665	12,347	48,527
<b><u>Net Book Value</u></b>					
As at 31 December 2019	76,336	8,735	2,048	14,255	101,374
As at 31 December 2020	76,336	7,691	1,626	11,939	97,592
<b>Depreciation for the year 2019</b>					
- Administrative expense					4,629
<b>Depreciation for the year 2020</b>					
- Administrative expense					4,150

As at 31 December 2020, certain building improvement and equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 28.15 million (31 December 2019 : Baht 25.21 million).

The Company has mortgaged land with structures thereon with a total net book value as at 31 December 2020 of Baht 83.86 million as collaterals for credit facilities granted by domestic financial institutions as described in Notes 19 and 22 (31 December 2019 : Baht 46.03 million).

**15. RIGHT-OF-USE ASSETS - NET**

	(Unit : Thousand Baht)
	Consolidated and Separate F/S
	Building
<b><u>Cost</u></b>	
1 January 2020 - as previous reported	-
Adjustment on transition to TFRS16	7,565
1 January 2020 - adjusted	7,565
Addition	-
31 December 2020	7,565
<b><u>Accumulated depreciation</u></b>	
1 January 2020 - as previous reported	-
Adjustment on transition to TFRS16	-
1 January 2020 - adjusted	-
Depreciation for the year	(2,502)
31 December 2020	(2,502)
<b><u>Net book value</u></b>	
31 December 2020	5,063
<b>Depreciation for the year 2020</b>	
Administrative expense	2,502

**16. INVESTMENT PROPERTIES**

The investment properties represent vacant land, land and buildings not used in operations and held for undetermined future usage. These are stated at the cost.

	(Unit : Thousand Baht)	
	Consolidated and Separate F/S	
	2020	2019
Cost as at 1 January	36,168	45,228
Transfer assets during the year	49,575	-
Disposal during the year	(2,000)	(9,060)
Cost as at 31 December	83,743	36,168

As at 31 December 2020 and 2019, fair value of the investment properties are Baht 137.52 million and Baht 61.52 million, respectively, appraised by independent experienced appraiser who hold a recognizes professional qualification.

The Company has mortgaged land with structures thereon with a total net book value as at 31 December 2020 of Baht 73.58 million as collaterals for credit facilities granted by domestic financial institutions as described in Notes 19 and 22 (31 December 2019: Baht 14.00 million).

## 17. ASSETS WITH RESTRICTION ON SALE

	(Unit : Thousand Baht)	
	Consolidated and Separate F/S	
	2020	2019
Cost as at 1 January	49,575	49,575
Transfer from settlement with receivable during the year	8,507	-
Transfer to investment properties during the year	(49,575)	-
Cost as at 31 December	8,507	49,575

As at 31 December 2020, the Company has land which was received from the transfer from a debtor for the settlement of loan receivable of Baht 7.42 million. Under the loan settlement agreement, the Company gave an option for the debtor to buy back such piece of land for Baht 8.51 million within 1 year as described in Note 9.

During the year 2020, the Company has transferring of assets with restriction on sale to investment properties of Baht 49.58 million since a debtor did not buy back within term of agreement.

## 18. INCOME TAX

Deferred tax asset and liability are as follows:

	(Unit : Thousand Baht)	
	Consolidated and Separate F/S	
	2020	2019
Deferred tax asset	55,774	56,726
Deferred tax liability	-	(345)
<b>Deferred tax asset - net</b>	<b>55,774</b>	<b>56,381</b>

The movements in deferred tax asset and liability are as follows :

(Unit : Thousand Baht)

	Consolidated and Separate F/S			
	1 January 2020 - after adjustment	Recognizes in		31 December 2020
		Profit or loss	Other comprehensive income	
<b>Deferred tax asset</b>				
From allowance for doubtful hire-purchases receivable	38,539	1,247	-	39,786
From allowance for doubtful other receivables	4,297	3,403	-	7,700
From allowance for doubtful loans to other parties	956	460	-	1,416
From allowance for doubtful investment in accounts receivable	382	28	-	410
From allowance for devalued assets foreclosed	4,536	(1,943)	-	2,593
From allowance for employee benefits obligation	3,461	408	-	3,869
<b>Total</b>	<b>52,171</b>	<b>3,603</b>	<b>-</b>	<b>55,774</b>
<b>Deferred tax liability</b>				
Difference of depreciation between accounting and tax bases	(345)	345	-	-

(Unit : Thousand Baht)

	Consolidated and Separate F/S			
	1 January 2019	Recognizes in		31 December 2019
		Profit or loss	Other comprehensive income	
<b>Deferred tax asset</b>				
From allowance for doubtful hire-purchases receivable	40,234	2,772	-	43,006
From allowance for doubtful other receivables	3,963	422	-	4,385
From allowance for doubtful loans to other parties	517	439	-	956
From allowance for doubtful investment in accounts receivable	1,570	(1,188)	-	382
From allowance for devalued assets foreclosed	2,540	1,996	-	4,536
From allowance for employee benefits obligation	6,074	(1,600)	(1,013)	3,461
From allowance for decline value of investment in trading security	(17)	17	-	-
<b>Total</b>	<b>54,881</b>	<b>2,858</b>	<b>(1,013)</b>	<b>56,726</b>
<b>Deferred tax liability</b>				
Difference of depreciation between accounting and tax bases	(245)	(100)	-	(345)

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

(Unit : Thousand Baht)

	Consolidated and Separate F/S	
	2020	2019
<b>Current tax expense</b>		
Current year	30,114	31,439
<b>Deferred tax expense</b>		
Movements in temporary differences	(3,948)	(2,758)
<b>Total income tax expense</b>	<b>26,166</b>	<b>28,681</b>

*Income tax recognizes in other comprehensive income*

(Unit : Thousand Baht)

	Consolidated and Separate F/S					
	2020			2019		
	Before tax	Tax Expense	Net of tax	Before tax	Tax expense	Net of Tax
Actuarial gain	-	-	-	5,069	(1,013)	4,056
Total	-	-	-	5,069	(1,013)	4,056

Reconciliation of effective tax rate

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Income before income tax	124,837	127,591	132,182	137,657
Tax rate (percentage)	20	20	20	20
Income tax using corporation tax rate	24,967	25,518	26,436	27,531
Income tax of items allowed as expenses under Revenue Code	(356)	(206)	(356)	(206)
Income tax of expenses not deductible for tax purposes	431	611	431	611
The adjustment of deferred tax assets recognizes in previous year	(345)	745	(345)	745
Tax on current year losses which not deferred tax asset was recognized	1,469	2,013	-	-
Income tax expense	26,166	28,681	26,166	28,681
Effective tax rate (percentage)	20.96	22.48	19.79	20.84



Deferred tax assets have not been recognizes in respect of the following items:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Tax losses not exceeding 5 years	41,720	34,375	-	-

#### 19. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit : Thousand Baht)	
	Consolidated and Separate F/S	
	2020	2019
Bank overdrafts	-	19,878
Promissory note	340,000	20,000
Total	340,000	39,878

As at 31 December 2020 and 2019, the Company has credit facilities and the related interest rate as follows:

	2020	2019
<u>Bank overdrafts</u>		
Credit facility (Unit : Million Baht)	20	20
Interest rate for normal limits (Percent per annum)	MOR	MOR - 0.5
Interest rate for the excess limits (Percent per annum)	15	18
<u>Promissory note</u>		
Credit facility (Unit : Million Baht)	405	20
Interest rate	MLR - 0.85, MMR	MLR - 1.25

The above credit facilities are collateralized by the mortgage of the Company's and its parent company's land with construction as disclosed in Notes 14 and 16.

**20. TRADE ACCOUNTS PAYABLE AND OTHER PAYABLES**

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	2020	2019
Trade accounts payable	25,599	28,779
Accrued bonuses	-	6,107
Accrued insurance premium	6,069	8,357
Accrued interest	12,757	11,266
Accrued expenses	10,882	9,365
Other payables	12,611	12,643
<b>Total</b>	<b>67,918</b>	<b>76,517</b>

**21. LEASE LIABILITIES - NET**

The present value of lease liabilities for the year ended 31 December 2020 are as follows:

	(Unit : Thousand Baht)
	Consolidated and Separate F/S
	2020
Lease liabilities	5,686
<u>Less</u> Deferred interest	(433)
	5,253
<u>Less</u> Current portion	(2,357)
<b>Net</b>	<b>2,896</b>

As at 31 December 2020, the Group has lease liabilities with the following payment years:

	(Unit : Thousand Baht)		
	Consolidated and Separate F/S		
	2020		
	Principal	Deferred interest	Net
Payment due within 1 year	2,605	(248)	2,357
Payment due over 1 year to 5 years	3,081	(185)	2,896
<b>Total</b>	<b>5,686</b>	<b>(433)</b>	<b>5,253</b>

During year 2020, the Group has recognizes financial cost related to lease liabilities totaling Baht 0.38 million.

Lease payments not recognizes as a liability

The Group has elected not to recognize a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognizes as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follow:

	(Unit : Thousand Baht)
	Consolidated and Separate F/S
	<u>2020</u>
Short - term lease	611
Leases of low value assets	623
Total	<u>1,234</u>

**22. LONG-TERM LOANS**

	(Unit : Thousand Baht)
	Consolidated and Separate F/S
	<u>2020</u> <u>2019</u>
Long-term loans	553,161      30,813
<u>Less</u> Current portion due within one year	(138,668)      (12,809)
Net	<u>414,493</u> <u>18,004</u>

Movements in long-term loan during the years are as follows:

	(Unit : Thousand Baht)
	Consolidated and Separate F/S
	<u>2020</u> <u>2019</u>
Balance as at 1 January	30,813      42,904
<u>Add</u> Additional borrowings	596,000      -
<u>Less</u> Repayment	(73,652)      (12,091)
Balance as at 31 December	<u>553,161</u> <u>30,813</u>

The Group's long-term loans as of 31 December 2020 and 2019 are as follows:

	Million Baht			
	Consolidated and Separate F/S			
	2020	2019	Interest rate (%)	Repayment
<b>The Company</b>				
Facility of Baht 40 million	-	9.44	MLR - 0.50% p.a.	Monthly instalments with interest at least Baht 610,000 and repayable within 2 July 2021.
Facility of Baht 30 million	-	21.37	MLR - 1.50% p.a.	Monthly instalments with interest at least Baht 570,000 and repayable within 31 March 2023.
Facility of Baht 340 million	297.16	-	MLR - 0.85% p.a.	Terms of agreement is gradually withdrawal. The Company draws down a total of 7 times of Baht 40 - 50 million per each drawdown. Monthly instalments of each drawdown with interest at least Baht 0.92 million and repayable within 30 September 2024.
Facility of Baht 256 million	256.00	-	2.00% p.a.	Repayment by monthly for 1 <sup>st</sup> - 12 <sup>nd</sup> period with interest at the end of period, monthly for 13 <sup>rd</sup> - 23 <sup>rd</sup> period installment with interest at least Baht 22 million, after 24 <sup>th</sup> the last period with remaining accrued interest.
Total	553.16	30.81		
<u>Less</u> Current portion	(138.67)	(12.81)		
Long-term loan - net	414.49	18.00		

The Company entered into loans agreement with financial institutions for using as working capital. These loans are collateralized by the mortgage of the Company's and its parent company's land and construction as disclosed in Notes 14 and 16, hire-purchases receivable without specifying rights and assets foreclosed including of cars and trucks which are the current and future the Company's ownership within credit facility.

## 23. DEBENTURES

31 December 2020

					(Unit : Thousand Baht)
					Consolidated and Separate F/S
Debenture	Duration	Date of issue	Maturity date	Interest rate	
				(% p.a.)	
1	2 years	13 November 2019	13 November 2021	5.75	697,026
2	1 years 6 month	7 October 2020	7 April 2022	6.50	445,626
Total					1,142,652
<u>Less</u> Current portion					(697,026)
Debentures - net					445,626

31 December 2019

					(Unit : Thousand Baht)
					Consolidated and Separate F/S
Debenture	Duration	Date of issue	Maturity date	Interest rate	
				(% p.a.)	
1	2 years	27 September 2018	27 September 2020	5.25	159,459
2	1 years 6 month	15 May 2019	15 November 2020	6.00	765,353
3	2 years	13 November 2019	13 November 2021	5.75	693,727
Total					1,618,539
<u>Less</u> Current portion					(924,812)
Debentures - net					693,727

Movements in debentures during the years ended 31 December 2020 and 2019 are as follows:

			(Unit : Thousand Baht)
			Consolidated and Separate F/S
	2020	2019	
Balance as at 1 January	1,618,539	1,627,207	
Newly issued debentures	450,000	1,470,000	
Redemption during the year	(930,000)	(1,470,000)	
Underwriting costs	(5,344)	(14,880)	
Amortization of debenture issuance expenses	9,457	6,212	
Balance as at 31 December	1,142,652	1,618,539	

The Company issued unsubordinated, unsecured, with no trustee debentures to individuals and financial institutions. The interest on these debentures is payable every 3 months. The Company uses the proceeds from this issuance of debentures to repay debts and/or for working capital required to fund business expansion. In addition, the debentures were issued with covenants relating to various matters, such as the decrease in share capital, the merger, the payment of dividend and limitations on the execution of new loan obligation.

## 24. EMPLOYEE BENEFITS OBLIGATION

Movements in employee benefit obligations for the years ended 31 December 2020 and 2019 are as follows:

	Consolidated F/S		(Unit : Thousand Baht)	
	2020	2019	2020	2019
Balance as at 1 January				
Portion due within one year	134	10,230	134	10,230
Employee benefits obligation - net	16,153	16,420	16,153	16,420
Past service cost	-	2,590	-	2,590
Current service costs	1,566	2,585	1,566	2,585
Finance Cost	476	551	476	551
Actuarial gain recognizes under Shareholders' equity	-	(5,069)	-	(5,069)
Benefit paid	-	(10,001)	-	(10,001)
Reclassify accrued employee benefit	(134)	(1,019)	(134)	(1,019)
Total	18,195	16,287	18,195	16,287
<u>Less</u> Portion due within one year	(370)	(134)	(370)	(134)
Balance as at 31 December	17,825	16,153	17,825	16,153
Total unfund	18,195	16,287	18,195	16,287

Principal actuarial assumptions are as follows:

Discount rate	2.66 % p.a.
Salary increase rate	6.05 % p.a.
Mortality rate	Thai Mortality Table 2017
Normal retirement ages (years)	60 years

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

		(Unit : Thousand Baht)	
		Consolidated and Separate F/S	
		Increase 0.5 %	Decrease 0.5 %
<b>Discount rate</b>			
Increase (decrease) in the employee benefits obligation		(604)	640
<b>Future salary growth</b>			
Increase (decrease) in the employee benefits obligation		793	(754)
<b>Employee turnover</b>			
Increase (decrease) in the employee benefits obligation		(850)	904

As at 31 December 2020, expected maturity of employee benefits obligation before discount are as follows:

		(Unit : Thousand Baht)
		Consolidated and Separate F/S
Within one year		370
Between 2 - 5 years		9,744
Between 6 - 10 years		14,717
Between 11 - 15 years		4,169
Total		29,000

On 5 April 2019, the National Legislative Assembly published Labor Protection Act No.7 B.E. 2019 in the Government Gazette which entitles employees who have worked for a consecutive period of 20 years or more to receive 400 days based on their salary as at the date of retirement. The revised legislation will be effective from 5 May 2019, and resulted in an increase in the employment benefit obligation of Baht 2.59 million in the consolidated financial statement and separate financial statement, with a corresponding amount included in the profit and loss accounting in respect of the past service costs for the year ended 31 December 2019.

## 25. SHARE CAPITAL

At the 2020 Annual General Meeting of Shareholders meeting held on 17 July 2020, the shareholders passed a resolution to approve the decrease of registered share capital by decreasing the share capital of Baht 266,198,109.50 from previously registered of Baht 798,596,741 to Baht 532,398,631.50 by writing down 532,396,219 ordinary shares at the par value of Baht 0.50.

Warrants converted to ordinary shares are as follow:

	Consolidated and Separate F/S		
	Number of common shares (Share)	Issued and fully paid-up (Thousand Baht)	Premium on share capital (Thousand Baht)
Balance as at 1 January 2019	1,064,796,636	532,399	165,220
Warrants converted to ordinary shares	627	-	2
Balance as at 31 December 2019	1,064,797,263	532,399	165,222

On 31 May 2019, the warrant holders exercised 570 units to buy 627 ordinary shares. The Company has already received additional paid-up share capital totaling Baht 1,995 and recorded share capital at par value of Baht 313.50 and share premium of Baht 1,681.50. The final exercise date for the conversion was on 31 May 2019. Total of 483,978,710 units of warrants were not exercised and had expired.

As at 31 December 2020 and 2019, the warrants are excluded from the computation of diluted earnings per share as the exercised price is higher than the fair value of the ordinary shares.

## 26. PREMIUM ON SHARE CAPITAL

Under Section 51 of the Public Companies Act B.E. 2535, the Company is required to set aside share subscription money received in excess of the par value of the share as a reserve account ("Share premium on share capital"). Premium on share capital is not available for dividend distribution.

In 2019, the Company recorded share premium of Baht 1,681.50 described in the Note 25.

## 27. LEGAL RESERVE

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



## 28. DIVIDEND PAYMENT

At the board of director meeting held on 7 April 2020, the board of director approved an interim cash dividend payment from the net profit for the year end 31 December 2019, at Baht 0.03 per share, totaling Baht 31.94 million. Dividend was paid to shareholders on 7 May 2020.

## 29. PROVIDENT FUND

The Company and its employees have established a contributory Provident Fund. This Provident Fund has already been registered under the Provident Fund Act, B.E. 2530. Under the Fund plan, employee has to contribute to the fund at the specific rate and will be entitled to receive the fund when he is no longer member in accordance with regulation of the Fund. The Company's contribution to the Fund for the year 2020 amounted to Baht 2.00 million (2019: Baht 1.35 million).

## 30. OTHER INCOME

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Penalty income	18,698	19,209	18,698	19,209
Income from transferring of car registers	9,990	11,823	9,990	11,823
Insurance brokerage income	14,401	12,136	14,401	12,136
Operation fee income	7,948	9,759	7,948	9,759
Seized car transferred income	1,759	2,338	1,759	2,338
Gain on sale of investments in securities	-	180	-	180
Bad debt recovery	10,049	8,521	10,049	8,521
Debt collection income	4,367	6,346	4,367	6,346
Others	30,168	17,039	30,348	17,219
Total	97,380	87,351	97,560	87,531

**31. EXPENSES BY NATURE**

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Salaries, wages and another employee benefit	98,016	112,648	98,016	112,648
Management benefit expense	14,297	15,614	14,297	15,614
Commission expense	32,654	37,474	32,654	37,474
Bad debts and allowance for impairment	71,066	49,168	71,066	49,168
Sale promotion expense	1,920	2,945	1,920	2,945
Loss from disposal of assets foreclosed	-	9,158	-	9,158
Allowance for impairment of assets foreclosed	71,463	78,763	71,463	78,763
Amortization of debenture issuance expenses	9,457	6,212	9,457	6,212
Professional fee	2,519	2,881	2,289	2,651
Seized car repairing expense	2,797	2,818	2,797	2,818
Depreciation	6,652	4,629	6,652	4,629
Utility expense	6,822	7,377	6,822	7,377
Office rental expense	173	2,935	173	2,935
Others	23,088	28,896	23,079	26,905
Total	340,924	361,518	340,685	359,297

**32. SEGMENTAL FINANCIAL INFORMATION**

The Group's business is confined to the three business segments of hire-purchase financing for used cars, other financial services, and non-performing receivable management business. However, the revenue arising from non-performing receivable management business is immaterial. The Group, therefore does not present segmental financial information. Major businesses are carried in Thailand. All revenues and assets reflected in these financial statements are therefore pertaining to the aforementioned industry and geographic area.

(Unit : Million Baht)

	Consolidated F/S									
	For the years ended 31 December									
	Hire-purchase business		Other financial services		Other revenues		Elimination of inter-segment revenues		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from external customers										
- North	114.53	124.39	0.07	0.07	0.31	0.32	-	-	114.91	124.78
- Middle	33.54	40.20	37.14	42.19	53.76	18.35	(7.11)	(7.85)	117.33	92.89
- North east	171.32	193.94	0.13	0.12	2.50	0.46	-	-	173.95	194.52
- East	30.07	31.98	0.02	0.03	0.10	0.08	-	-	30.19	32.09
- Western	32.90	35.37	0.04	0.02	0.10	0.09	-	-	33.04	35.48
- South	101.54	102.42	0.02	0.02	1.05	0.21	-	-	102.61	102.65
Total	483.90	528.30	37.42	42.45	57.82	19.51	(7.11)	(7.85)	572.03	582.41
Revenue classified by revenue recognition										
At point in time	72.29	78.16	-	-	25.11	8.91	-	-	97.40	87.07
Overtime	411.61	450.14	37.42	42.45	32.71	10.60	(7.11)	(7.85)	474.63	495.34
Total	483.90	528.30	37.42	42.45	57.82	19.51	(7.11)	(7.85)	572.03	582.41
Finance costs									106.27	93.30
Depreciation and amortization									6.65	4.63
Profit before income tax									124.84	127.59
Total assets									4,128.27	3,694.93

*Major Customer*

The Company does not have major customer under its operations and does not have risk of loss of major customer.

### 33. FINANCIAL INSTRUMENTS

#### *Financial risk management*

The Group's financial instruments principally comprise cash and cash equivalents, restricted deposits with bank, hire-purchases receivable, loans, bank overdrafts and short-term loans from financial institutions, long-term loans and debentures. The Group has risks associated with these financial instruments. They are managed as described below.

#### *Credit risk*

The Group has exposure to credit risk primarily with respect to hire-purchases receivable and loans. The Group manages the risk by adopting appropriate credit control policies and procedures. In addition, credit exposure is not concentrated due to its diverse and large customer base. Therefore, the Group does not expect to incur material financial losses from the credit granting besides the amount of the allowance for impairment loss recorded in the account.

#### *Interest rate risk*

The Group's exposure to interest rate risk relates primarily to its cash at banks, hire-purchases receivable, short-term loans and long-term loans which bear interest. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2020 and 2019 classified by type of interest rates are summarized below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the reprising date (if this occurs before the maturity date) as follows:

(Unit : Million Baht)

	Consolidated F/S					
	2020					
	Fixed interest rates		Floating	Non-		Effective
	Within	Over 1	interest	interest		interest rate
	1 year	to 5 years	rate	bearing	Total	(% p.a.)
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	312.53	26.45	338.98	0.05 - 0.25
Hire-purchases receivable	986.47	1,570.14	-	-	2,556.61	17.31
Short-term loan to related company	459.80	-	-	-	459.80	6.50
Loans to other parties	221.38	76.51	-	-	297.89	12.00 - 24.00
Restricted deposit with bank	-	0.11	-	-	0.11	0.70
	<u>1,667.65</u>	<u>1,646.76</u>	<u>312.53</u>	<u>26.45</u>	<u>3,653.39</u>	
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loan from financial institutions	-	-	340.00	-	340.00	MOR, MMR, MLR - 0.85
Long-term loans	-	256.00	297.16	-	553.16	2.00, MLR - 0.85
Debentures	697.02	445.63	-	-	1,142.65	5.75 - 6.50
	<u>697.02</u>	<u>701.63</u>	<u>637.16</u>	<u>-</u>	<u>2,035.81</u>	

(Unit : Million Baht)

	Consolidated F/S					
	2019					
	Fixed interest rates		Floating	Non-		Effective
	Within	Over 1	interest	interest		interest rate
	1 year	to 5 years	rate	bearing	Total	(% p.a.)
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	13.50	29.68	43.18	0.10 - 0.38
Hire-purchases receivable	1,022.11	1,704.03	-	-	2,726.14	17.43
Short-term loan to related company	215.00	-	-	-	215.00	5.75 - 6.50
Loans to other parties	207.36	31.15	-	-	238.51	12.00 - 24.00
Restricted deposit with bank	-	0.11	-	-	0.11	0.90
	<u>1,444.47</u>	<u>1,735.29</u>	<u>13.50</u>	<u>29.68</u>	<u>3,222.94</u>	
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loan from financial institutions	-	-	39.88	-	39.88	MLR - 0.50, MLR - 1.25
Long-term loans	-	-	30.81	-	30.81	MLR - 0.50, MLR - 1.50
Debentures	924.81	693.73	-	-	1,618.54	5.25 - 6.00
	<u>924.81</u>	<u>693.73</u>	<u>70.69</u>	<u>-</u>	<u>1,689.23</u>	

(Unit : Million Baht)

	Separate F/S					
	2020					
	Fixed interest rates		Floating	Non-		Effective
	Within	Over1	interest	interest		interest rate
	1 year	to 5 years	rate	bearing	Total	(%p.a.)
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	312.52	26.45	338.97	0.05 - 0.25
Hire-purchases receivable	986.47	1,570.14	-	-	2,556.61	17.31
Short-term loan to related company	514.72	-	-	-	514.72	6.50
Loans to other parties	221.38	76.51	-	-	297.89	12.00 - 24.00
Restricted deposit with bank	-	0.11	-	-	0.11	0.70
	1,722.57	1,646.76	312.52	26.45	3,708.30	
<b>Financial Liabilities</b>						
Bank overdrafts and short-term form financial institutions	-	-	340.00	-	340.00	MOR, MMR, MLR - 0.85
Long-term loans	-	256.00	297.16	-	553.16	2.00, MLR - 0.85
Debentures	697.02	445.63	-	-	1,142.65	5.75 - 6.50
	697.02	701.63	637.16	-	2,035.81	

(Unit : Million Baht)

	Separate F/S					
	2019					
	Fixed interest rates		Floating	Non-		Effective
	Within	Over1	interest	interest		interest rate
	1 year	to 5 years	rate	bearing	Total	(%p.a.)
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	13.46	29.68	43.14	0.10 - 0.38
Hire-purchases receivable	1,022.11	1,704.03	-	-	2,726.14	17.43
Short-term loan to related company	333.75	-	-	-	333.75	5.75 - 6.50
Loans to other parties	207.36	31.15	-	-	238.51	12.00 - 24.00
Restricted deposit with bank	-	0.11	-	-	0.11	0.90
	1,563.22	1,735.29	13.46	29.68	3,341.65	
<b>Financial Liabilities</b>						
Bank overdrafts and short-term form financial institutions	-	-	39.88	-	39.88	MLR - 1.25
Long-term loans	-	-	30.81	-	30.81	MLR - 0.50, MLR - 1.50
Debentures	924.81	693.73	-	-	1,618.54	5.25 - 6.00
	924.81	693.73	70.69	-	1,689.23	

*Fair value financial instrument*

Major of the Company's financial assets and liabilities which not measured at fair value are reclassified as short term. Long-term loans and debentures bear interest rate under the same basis as the market. The management believes that book value of such financial assets and liabilities reflect value materially indifferent from fair values.

**34. FAIR VALUE MEASUREMENT**

Assets and liabilities measured at fair value as at 31 December 2020 and 2019 as follows;

(Unit: Thousand Baht)

		Consolidated F/S			
		2020			
		Level 1	Level 2	Level 3	Total
<b>Financial asset</b>					
Investment in accounts receivable - net		-	-	115,229	115,229
		(Unit: Thousand Baht)			
		Separate F/S			
		2020			
		Level 1	Level 2	Level 3	Total
<b>Financial asset</b>					
Investment in accounts receivable - net		-	-	433	433
		(Unit: Thousand Baht)			
		Consolidated F/S			
		2019			
		Level 1	Level 2	Level 3	Total
<b>Financial asset</b>					
Investment in accounts receivable - net		-	-	117,991	117,991
		(Unit: Thousand Baht)			
		Separate F/S			
		2019			
		Level 1	Level 2	Level 3	Total
<b>Financial asset</b>					
Investment in accounts receivable - net		-	-	3,195	3,195

**35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The changes in the Group's liabilities arising from financing activities can be classified as follows:

(Unit : Thousand Baht)

	Consolidated and Separate F/S					
	Bank overdrafts and Short-term loans from financial institutions	Short-term loans from related company	Debentures	Long-term loans	Lease Liabilities	Total
1 January 2020 - after adjustment	39,878	-	1,618,539	30,813	7,565	1,696,795
Cash-flows:						
Repayment	(137,692)	-	(930,000)	(73,652)	(2,312)	(1,143,656)
Proceeds	437,814	-	450,000	596,000	-	1,483,814
Underwriting costs	-	-	(5,344)	-	-	(5,344)
Amortization of debenture issuance expenses	-	-	9,457	-	-	9,457
31 December 2020	340,000	-	1,142,652	553,161	5,253	2,041,066

(Unit : Thousand Baht)

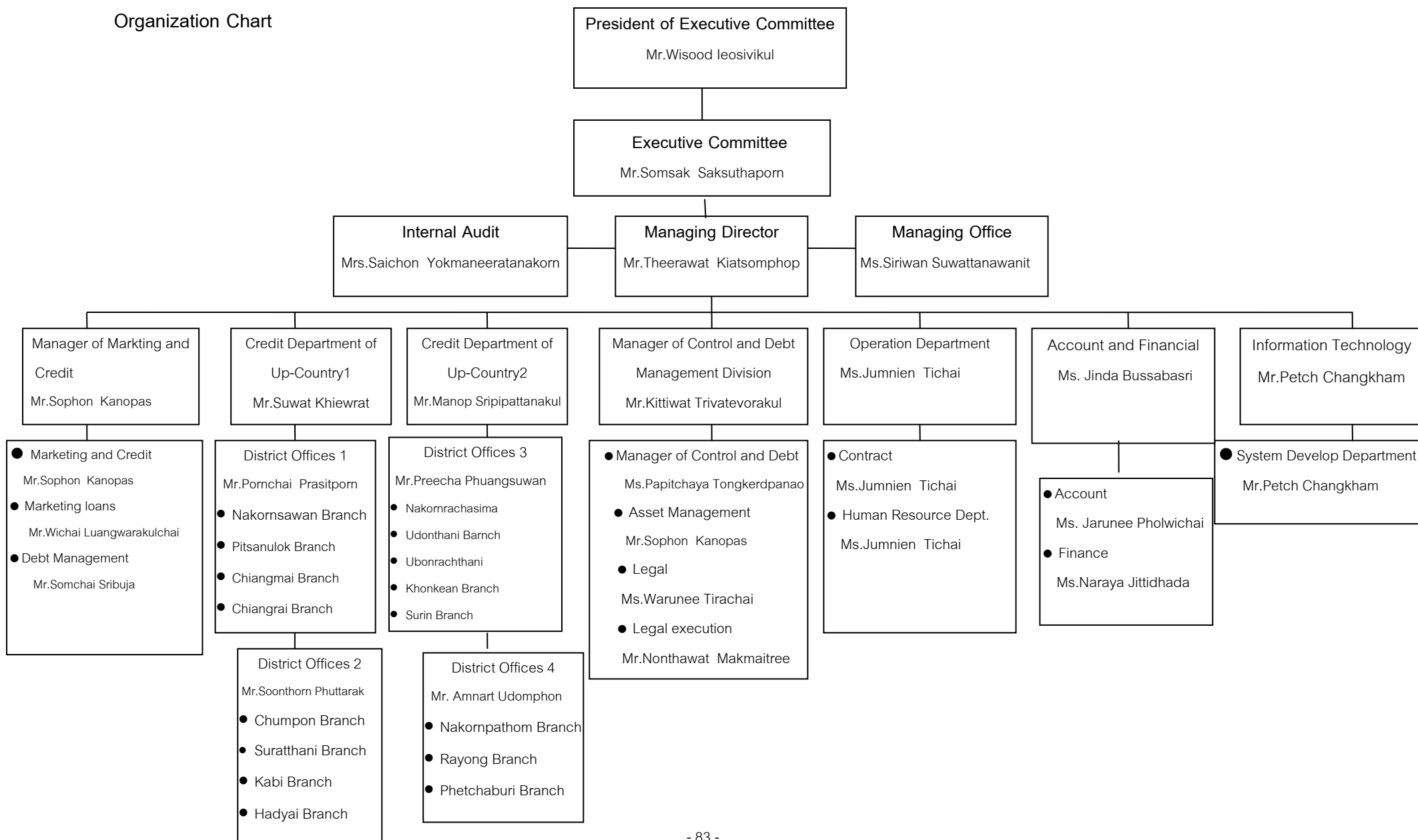
Consolidated and Separate F/S					
	Bank overdrafts and Short-term loans from financial institutions	Short-term loans from related company	Debentures	Long-term loans	Total
1 January 2019	39,597	78,000	1,627,207	42,904	1,787,708
Cash-flows:					
Repayment	(132,609)	(78,000)	(1,470,000)	(12,091)	(1,692,700)
Proceeds	132,890	-	1,470,000	-	1,602,890
Underwriting costs	-	-	(14,880)	-	(14,880)
Amortization of debenture issuance expenses	-	-	6,212	-	6,212
31 December 2019	39,878	-	1,618,539	30,813	1,689,230

**36. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements have been approved by the Company's Board of Directors on 1 March 2021



## Organization Chart



### Capital and Management Structure

List of major shareholders of the Company as of June 11, 2020

<u>No.</u>	<u>Name</u>	<u>No. of Share</u>	<u>% of paid-up capital</u>
1	Mida Assets Public Company Limited	500,214,000	46.98
2	Mr.Suwatchai Payajirawut	53,955,570	5.07
3	Ms. Nipon Nattawut	52,050,300	4.89
4	Ms. Chitwadee leosivikul	44,608,234	4.19
5	Ms.Tippawan Panyajirawut	29,110,627	2.73
6	Ms. Chawanluck leosivikul	19,488,581	1.83
7	Thai NVDR Co.,LTD	19,069,310	1.79
8	Mr. Vatcharivat leosivikul	15,825,370	1.49
9	Mr. Thaned Dirosakayavitoon	12,691,296	1.19
10	Mr. Kiat Srichomkwan	11,249,800	1.06
<b>Total</b>		<b>758,263,088</b>	<b>71.22</b>

Remark : Per value is 0.50 baht

Management structure of the Company consists of Board of Directors, Audit Committee, Executive Committee, and management. List and duties and responsibilities of the directors and managements of the Company are as follows:

#### Board of Directors

Board of Directors of the Company as of December 31, 2020 consists of 9 directors, who had all completed the Directors Accreditation Program (DAP).

<u>No.</u>	<u>Name</u>	<u>Position</u>
1.	Mr. Wisood leosivikul	President of Board Director
2.	Mr. Somsak Saksuthaporn	Director
3.	Ms. Roongrawee lampongpaition	Director
4.	Mr. Sorasak leosivikul	Director
5.	Mr. .Akachai leosivikul	Director
6.	Ms.Tippawan leosivikul	Director
7.	Pol.Lt.Gen Chalong Sonjai	Independent Director and Chairman of Audit committee
8.	Mr. Kiattiporn Sirichaisakul	Independent Director and Audit committee member
9.	Ms.Pinnapa Ngansujarit	Independent Director and Audit committee member

Ms. Roongrawee lampongpaition is the secretary for the Board of Directors.

Currently the Company has 9 directors, of which 5 directors are representatives of major shareholders, namely, Mr. Wisood leosivikul, Mr. Somsak Saksuthaporn, Ms. Roongrawee Iampongpaithoon, Mr. Sorasak leosivikul and Mr. .Akachai leosivikul Director. Audit Committee members are Pol. Lt. Gen. Chalongsongjai, Mr. Kiattiporn Sirichaisakul and Ms. Pinnapa Ngansujarit

#### Authorized Directors

Authorized Directors of the Company are Mr. Wisood leosivikul, Mr. Somsak Saksuthaporn, Ms. Roongrawee Iampongpaithoon, Mr. Sorasak leosivikul, Mr. .Akachai leosivikul two of five directors co-sign together with the Company's seal.

#### Scope of duties and responsibilities of the Board of Directors

Board of Directors shall utilize their knowledge, capability and experiences in operating the company's business in compliance with the law, objectives and articles of association of the Company as well as resolutions of the shareholders' meeting. Board of Directors shall specify policy for business operation, financial management, risk management and have effective internal control system and internal audit based on the best benefits of shareholders. Board of Directors shall also govern and control the executive to operate business under the specified policy with efficiently and effectively, and shall not operate, nor be a partner and not be a director of business that has the same nature as or in competition with that of the Company.

In addition, Board of Directors has the authority to appoint some directors to be the executive directors to perform the specific one or many duties. Board of Directors agree to appoint authorized directors to operate all businesses except the following operations should be approved by the shareholders' meeting

- 1) All operations compliance with law must be approved by shareholders' meeting
- 2) All operations that a director has an interest and specified by law or by the regulations of the Stock Exchange of Thailand that should have the resolution from shareholders.

However, the transaction must not be authorized by directors may have a conflict of interest or other conflict with the company or its subsidiaries, me.

#### Audit Committee

Audit Committee of the Company as of December 31, 2020 consists of 3 directors as follows:

<u>No.</u>	<u>Name</u>	<u>Position</u>
1.	Pol. Lt. Gen. Chalongsongjai	Chairman
2.	Mr. Kiattiporn Sirichaisakul	Member
3.	Ms. Pinnapa Ngansujarit	Member

Ms. Roongrawee Iampongpaithoon is the secretary of the Audit Committee.

#### Scope of duties and responsibilities of the Audit Committee

The Audit Committee has duty and responsibilities according to the regulation imposed by the Stock Exchange Commission and the Stock Exchange of Thailand and reports directly to the Company's Board of Directors.

- 1) To review the Company's financial reporting process to ensure accuracy and adequacy by coordinating with auditor and management who responsible for preparing quarterly and yearly financial statement as well as recommend the auditor in the necessary transactions that should be concern.
- 2) To ensure that the Company has suitable and efficient internal control system and internal audit by working with auditor and internal auditor.
- 3) To review the performance of the Company to ensure compliance with the securities and exchange law, regulations of SET or laws that relating to business of the Company.
- 4) To consider, select, nominate and recommend remuneration of the Company's external auditor.
- 5) To review the disclosure of information of the Company and to infer in case that there is a connected transaction or transaction that may lead to conflict of interest so as to ensure the accurateness and completeness.
- 6) To prepare a report on monitoring activities of the audit committee and disclose it in an annual report of the Company, and have such report signed by the chairman of the audit committee. The report should provide the following information:
  - The inference of correctness in financial reporting process and disclosure information in the financial statement.
  - The inference of the adequacy and sufficiency of internal control system.
  - The reason to support that the auditor is suitable to be appointed for further one term.
  - The reference of the Company's compliance with securities and exchange, regulations of SET and the laws relating to the Company's business.
  - The other information that should be disclosed to shareholders and investors under the scope of power and duties delegated by Board of Directors.
- 7) To perform any other act as assigned by the Board of Directors with approval of the audit committee.

#### Executive Committee

As of December 31, 2020 the Company has two executive directors as follows:

<u>No.</u>	<u>Name</u>	<u>Position</u>
1.	Mr. Wisood leosivikul	President of Executive Committee
2.	Mr. Somsak Saksuthaporn	Executive Committee

Ms. Roongrawee lampongpaithoon is the secretary of the Executive Committee.

#### Scope of duties and responsibilities of the Executive Committee

The Board of Directors has delegated authorization to Executive Directors to operate business under the following condition:

- 1) Authorization in managing the Company's business in compliance with the objectives, articles of association of the Company as well as the resolutions of the shareholders' meeting and Board of Director's meeting.
- 2) Authorization in approval the Company's normal business operation as the acquisition of products, vehicles and hire purchase sales approval. with the limit of each transaction not more than THB 50 million.

- 3) Authorization in approval for important investments that is determined in the annual budget, which are delegated from the Board of Directors or already approved by the Board of Directors.
- 4) Authorization in approval the Company's borrowing and investing as the purchase/sale of permanent assets with the limit of each transaction not more than THB 50 million or equivalent.
- 5) Authorization in establishing organization structure, management and management committee by covering the detail of recruitment, training, employment and unemployment.
- 6) Authorization in appointment and withdrawal all employees with the position below managing director.
- 7) Authorization in preparing, recommendation and establishing business policy as well as business strategy to Board of Directors for approval.
- 8) Authorization in setting business plan, management authority, approval annual budget and operate business under the business plan and strategy approved by Board of Directors.
- 9) Perform other special functions as delegated from Board of Directors.

The authority of the Executive Committee does not include the approval of any transactions that may be deemed conflict or transactions that executive members and related person may have any conflict of interest or other benefits that may conflict with that of the Company or its affiliate companies in accordance with the regulations of the Stock Exchange of Thailand. The approval of those transactions shall be presented to the Board of Directors' meeting and/or shareholders' meeting for consideration and approval in accordance with the articles of association of the Company and other related regulations.

## Management

As of December 31, 2020 the Company has 6 managements as follows:

<u>No.</u>	<u>Name</u>	<u>Position</u>
1.	Mr. Theerawat Kiatsomphob	Managing Director
2.	Mr.Manop Sripipattanakul	Operation Division 2 Dept. Manager
3.	Mr.Suwat Khiewrat	Operation Division 1 Dept. Manager
4.	Mr.Kittiwat Trivatevorakul	Manager Control and Debt Management Division
5.	Ms.Jinda Bussabasri	Finance & Accounting Director
6.	Mr.Petch Changkham	Information Technology Manage
7.	Mr.Sophon Kanopas	Manager of Markting and Credit

## Scope of duties and responsibilities of Managing Director

The Managing Director is authorized to manage and control the normal business operation and to approve the normal business transaction such as the purchasing of products, vehicles, materials, tools and equipments as well as the expenses approval, and consultants hiring with the limit of each transaction not exceed 20 million baht and the approval of hire-purchase with the limit of each transaction not exceed THB 1 million. For the approval of borrowing and investing such as buying-selling investments or permanent assets shall be approved by the Executive Directors.

The Managing Director shall perform in accordance with the delegation of Board of Directors or Executive Directors and he can delegate to the appropriated person to perform on behalf of him by under his consideration.

All the above authorities shall comply with the articles of the association of the Company and the authority shall not be delegated to Managing Director nor to his delegation whom has interest or conflict of interest with the company or the affiliation.

#### Nomination Committee

The Company does not have nominating committee to perform the selection and appointment directors. In addition the directors of the Company will be elected by Board of Directors considering from the working experiences, knowledge and should be qualified to criteria in Public Limited Company Act B.E. 2535 and the announcement of SEC.

The procedure for the appointment of directors can be summarized as follows:

- 1) One Shareholder has one vote per one share
- 2) Shareholder vote on candidate by candidate
- 3) The candidates who get the highest scores follow by consequence one will be elected to be the director until complete to total number of appointed directors. In case of tied votes, the chairman of the meeting shall be entitled to a casting vote.

#### Remuneration for management

##### a. Monetary remuneration

##### Directors

##### Directors' Remuneration 2020

No.	Name	Position	Directors fees	Representation fees
1.	Mr. Wisood leosivikul	Chairman and President of Board Director	200,000.00	20,000.00
2.	Mr. Somsak Saksuthaporn	Director	100,000.00	20,000.00
3.	Ms. Roongrawee lampongpaithoon	Director	100,000.00	20,000.00
4.	Ms. Sorasak Leosivikul	Director	100,000.00	20,000.00
5.	Mr. .Akachai leosivikul	Director	100,000.00	20,000.00
6.	Ms.Tippawan leosivikul	Director	100,000.00	20,000.00
7.	Pol.Lt.Gen Chalong Sonjai	Independent Director and Chairman of Audit committee	200,000.00	20,000.00
8.	Mr. Kiattiporn Sirichaisakul	Independent Director and Audit committee member	100,000.00	20,000.00
9.	Ms. Pinnapa Ngansujarit	Independent Director and Audit committee member	100,000.00	20,000.00

**Management**

Remuneration (THB)	2018	2019	2020
No. of Management	9	8	8
- Salary	13,787,662	13,771,174	13,016,952
- Bonus	5,747,594	4,386,446	637,975
- Other such as Board allowance and Transportation and telephone expenses	752,165	119,066	110,000
Provident Fund	274,551	250,847	181,612
<b>Total</b>	<b>20,561,972</b>	<b>18,527,533</b>	<b>13,946,539</b>

**b. Other remuneration**Directors

- None -

Management

- None

## Management Profile

Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
1. Mr.Wisood leosivikul	- Chairman of the Board - President of Executive Committee	61	<u>Bachelor Degree in</u> Community Development Rajabhat Institute Nakornpatom Training DAP 16/2004	<u>Old Brother</u> Mr. Sorasak leosivikul Mr.Eakachai leosivikul <u>Brother</u> Mrs.Tipapawan Panyajirawut	0.53	Apr'18 - Present	Director	Ingnatee Co.,Ltd.
						Jan'18- Present	Director	Mida Hospitality Group Co.,Ltd.
						Apr'17 – Present	Director	Mida Security Guard Co.,Ltd.
						Jul'15 – Present	Director	Mida Asset Management Co.,Ltd
						Nov'15 – Present	Director	Bangkok Charan Asset Management Co.,Ltd.
						Sep'15 – Present	Director	MD Resort Co.,Ltd.
						2015 – Present	Director	Phuket Beer (Thailand) Co.,Ltd.
						2014 - Present	Director	MD Adrenarine (Thailand) Co.,Ltd.
						Nov'13 – Present	Director	Tropical Beverage Corporation Co.,Ltd.
						2013 – Present	President and Managing	Mida Leasing Pcl.
						2013 – Present	President and Managing	Mida Assets Pcl.
						2012 – Present	Director	Mida Agency&Development Co.,Ltd.
						2011 – Present	Director	Mida Development Co.,Ltd.
						2009 – Present	Director	Mida(Lao) Financing Co.,Ltd.
						2009 – Present	Director	Max Hotel Co.,Ltd.
						2009 – Present	Director	Mida Ad Co.,Ltd.
						2009 – Present	Director	The Retreat Hua-Hin Co.,Ltd.
						2009 – Present	Director	Mida Hotel and resort Co.,Ltd.
						2006 – Present	Director	Mida Property Co.,Ltd
						2006 – Present	Director	Top Elements Co.,Ltd.



Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
2. Mr.Somsak Saksuthaporn	- Excutive Committee	67	High School - Sitabudt Bumrung School - Training DAP 50/2006		-	Nov'15 –Present	Director	Bangkok Charan Asset Management Co.,Ltd.
						Oct'15 -Present	Director	Mida Asset Management Co.,Ltd.
						2004-Present	Director	Mida Leasing Pcl.
						2004-Present	Director	Mida Assets Pcl.
3.Ms.Roongrawee lampongpaition	- Director - The secretary for the Board of Director	52	Master Degree in Accounting - Thammasart University Diploma in Auditing Thammasart University Bachelor Degree in Accounting(Honorable) - Thammasart University - Training DAP 16/2004,143/2017		0.04	Dec'18 -Present	Director	Mida Hospitality Group Co.,Ltd.
						Nov'15 –Present	Director	Bangkok Charan Asset Management Co.,Ltd.
						Sep'15 – Present	Director	MD Resort Co.,Ltd.
						Jul'2015 – Present	Director	Mida Asset Management Co.,Ltd.
						2015 – Present	Director	Mida Development Co.,Ltd.
						2015 – Present	Director	Mida Ad Co.,Ltd.
						Nov'13 –Present	Director	Tropical Beverage Corporation Co.,Ltd.
						2012 - Present	Director	Mida Agency&Development Co.,Ltd.
						2009 - Present	Director	Mida Hotel and resort Co.,Ltd.
						2005 – Present	Director	Mida Assets Pcl.
						2004 - Present	Director	Mida Leasing Pcl.

Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
4. Mr.Sorasak leosivikul	- Director	56	<u>Certificate</u> - Vocational Certificate in Accounting Chetupon Commercial College - Training DAP 16/2004	<u>Brother</u> Mr.Wisood leosivikul Mr.Eakachai leosivikul Mrs.Tipapawan Panyajirawut	-	2019-Present	Director	MD Resort Co.,Ltd.
						Jan'18 – Present	Director	Mida Hospitality Group Co.,Ltd.
						Nov'15- Present	Director	Bangkok Charan Asset Management Co.,Ltd
						May'15– Present	Director	Mida Leasing Pcl
						2014 - Present	Director	MD Adrenarine (Thailand) Co.,Ltd.
						2012– Present	Director	Mida Agency And Development Co.Ltd.
						2009– Present	Director	Max Hotel Co.,Ltd.
						2009– Present	Director	The Retreat Hun Hin Co.,Ltd.
						2007– Present	Director	Mida Hotel and Resort Co.,Ltd.
						2006– Present	Director	Top Elements Co.,Ltd.
						2002– Present	Deputy Managing Director	Mida Assets Pcl.

Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
5. Mr.Akachai leosivikul	- Director	59	Certificate - Diploma in Business and Marketing Rajabhat Institute Nakornpatom	Brother Mr. Wisood leosivikul Mrs.Tipapawan Panyajirawut Old Brother Mr. Sorasak leosivikul	0.01	Apr'17 - Present	Director	Mida Security Guard Co.,Ltd.
						Nov'15 - Present	Director	Bangkok Charan Asset Management Co.,Ltd
						2016– Present	Director	Mida Leasing Pcl
						2015– Present	Director	Phuket Beer (Thailand) Co.,Ltd.
						2015– Present	Director	MD Resort Co.,Ltd.
						2013– Present	Director	Top Elements Co.,Ltd.
						2013– Present	Director	Mida Hotel and Resort Co.,Ltd.
						2013– Present	Director	Max Hotel Co.,Ltd
						2013– Present	Director	The Retreat Hun Hin Co.,Ltd
						2013– Present	Director	Mida Development Co.,Ltd.
						2013– Present	Director	Mida Agency And Development Co.Ltd.
						2013– Present	Director	Mida Property Co.,Ltd
						2013 - Present	Director	Tropical Beverage Corporation Co.,Ltd.
						2012 - Present	Director	Mida Ad Co.,Ltd.
						2004– Present	Deputy Managing Director	Mida Assets Pcl.

Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
6. Ms.Tipapawan leosivikul	- Director	63	<u>Certificate</u> - Diploma Accounting in Rajabhat Institute Nakornpatom	<u>Old Sister</u> Mr. Wisood leosivikul Mr. Sorasak leosivikul Mr.Eakachai leosivikul	2.74	Jul'19-Present	Director	Mida Hotel and Resort Co.,Ltd.
						Jul'19-Present	Director	Top Elements Co.,Ltd.
						Jan'18 – Present	Director	Mida Hospitality Group Co.,Ltd.
						2018 - Present	Director	Ingnatee Co.,Ltd.
						Apr' 17- Present	Director	Mida Security Guard Co.,Ltd.
						2016– Present	Director	Mida Leasing Pcl
						2015– Present	Director	MD Resort Co.,Ltd.
						2015– Present	Director	Phuket Beer (Thailand) Co.,Ltd.
						2015 - Present	Director	The Retreat Hun Hin Co.,Ltd
						2014– Present	Director	Tropical Beverage Corporation Co.,Ltd.
						2013– Present	Director	MD Adrenarine (Thailand) Co.,Ltd.
						2013– Present	Director	Mida Development Co.,Ltd.
						2013– Present	Director	Max Hotel Co.,Ltd
						2013– Present	Director	Mida Ad Co.,Ltd
						2013– Present	Director	Mida Property Co.,Ltd
						2005– Present	Audit Manager	Mida Assets Pcl.
7. Mr. Theerawat Kiatsomphob	- Managing Director	63	<u>Master Degree</u> - EX-MBA University of the Thai Chamber of Commerce - Bachelor Degree in Liberal Arts (Political Science ) Ramkhamhaeng University -Training DAP 16/2004		-	Dec'14 - Present	Director	Mida Leasing Pcl.
						2001- Dec'14	Executive Committee and Managing Director	Mida Leasing Pcl.

Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
8. Pol.Lt.Gen Chalong Sonjai	- Independent Director - President of Auditing Committee	72	<u>Master Degree</u> Graduate School of Administration National Institute of Develop Administration		-	Dec'15 –Present  2011 -2014	Director and President of Auditing Committee Vice Minister for Interior	Mida-leasing Pcl.
9. Ms. Pinnapa Ngansujarit	- Independent Director - Audit Committee	52	<u>Master Degree</u> Master of accounting Chulalongkorn University <u>Bachelor Degree</u> Faculty of Economics and business administration Accounting(Honorable) Kasetsart University		-	May'15 – Present  2008 -2013	Independent Director and Audit Committee Director and Audit Committee	Mida Leasing Pcl.  Green Resources Pcl. (Form Mida Medalist Entertainment Pcl.)
10. Mr.Kiattiporn Sirichaisakul	- Independent Director - Audit Committee	52	<u>Bachelor Degree</u> - Accounting Thammasart University		-	2017- Present  2017 - Present  2014 - 2016 2011 – Present  2009 – 2015 2006 - Present 1992- Present	Director and President of Auditing Committee Member of the Nomination and Remuneration Committee , Member of the Enterprise Risk Management Committee Director Director and Audit Committee Director Independent Director and Audit Committee Auditor	Bangkok Health Insurance Pcl.  Filtverson Pcl.  Marachi Co.,Ltd Filtverson Pcl.  Piyavate Pcl. Mida Leasing Pcl. Finer Coopers

Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
11. Mr. Kittiwat Trivatevorakul	Manager Control and debt Management	56	<u>Bachelor Degree</u> - Faculty of Law Sripathum University		-	2017- Present	Manager Control and debt Management	Mida Leasing Pcl.
						2016	Manager of Credit Department 2	Mida Leasing Pcl.
						2015	Manager of Credit Department 1	Mida Leasing Pcl.
						2014	Manager of Credit Department 2	Mida Leasing Pcl.
						2012 – 2013	Manager of Credit Department 1	Mida Leasing Pcl.
12. Mr. Manop Sripipattanakul	Operation Division 2 Dept. Manager	69	<u>Bachelor Degree</u> - Faculty of Political Science Ramkhamhaeng University		-	2017 – Present	Manager of Credit Department 2	Mida Leasing Pcl.
						2016	Manager of Credit Department 1	Mida Leasing Pcl.
						2015	Manager of Credit Department 1	Mida Leasing Pcl.
						2014	Manager of Credit Department 1	Mida Leasing Pcl.
						Dec '08 -2013	Manager of Credit Department 2	Mida Leasing Pcl.

Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
13. Mr. Suwat Khiewrat	Manager of Credit Department 1	58	<u>Bachelor Degree</u> - Faculty of Political Science Ramkhamhaeng University		-	2017 – Present	Manager of Credit Department 1	Mida Leasing Pcl.
						2012– 2016	Manager of Control and Debt	Mida Leasing Pcl.
14. Ms. Jinda Bussabasri	Finance and Accounting Director	49	<u>Bachelor Degree</u> Bachelor of Business Administration Program in Accounting - Saint John's University			May'20 – Present	Finance and Accounting Director	Mida Leasing Pcl.
						Apr'17 – Present	Accounting Director	Mida Assets Pcl.
15. Mr. Petch Changkham	Information Technology Manager	54	<u>Bachelor Degree</u> Computer Science Ramkhamhaeng University		-	2010– Present	Senior managers Department	Mida Leasing Pcl.

\*\*\* Share holding as of December 31, 2020 \*\*\*

**Internal Control**

The Board of Directors meeting of Mida Leasing Public Company Limited no. 4/2020, held on 16 November 2020, attended by three audit committee members. The Board of Directors assessed the internal control of the Company by means of conducting inquiries with the management and concluded from the assessment of the internal control system in five areas, namely, control environment, risk assessment, control activities, information and communication, and monitoring to protect directors, managements, major shareholders or related parties as mentioned above that it is sufficient.

As for the internal control in other aspects, in practice, the Company has an appropriate credit approval procedure. Credit officer, credit review officer and Account Receivables Department officers are independent from one another and can be monitored, in which they report directly to each of their department supervisor. Moreover, the internal control department randomly checks the correctness and completeness on the information of the customers and carefully monitors the credit approval process to ensure the sufficient monitoring system.

The Board of Directors opines that Mida Leasing Public Company Limited has an adequate and appropriate internal control system and that the monitoring process on the operation of the Company can protect the Company from any misuse by the management without authorized authority.

**Governance of the usage of inside information**

The Company has a policy to protect directors and managements from directly or indirectly disclosing inside information of the Company for their own and others benefits no matter their will receive compensation or not. In addition directors and managements who receive financial information of the Company must not exploit such information prior to the disclosure to the public. The Company also educates directors and managements the responsibilities in reporting the possession of securities of himself/herself, his/her spouse, and his/her minor children to the Stock Exchange Commission. The Company has determined the penalty on person who exploits the Company's inside information for their own benefit or disclose to public lead that may damage the Company. The Company shall review each case suitably. However, early prevention measures include verbal warning, written notice, sanction and termination of employment (if it deems appropriate).



## Report on the Good Corporate Governance

The Board of Directors has adopted the Code of Best Practices stipulated for executives of the listed companies and in compliance with the guidelines of the SET.

Good governance practices as adopted by the Company is as follows:

### 1. Policy on Corporate Governance

The Company is aware of the importance of good corporate governance for the long-term benefits and sustainability of the Company, stakeholders, clients and employees. The Company has thus mapped out the policy and directions regarding the internal control, internal audit, risk management and so that the management can operate the business in accordance to policy efficiently with the purview of the laws and the code of business ethics.

### 2. Rights of Shareholders and Shareholders' Meeting

In early 2004, the Company was still a private limited company. The Company has arranged for Shareholders' Meeting by sending Notice summoning the meeting and meeting documents to the shareholders in line with the Company's Bylaws. The Company also provides an opportunity for the shareholders to have their questioned answered, and suggestions and opinion addressed. Once the Company changed its status to a public limited company and became one of the listed companies on the Stock Exchange of Thailand, the Company also offers an alternative to the shareholders who are unable to meeting to appoint the Independent Directors as their proxies. The Company is aware of the importance of disseminating the information regularly and on the fair basis to all shareholders.

### 3. Rights of Stakeholders

The Company is fully aware of the importance of the rights of all groups of stakeholders such as employees, executive management, creditors, competitors, and the society. The Company thus complies with the law and regulations to ensure that all stakeholders are duly taken care at the most.

### 4. Leadership and Vision

The Board of Directors of the Company considered and put in place the Company's visions, missions, strategies, targets, business plans and budget plans as proposed by the management team, as well as monitoring the implementation of the above. The Board also put in place effective internal control system, internal audit system and risk management measures. Moreover, the Board also considers the segregation of duties and responsibilities, as well as the authorization of credit approval of that of, the Board of Directors, the management and that of the Managing Director.

### 5. Conflicts of Interests

The Board of Directors will take a prudent action in the transactions of cross over entries and may create conflict of interests, for an example, should any of the directors is a conflicting party in any board meeting, he shall not exercise his vote and details will be recorded in the meeting minute accordingly. The Company has also established

procedure to prevent possible conflict in the future. Any connected transactions or those that are deemed conflicting must seek acknowledgment from the Audit Committee. The above matters might have to be obtained by an approval from the board's and/or shareholders should it be deemed necessary. In essence, the Company will duly comply with the regulations and the requirements by the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand. The details of the transaction in terms of value, agreement parties, rationale and necessity will be disclosed in the annual report and Form 56-1 accordingly.

## 6. Business Ethics

The Company has established its missions and business objectives with business ethics as its utmost importance. The Company, therefore, put in writing the Code of Best Practices for the directors, management and employees to adhere to ensure that directors, management and employees perform their duties with integrity, transparency and fairness to the Company, all groups of stakeholders and the public. Compliance guidelines and disciplinary punishment measures are also established.

## 7. Balance of Power from the Non-Management Directors

The Board of Directors is composed of nine members, as detailed below:

<i>Name</i>	<i>Management</i>	<i>Non-Management</i>	<i>Independent Directors</i>	<i>Audit committee</i>
1. Mr. Wisood leosivikul	✓	-	-	-
2. Mr. Somsak Saksuthaporn	✓	-	-	-
3. Ms. Roongrawee Iampongpaithoon	-	✓	-	-
4. Mr. Sorasak leosivikul	-	✓	-	-
5. Mr. Akachai leosivikul	-	✓	-	-
6. Ms. Tipapawan leosivikul	-	✓	-	-
7. Pol. Lt. Gen. Chalongsong Sonjai	-	✓	✓	✓
8. Mr. Kiattiporn Sirichaisakul	-	✓	✓	✓
9. Ms. Pinnapa Ngansujarit	-	✓	✓	✓
<b>Total</b>	<b>2</b>	<b>7</b>	<b>3</b>	<b>3</b>

- No. of Management Directors: 2 (out of 9 directors)
- No. of Non-Management Directors: 7 (out of 9 directors)
- Independent Directors: 3 (all of which are in the Audit Committee or one-third of all directors)

## 8. Consolidation and Segregation of Power

In order to segregate the policy making from business supervision and routine administration, the President and the Managing Director shall not be the same person. Besides, the authorization of each position is clearly defined and neither one of them has the absolute power. In addition, a balance of power to monitor the management is ensured by the appointment of three independent directors in the audit committee in the Board of Directors.

## 9. Remuneration of Directors and Executives

With the approval from the Shareholder's meeting, the total director's remuneration shall not exceed two million baht per annum. The executives' remuneration is as detailed in earlier section. The above remuneration will be commensurate with the appropriateness and responsibilities of each director and executives, as well as it should be at competitive level to attractive capable directors and executives for the Company.

## 10. Board of Directors' Meetings

The Board of Directors' Meetings will be held on a regular basis and the extra meetings as deemed necessary. A notice together with the agenda and documents summoning the meeting will be sent at least 7 days in advance. Every meeting minute will be recorded in writing and later prepared in form of a report for examination the directors and related persons. In 2020 there are altogether 22<sup>th</sup> board of directors' meetings being held.

## 11. Sub Committee

The Company has various subcommittees as follows:

- Executive Committee

The Executive Committee, consist 3 directors, was appointed as of January 3, 2006 and having 2-year term of office.

- Audit Committee

The Audit Committee, consist 3 independent directors, was appointed as of January 16, 2006 and having 2-year term of office.

- Allocation Committee

In the mean time, the Company does not have a remuneration committee but has planned to set up this committee in the future. At present, the Company's remuneration is compatible with that of similar businesses of the same size and business performance.

## 12. Internal Control and Audit System

Internal control and audit system is always of major concern to the Company. To ensure the effectiveness and independence of the internal audit, the internal audit department directly reports the audit result to the Managing Director and Audit Committee. The Audit Committee regularly evaluates the adequacy and appropriateness of the internal audit system as well as following up the corrections of the weaknesses based on the result of the inspections so as to minimize the risk involved. The Company has also clearly defined in writing the power and duties of the operating staffs and supervisors to ensure appropriateness internal check and balance. Additionally, the Company also gives importance to the comments as given by the external auditors so as to ensure the effectiveness of the internal control system.

### 13. The Board of Directors Report

The Board of Directors is entirely responsible for the approval of the annual Financial Statements of the Company and for the financial information disclosed in the annual report. After its careful consideration, the Board of Directors is of the opinion that the Financial Statements were prepared in accordance with generally accounting standards having sufficient disclosure of information in the notes to the Financial Statements. According to the General Meeting of the Shareholders No: 1/2020, the Audit Committee, which comprised of independent directors were appointed to oversee the quality of the financial reports and the internal control system.

### 14. Relationship with investors

The Company is aware of the importance of reporting accurate and complete information within the prescribed time period to all shareholders and related parties. The Company therefore will set up the investor relation division to answer all questions raised by shareholders and responsible for preparing all information that will be released to SET and shareholders in the timely manner.

### 15. Corporate Social Responsibilities: CSR

Mida Leasing Pcl. has the principle in doing business for its growth on the basis of good governance and sustainable social & environment responsibility. The Company has a focus on CSR both within the organization and outside the organization. Starting from create culture building for the staff to recognizing the value creation alongside social and environmental value creation in the business for sustainable growth. The company has introduced sustainable management as its key component these are then deployed into action for business process for continuous practice and to achieve maximum efficiency which comprises the following 8 principles.

#### 15.1 Operations with fairness

The Company operates with business competencies and ethics. The company conducts its business with honesty. By adhering to the corporate social responsibility and all stakeholders according to the principle of supervision to ensure the company's policy is define the responsibilities and guidelines to take appropriate action as follow;

- The company is committed to conducting business to create satisfaction and maximum benefit to the shareholders and investors. Moreover, the Company has a policy to treat all the shareholders and investors equally.
- The company has focused on the development and support of human resources. Both in terms of knowledge and interests of employees. The company treats every employee equitably
- The company focuses on providing quality service to customers both before and after the sale.
- The Company strictly follows the rules of competition, avoids any inappropriate or corrupted methods or destroy competitors' reputation, which has been established and disclosed in the Company's Code of Business Conduct towards its Competitors.

## 15.2 Anti-corruption policies

The management of the Company regard the importance of anti-corruption by stipulates corruption policy as guidelines of business operating and therefore directors, management and all employees have to follow the implementation. The policy was clearly defined sanctions for violators to reduce fraud, to create transparency and to aware of moral and ethical which is summarized as follows;

15.2.1 No such behaviors of grafting acts within stakeholders for the wrongful benefits are allowed

15.2.2 Procurement process must be done through the regulations of the Company to ensure transparency.

15.2.3 Neither action related to internal politics nor using of company resources to deal with the politics can be acceptable. The Company committed to be politically neutral and encourage compliance with the law. There would be no policy for political support, either direct or indirect.

15.2.4 Employees shall not ignore or neglect the situation when exposed to the action or behavior deemed as corruption. Employees must notify their supervisors or the responsible person in case of facing any offense against the moral or company code of conduct. Should there be any questions or inquiries, employees should consult with their supervisors or the persons responsible in compliance with this policy

15.2.5 The Company recognizes the importance of publicity, education, counseling and understanding its employees and also those concerned with the anti-corruption act.

15.2.6 Policies against corruption covers personnel administration from the selection, promotion, training, evaluation of the performance of employees and compensation. All supervisors are required to communicate and make understanding with their employees.

15.2.7 The company has established a system of internal controls to ensure operational efficiency and to reduce exposure to the business. It is a tool that helps to reduce opportunities and motivation for abuse and corruption to a minimum, such as segregation of duties between employees who authorized the payment and employees who pay cheque. The Company also set tracking process to promptly report to management about the causes of defects or irregularities situation. The system can improve the preventive appropriately in assessing the internal control system. Internal Audit Department is an important part of the process.

## 15.3 Respect for human rights

The company has a written policy on human rights. The company treats their employees and community stakeholders with respect for their human values. Taking into account of living, caring and helping each other in suffering time as the basic of subsistence, the company maintains the privacy of employees' information and encourages employees to exercise their rights as good citizens constitutionally and legally

## 15.4 To treat all labor forces fairly

Because employees are a key part of the business to grown sustainably. The company treats every employee equitably. The employees shall receive reasonable compensation based on their wages including reasonable overtime pay. They shall have weekly holidays, annual vacation as well as maternity leaves so that employees can work to their full potential and also have more time for family. The company provides freedom in making comments or complaints by setting up communication channels. The company is concerned with employees' health and safety protection by making the office atmosphere to be a nice work place that enhances productivity. The Company used a bulletin board to share

knowledge to employee moreover, The Company has held a morning meeting to exchange experience in the operation, discuss problems to find suitable solution together. We encourage our employees to be lecturer in training inside the company to develop their skills as an expert and creating a knowledge sharing culture in the Company

#### 15.5 Consumer Responsibility

The Company has a policy in treating all customers in the areas of credit facilities and after-sales service. The company pays attention to a good service with an aim to give customers the maximum benefit and satisfaction by providing speedy and efficient customer service. Moreover, the Company also maintains customers' confidentiality and never abuses the information for the benefit of the customer itself or its associated persons. With regard to the car price, the company reasonably offers the car prices and giving sufficient information about the realistic characteristics and quality of the car to buyers so that they could have more sufficient information for their decision making.

#### 15.6 Environmental care

The Company encourages employees to have more a concern in using of office equipment, water supply, electricity, telephone, air-conditioning, papers save and cost-effectively. The company improves employees' uniform that suits the climate change by using of environmentally friendly products so that the employees have been involved in the natural environment conservation campaign The Company has prepared projects and activities as follows:

The company has cultivated the habit of saving energy and resources to employee, such as turning off lights and air conditioning when not in use. The Company has reduced unnecessary paper use by e.g. printing double sided used recycle paper, giving fabric bags to employee in order to support the abolition of plastic bags, limited car parking to reduce used of private car as indirect energy savings. Moreover, the Company also saves energy such as use energy saving light bulbs.

#### 15.7 Community development or social

The company has a policy of social and community responsibility as a whole. The company regularly organizes recreation activities so as to contribute to the better quality of life of the community, either on its own arrangement or joining hands with the government and the community. The company has a quick and effective response to any situation that has an impact on the environment; and always gets full cooperation from the community as well as related agencies.

The company always supports creative social activities. The employees should have a sense of social contribution. As well, the company also promotes education, religion, ethics and good health. The company recognizes the importance of the quality of children and youth of the country; and gives scholarships and equipment to schools in Ban Nongpaklong School, Muang Nakhon Pathom ,Nakhon Pathom province so at to promote and encourage the youth to have a better quality of education. The company recognizes the importance of education and has continuous policy in supporting the education of the youth in the future. The quality of growing youth population will result in Thailand moving forward firmly.

15.8 The innovation and the dissemination of innovation derived from social, environment and stakeholder responsibility.

The company's hire purchase business is concerned with social development in term of enhancing the quality of life of people in the society by the financial support to the population so as to have more chance to buy a car with their

ability to pay the installment. The Company has reviewed the work process and more effective service. The company jointly works with the insurance company, the business partners and encourages customers to buy car insurance, i.e. to protect the car that has to be repaired or replaced when having an accident. Moreover, the insurance can cover the car hire purchase facilities, whereas the insurance company will be responsible for payment of all remaining lease amount on behalf of customers in case of disability or death. The company also jointly works with commercial banks so as to reduce the use of checks by means of using electronic funds transfer system. The work procedures has been developed successively and finally become the standard operations of the Company. This is considered as the innovation that helps enhance the quality service to society and add value to the company.

## Related Transaction

## 1. Summary of related transaction between the Company and related person who may have conflicts as of 2018, 2019, and 2020.

Related person who may have conflicts of interest	Relationship	Description	Pricing policy	Value of Transaction (THB)			
				2018	2019	2020	Outstanding creditor/debtor 2020
1. Mida Asset Public Co., Ltd.	Major shareholders of the Company and have common Management and Directors * Held 46.98%	1. Accommodation costs, and meals by the company organizing training seminars such accommodation close to the location of the Company's headquarters.	Actual purchase price as market price	1,088,299	1,255,920	512,809	43,409
		2. Document Storage rental in which the document warehouse is close to the Company's office.		18,000	18,000	18,000	-
		3. Office supplies and insurance premiums, the company orders through MIDA Asset Pcl., due to high volume of transactions and bargaining power. The company get the lower price than its direct to supplier.		91,281	75,588	41,798	-
2. Max Hotel Co. Ltd.	Common Directors and Management, Mr. Wisood leosivikul	The company has organized a seminar in which the accommodation arranged is not far from the training venue.	Market price	80,953	47,252	56,776	-



Related person who may have conflicts of interest	Relationship	Description	Pricing policy	Value of Transaction (THB)			
				2018	2019	2020	Outstanding creditor/debtor 2020
3. Mida Asset Management Co., Ltd.	A Subsidiary Mida Leasing Held 99.99%	1.Consultant fee, The Company is a consultant on asset management because of its expertise in such work.	It is a reasonable price.	120,000	120,000	120,000	660,000
		2. Building Building rental income, the company has leased building at 56/8 Soi Chaengwattana 14 to be the location of the office of Mida Asset Management Company Limited, located near the Company's headquarters.	It is a reasonable price. Other conditions in the contract equivalent to other leases	60,000	60,000	60,000	330,000
4. Mida Developmenty Co.,Ltd.	Common Directors and Management, Mr. Wisood leosivikul	The company has organized a seminar in which the accommodation arranged is not far from the training venue.	Actual purchase price as market price	6,729	3,327	-	-

Such revenues and expenses have been resolved by the Audit Committee and the Board of Directors' meeting. which transactions are in accordance with normal business nature and supports the Company's business operations

to maximize the benefits. Such transactions are subject to conditions of market price

Note: \* The Company and Mida assets Pcl. have 5 co-management and directors, which are (1) Mr.Wisood leosivikul (2) Mr.Somsak Saksuthaporn (3) Ms Roongrawee Iampongpaithoon ,(4) Mr.Sorasak leosivikul (5) Mr.Eakachai leosivikul in which the first 2 Directors are co-management.

\*\*Update December 31, 2020

## (1.2) Loans.

The Company has provided loans to related companies. With details as follows

Related persons and relationships	Relationship	Transaction value (million baht)						
		01-Jan-20	Loan	Payment	31-Dec-20	Interest rate %	Interest income during the year 2020	Accrued interest as of 31 Dec 2020
Mida Asset Public Co., Ltd.	Major shareholders of the Company and have common Management and Directors * Held 46.98%	215.00	614.00	(369.20)	459.80	6.50%	25.40	4.77
Mida Asset Management Co., Ltd.	A Subsidiary Mida Leasing Held 99.99%	118.75	0.21	(64.04)	54.92	6.50%	6.93	0.70

Related persons and relationships	Relationship	Transaction value (million baht)						
		01-Jan-19	Loan	Payment	31-Dec-19	Interest rate %	Interest income during the year 2019	Accrued interest as of 31 Dec 2019
Mida Asset Public Co., Ltd.	Major shareholders of the Company and have common Management and Directors * Held 46.98%	-	253.00	( 38.00)	215.00	5.75%-6.50%	2.31	0.86
Mida Asset Management Co., Ltd.	A Subsidiary Mida Leasing Held 99.99%	155.39	0.75	(37.39)	118.75	5.75%	7.67	4.74

Such loans have been approved by the Audit Committee and the Board of Directors' meeting. The policy of interest income rate is higher than the bank's loan rate and the issuance of debentures. Therefore, it is necessary to maximize the cash surplus generated from the operation, as well as considering the ability to repay debts.

The Company has loans to related companies. With details as follows

Related persons and relationships	Relationship	Transaction value (million baht)						
		01-Jan-19	Loan	Payment	31-Dec-19	Interest rate %	Interest paid during the year 2019	Accrued interest as of 31 Dec 2019
Mida Asset Public Co., Ltd.	Major shareholders of the Company and have common Management and Directors * Held 46.98%	78.00	-	(78.00)	-	5.75%	1.17	-

The aforementioned loans have been passed by the Audit Committee and the Board of Directors' meeting. According to the policy of the interest rate payment, is equivalent to the market rate that the company has been offered from other financial institutions to enhance liquidity for the company short-term loans.

## 2. Necessity and reasonableness of the transactions

The related transactions described above are considered necessary and reasonable as those are determined by normal business practice, based on the market price, and are not considered as special conditions between the Company and related parties. The fee is determined in accordance with normal rate that is comparable to other non-related parties. The Company anticipates these transactions to continue in the future.

## 3. Measures or approval process for the related transactions

The Board of Directors of the Company reviewed and approved all related transactions in the past, even though the Company had not determined the approval process for the related transactions, as it was a limited company. However, the Board of Directors considered the entering into related transactions based on the best interest of the Company.

For any future related transactions, the Company has the policy of having the Audit Committee of Mida Leasing Public Company Limited reviews and approves the transactions prior to the occurrence of related transactions. Member(s) who may have conflict of interest shall not be involved in providing opinions on the related transactions.

However, the related transactions will be performed based on the rationales and necessity of the Company, in which the compensation should be in accordance with the fair market price and the Audit Committee shall provide opinion on those transactions.

#### **4. Policy on the related transactions**

The type of related transactions anticipated to occur in the future are the office space sub-contract from the sales commission paid to Mida Assets Public Company Limited in introducing customers to the automobile hire-purchase services of the Company. In case of future related transactions, the Company has the policy to operate as a normal business practice. The Company will request Audit Committee or external auditor or independent expert to review and provide opinion on the reasonableness of the price and the necessity and reasonableness of the transactions.

Board of Directors of the Company shall comply with the law governing securities and securities exchange and the provisions, notifications, orders or regulations, of the Stock Exchange of Thailand relevant to the related transactions and the acquisition and disposal of assets of the Company and its subsidiary according to the Thai Accounting Standards and the Institute of Certified of Accountants and Auditors of Thailand.

If the Company is to perform any related transaction with persons who may have conflict of interest or may have conflict of interest in the future, the Audit Committee will provide opinion on the necessity and reasonableness of that transaction. In case the audit committee has no expertise in such transaction, the Company will arrange for an independent expert or external auditor to provide opinions, which will be used as a basis for decision-making by the Board of directors or the shareholders, as the case may be. The Company will disclose all related transactions in notes of the financial statements audited by the external auditor.

Other Relevant Information
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Name	: Mida Leasing Public Company Limited
Nature of Business	: Automobile hire-purchase services and management of non-performing assets
Head Office	: 48/2-5 Soi Changwattana 14 Changwattana Rd. Thungsonghong Laksi Bangkok 10210
Company's Registration No.	: 0107547000532
Telephone	: 0-2574-6901
Fax	: 0-2574-6902
Registered Capital	: 1,064,797,263 ordinary shares as of 31 December 2020  Issued 1,064,797,263 shares and paid-up share capital 532,398,631.50 baht per value is Baht 0.50
Registrar	: Thailand Securities Depository Co., Ltd.  93, 14th Floor, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
Auditor	: Mr. Narin Churamongkol  Certified Public Accountant Registration No. 8593  Grant Thornton CO.,LTD.  18th Floor Capital Tower, All Season Place, 87/1 Wireless Road, Lumpini, Bangkok 10330.

## Address and Contact Information of Head Office and Branch offices

HQ/ Branch Office	Address & Contact Information
Head Office	Add: 48/2-5 Soi Changwattana 14 Changwattana Rd. Thungsonghong Laksi Bangkok 10210 Tel: 0-2574-6901 Fax: 0-2574-6902
Nakorn Pathom Branch	Add: 35/8-9 Moo.5 Petkasem Rd. Iujphaya Maung Nakornpathom 73000 Tel: (034) 244-250-1 Fax: (034) 244-252
Nakorn Sawan Branch	Add: 132/2 Moo 10 Phahon Yothin Rd. Nong Krot Maung Nakornsawan 60240 Tel: (056) 200-770 Fax: (056) 200-771
Nakornrachasima Branch	Add: 1015 Moo.4 rajsima - pakthongchai Rd. nongjabok Maung Nakornrachasima 30000 Tel: (044) 357-101-3 Fax: (044) 357-106
Rayong Branch	Add: 222/10 Moo4. Bypass Rd. 36 Choengnoen Maung Rayong 21000 Tel: (038) 018-640 Fax: (038) 018-641
Chumpon Branch	Add: 21 Moo.1 Chumpon – Ranong Rd. Wangpai Maungchumpon Chumpon 86000 Tel: (077) 658-757,658-741 Fax: (077) 658-758
Udonthani Branch	Add: 419/15-16 Moo 7 Robmaung Rd. Markkang Maung Udonthani 41000 Tel: (042) 230-112-4 Fax: (042) 230-115
Pitsanulok Branch	Add: 59/10 Moo 7 Pitsanulok – Lom Sakt Rd. samorkae Maung Pitsanulok 65000 Tel: (055) 320-045 Fax: (055) 320-046
Chiangmai Branch	Add: 236/91 Moo1 Mahidol Rd. Nonghoi Maung Chiangmai 50000 Tel: (053) 140-211-3 Fax: (053) 140-214
Ubonrachathani Branch	Add: 448/1 Moo 12 Ubon-Trakan Bypass Rd. Rai Noi Maung Ubonrachathani 34000 Tel: (045) 317-555-7 Fax: (045) 317-558
Khonkean Branch	Add: 588/13-14 Moo.5. Klang Muang Rd. Maungkao Maung Khonkean 40000 Tel: (043) 340-336-7 Fax: (043) 340-338
Surat Thani Branch	Add: 16/27 Moo.3 Liangmuang Rd. Bangkung Maung Suratthani 84000 Tel: (077) 310-188 Fax: (077) 310-189
Krabi Branch	Add: 88/5 Moo 2 Phetkasemt Rd. Saithai Maung Krabi Krabi 81000 Tel: (075) 650-606 Fax: (075) 650-607
Hadyai Branch	Add: 142/29 Moo.7 Lopburirames Rd. thachang bangklam Songkla 90110 Tel: (074) 536-581-2 Fax: (074) 536-580
Chiangrai Branch	Add: 8/37 Moo.22 Wiengburapha Rd. Robwieng Maung Chiangrai 57000 Tel: (053) 602-768 Fax: (053) 602-769
Phetchaburi Branch	Add : 60 Moo.2 Petkasem Rd. Raisom Maung Phetchaburi 76000 Tel : (032) 402-427-8 Fax: (032) 402-429
Surin Branch	Add: 259/8 Moo.7 Surin-Sikhoraphum Salakdai Maung Surin 32000 Tel: (044)530-831-2 Fax: (044)530-833