

S 11 Group Public Company Limited  
and its subsidiary  
Report and financial statements  
31 December 2022

## **Independent Auditor's Report**

To the Shareholders of S 11 Group Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of S 11 Group Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. I have also audited the separate financial statements of S 11 Group Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of S 11 Group Public Company Limited and its subsidiary and of S 11 Group Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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 judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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

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

### ***Allowance for expected credit losses of hire purchase receivables***

As discussed in Note 7 to the consolidated financial statements, as at 31 December 2022, the Group had net hire purchase receivables of Baht 5,675 million (accounting for 93% of total assets) and allowances for expected credit losses amounting to Baht 872 million, which are amounts material to the financial statements. In addition, the basis to be used for calculation of the allowance for expected credit losses requires management to use significant judgements and estimates in developing expected credit losses models in compliance with Thai Financial Reporting Standards. The areas of significant management judgement include calculating allowance for expected credit losses, and the management overlay used to adjust of the allowance for expected credit losses due to the limitations of the model.

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

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

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

#### ***Revenue recognition - Hire purchase interest income***

For the year ended 31 December 2022, the Group recognised hire purchase interest income amounting to Baht 1,484 million (accounting for 92% of total income). The Group recognised interest income using the effective interest rate method. Which the interest income was generated from loans provided to a large number of customers and the recognition of interest income relies primarily on data processed by the information technology systems. I therefore addressed the measurement of interest income in accordance with financial reporting standards as a key audit matter.

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

## **Other Information**

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

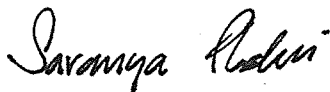
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting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

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

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

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

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



Saranya Pludsri

Certified Public Accountant (Thailand) No. 6768

EY Office Limited

Bangkok: 16 February 2023

S 11 Group Public Company Limited and its subsidiary

Statements of financial position

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	43,291,892	41,400,008	42,275,645	40,012,334
Current portion of hire purchase receivables - net	7	2,968,937,954	2,929,777,785	2,968,937,954	2,929,777,785
Counter service receivables		14,771,274	23,934,571	14,771,274	23,934,571
Prepaid insurance premium		52,742,296	50,183,793	52,742,296	50,183,793
Assets foreclosed - net	8	22,496,021	16,255,360	22,496,021	16,255,360
Other current assets	9	43,940,081	39,658,497	44,220,136	39,510,419
<b>Total current assets</b>		<b>3,146,179,518</b>	<b>3,101,210,014</b>	<b>3,145,443,326</b>	<b>3,099,674,262</b>
<b>Non-current assets</b>					
Restricted bank deposits	10	1,808,697	1,498,729	1,808,697	1,498,729
Investment in subsidiary	11	-	-	1,327,690	1,327,690
Hire purchase receivables - net of current portion	7	2,705,576,670	2,272,037,751	2,705,576,670	2,272,037,751
Prepaid insurance premium		20,763,932	16,291,472	20,763,932	16,291,472
Land, building and equipment - net	12	98,510,417	104,949,040	98,267,201	104,540,574
Deferred tax assets	13.1	138,539,301	152,190,880	138,539,301	152,190,880
Other non-current assets		303,135	290,135	296,635	279,135
<b>Total non-current assets</b>		<b>2,965,502,152</b>	<b>2,547,258,007</b>	<b>2,966,580,126</b>	<b>2,548,166,231</b>
<b>Total assets</b>		<b>6,111,681,670</b>	<b>5,648,468,021</b>	<b>6,112,023,452</b>	<b>5,647,840,493</b>

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



S 11 Group Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	14	293,491,233	238,900,000	293,491,233	238,900,000
Trade accounts payables		40,755,070	1,827,300	40,755,070	1,827,300
Current portion of long-term loans	16	1,110,191,489	1,167,778,655	1,110,191,489	1,167,778,655
Current portion of lease liabilities	17.1	1,869,031	1,891,252	1,869,031	1,891,252
Short-term loans	15	387,496,391	485,929,600	387,496,391	485,929,600
Derivatives liabilities	29.1	350,758	5,984,135	350,758	5,984,135
Income tax payable		45,889,781	35,073,048	46,166,809	35,352,579
Insurance premium payables		17,875,563	14,046,137	17,875,563	14,046,137
Accrued expenses		68,279,560	27,513,357	68,836,737	28,005,133
Other current liabilities		65,619,175	60,778,502	65,562,016	60,503,284
<b>Total current liabilities</b>		<b>2,031,818,051</b>	<b>2,039,721,986</b>	<b>2,032,595,097</b>	<b>2,040,218,075</b>
<b>Non-current liabilities</b>					
Long-term loans - net of current portion	16	774,424,790	497,177,557	774,424,790	497,177,557
Lease liabilities - net of current portion	17.1	8,669,253	9,598,865	8,669,253	9,598,865
Provision for long-term employee benefits	18	23,151,350	21,641,457	23,151,350	21,641,457
<b>Total non-current liabilities</b>		<b>806,245,393</b>	<b>528,417,879</b>	<b>806,245,393</b>	<b>528,417,879</b>
<b>Total liabilities</b>		<b>2,838,063,444</b>	<b>2,568,139,865</b>	<b>2,838,840,490</b>	<b>2,568,635,954</b>

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

S 11 Group Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Shareholders' equity</b>					
Share capital					
Registered					
613,000,000 ordinary shares of Baht 1 each		613,000,000	613,000,000	613,000,000	613,000,000
Issued and fully paid					
613,000,000 ordinary shares of Baht 1 each		613,000,000	613,000,000	613,000,000	613,000,000
Share premium		427,822,558	427,822,558	427,822,558	427,822,558
Capital reserve for share-based payment transactions		15,300,000	15,300,000	15,300,000	15,300,000
Retained earnings					
Appropriated - statutory reserve	20	61,300,000	61,300,000	61,300,000	61,300,000
Unappropriated		2,155,990,632	1,962,631,727	2,155,760,404	1,961,781,981
<b>Equity attributable to owners of the Company</b>		<b>3,273,413,190</b>	<b>3,080,054,285</b>	<b>3,273,182,962</b>	<b>3,079,204,539</b>
Non-controlling interests of the subsidiary		205,036	273,871	-	-
<b>Total shareholders' equity</b>		<b>3,273,618,226</b>	<b>3,080,328,156</b>	<b>3,273,182,962</b>	<b>3,079,204,539</b>
<b>Total liabilities and shareholders' equity</b>		<b>6,111,681,670</b>	<b>5,648,468,021</b>	<b>6,112,023,452</b>	<b>5,647,840,493</b>

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

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Directors

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S 11 Group Public Company Limited and its subsidiary

Statements of comprehensive income

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Profit or loss:</b>					
<b>Revenues</b>					
Hire purchase interest income		1,483,798,370	1,692,060,608	1,483,798,370	1,692,060,608
Fee and service income		89,816,325	94,608,925	89,193,895	93,959,325
Other income		44,319,950	36,507,793	44,176,232	36,224,681
<b>Total revenues</b>		<b>1,617,934,645</b>	<b>1,823,177,326</b>	<b>1,617,168,497</b>	<b>1,822,244,614</b>
<b>Expenses</b>					
Selling and administrative expenses		304,820,279	327,182,007	303,365,778	326,506,889
Expected credit losses	7.4	692,639,391	741,192,670	692,639,391	741,192,670
Loss on impairment and disposal of assets foreclosed	22	90,062,247	135,961,297	90,062,247	135,961,297
Loss (gain) from derivative		(807,546)	5,602,710	(807,546)	5,602,710
<b>Total expenses</b>		<b>1,086,714,371</b>	<b>1,209,938,684</b>	<b>1,085,259,870</b>	<b>1,209,263,566</b>
<b>Profit before finance cost and income tax expenses</b>		<b>531,220,274</b>	<b>613,238,642</b>	<b>531,908,627</b>	<b>612,981,048</b>
Finance cost		(91,437,139)	(113,563,421)	(91,437,139)	(113,563,421)
<b>Profit before income tax expenses</b>		<b>439,783,135</b>	<b>499,675,221</b>	<b>440,471,488</b>	<b>499,417,627</b>
Income tax expenses	13.2	(88,118,757)	(99,671,592)	(88,118,757)	(99,671,592)
<b>Profit for the year</b>		<b>351,664,378</b>	<b>400,003,629</b>	<b>352,352,731</b>	<b>399,746,035</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain	18	1,255,490	1,885,039	1,255,490	1,885,039
Income tax relating to actuarial gain	13.2	(251,098)	(377,008)	(251,098)	(377,008)
<b>Other comprehensive income for the year</b>		<b>1,004,392</b>	<b>1,508,031</b>	<b>1,004,392</b>	<b>1,508,031</b>
<b>Total comprehensive income for the year</b>		<b>352,668,770</b>	<b>401,511,660</b>	<b>353,357,123</b>	<b>401,254,066</b>

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

S 11 Group Public Company Limited and its subsidiary  
 Statements of comprehensive income (continued)  
 For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Profit or loss attributable to:</b>					
Equity holders of the Company		351,733,213	399,977,870	352,352,731	399,746,035
Non-controlling interests of the subsidiary		(68,835)	25,759		
		<u>351,664,378</u>	<u>400,003,629</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		352,737,605	401,485,901	353,357,123	401,254,066
Non-controlling interests of the subsidiary		(68,835)	25,759		
		<u>352,668,770</u>	<u>401,511,660</u>		
<b>Earnings per share</b>					
	23				
Basic earnings per share		<u>0.57</u>	<u>0.65</u>	<u>0.57</u>	<u>0.65</u>

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

S 11 Group Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements							
	Issued and	Capital reserve	Retained earnings		Equity attributable	Non-controlling	Total	
	fully paid	Share	for share-based	Appropriated -	to owners	interests of		
share capital	premium	payment transactions	statutory reserve	Unappropriated	of the Company	the subsidiary		
<b>Balance as at 1 January 2021</b>	613,000,000	427,822,558	15,300,000	61,300,000	1,714,394,576	2,831,817,134	248,112	2,832,065,246
Profit for the year	-	-	-	-	399,977,870	399,977,870	25,759	400,003,629
Other comprehensive income for the year	-	-	-	-	1,508,031	1,508,031	-	1,508,031
Total comprehensive income for the year	-	-	-	-	401,485,901	401,485,901	25,759	401,511,660
Payment for dividend (Note 26)	-	-	-	-	(153,248,750)	(153,248,750)	-	(153,248,750)
<b>Balance as at 31 December 2021</b>	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>1,962,631,727</u>	<u>3,080,054,285</u>	<u>273,871</u>	<u>3,080,328,156</u>
<b>Balance as at 1 January 2022</b>	613,000,000	427,822,558	15,300,000	61,300,000	1,962,631,727	3,080,054,285	273,871	3,080,328,156
Profit for the year	-	-	-	-	351,733,213	351,733,213	(68,835)	351,664,378
Other comprehensive income for the year	-	-	-	-	1,004,392	1,004,392	-	1,004,392
Total comprehensive income for the year	-	-	-	-	352,737,605	352,737,605	(68,835)	352,668,770
Payment for dividend (Note 26)	-	-	-	-	(159,378,700)	(159,378,700)	-	(159,378,700)
<b>Balance as at 31 December 2022</b>	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>2,155,990,632</u>	<u>3,273,413,190</u>	<u>205,036</u>	<u>3,273,618,226</u>

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

S 11 Group Public Company Limited and its subsidiary  
 Statements of changes in shareholders' equity (continued)  
 For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		
				Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2021</b>	613,000,000	427,822,558	15,300,000	61,300,000	1,713,776,665	2,831,199,223
Profit for the year	-	-	-	-	399,746,035	399,746,035
Other comprehensive income for the year	-	-	-	-	1,508,031	1,508,031
Total comprehensive income for the year	-	-	-	-	401,254,066	401,254,066
Dividend paid (Note 26)	-	-	-	-	(153,248,750)	(153,248,750)
<b>Balance as at 31 December 2021</b>	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>1,961,781,981</u>	<u>3,079,204,539</u>
<b>Balance as at 1 January 2022</b>	613,000,000	427,822,558	15,300,000	61,300,000	1,961,781,981	3,079,204,539
Profit for the year	-	-	-	-	352,352,731	352,352,731
Other comprehensive income for the year	-	-	-	-	1,004,392	1,004,392
Total comprehensive income for the year	-	-	-	-	353,357,123	353,357,123
Dividend paid (Note 26)	-	-	-	-	(159,378,700)	(159,378,700)
<b>Balance as at 31 December 2022</b>	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>2,155,760,404</u>	<u>3,273,182,962</u>

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

S 11 Group Public Company Limited and its subsidiary

Cash flows statements

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Cash flows from operating activities</b>				
Profit before income tax	439,783,135	499,675,221	440,471,488	499,417,627
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Depreciation	9,381,621	10,307,097	9,212,994	9,932,318
Expected credit losses	692,639,391	741,192,670	692,639,391	741,192,670
Gain on sale assets	(2,513)	(240,918)	(2,513)	(240,918)
Loss on written-off assets	96,819	3,235	96,816	3,235
Loss on impairment of assets foreclosed (Reversal)	4,694,239	(7,236,215)	4,694,239	(7,236,215)
Provision for long-term employee benefits	2,765,383	3,157,510	2,765,383	3,157,510
Hire purchase interest income	(1,483,798,370)	(1,692,060,608)	(1,483,798,370)	(1,692,060,608)
Loss (gain) from derivative	(807,546)	5,602,710	(807,546)	5,602,710
Interest expenses and amortisation of loans issuing cost	91,309,363	113,398,591	91,309,363	113,398,591
Amortised finance cost for lease liabilities	127,776	164,830	127,776	164,830
Loss from operating activities before changes in operating assets and liabilities	(243,810,702)	(326,035,877)	(243,290,979)	(326,668,250)
Operating assets (increase) decrease				
Hire purchase receivables	(1,183,633,534)	(32,261,439)	(1,183,633,534)	(32,261,439)
Assets foreclosed	(10,934,900)	13,068,358	(10,934,900)	13,068,358
Prepaid insurance premium	(7,030,963)	21,407,336	(7,030,963)	21,407,336
Other current assets	5,161,244	17,080,375	4,453,580	17,247,267
Other non-current assets	(13,000)	27,500	(17,500)	32,000
Operating liabilities increase (decrease)				
Trade accounts payables	38,927,770	(3,472,145)	38,927,770	(3,472,145)
Insurance premium payables	3,829,426	(2,337,740)	3,829,426	(2,337,740)
Accrued expenses	40,813,923	2,774,766	40,879,324	2,814,570
Other current liabilities	4,840,673	7,718,159	5,058,732	7,681,418
Cash flows used in operating activities	(1,351,850,063)	(302,030,707)	(1,351,759,044)	(302,488,625)
Cash received from interest	1,502,093,425	1,732,408,976	1,502,093,425	1,732,408,976
Cash paid for corporate income tax	(64,181,074)	(94,050,742)	(63,904,046)	(93,895,905)
Cash paid for interest	(78,968,155)	(103,866,564)	(78,968,155)	(103,866,564)
<b>Net cash flows from operating activities</b>	<b>7,094,133</b>	<b>1,232,460,963</b>	<b>7,462,180</b>	<b>1,232,157,882</b>

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

S 11 Group Public Company Limited and its subsidiary

Cash flows statements (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Cash flows from investing activities</b>				
Increase in restricted bank deposits	(309,968)	(325,532)	(309,968)	(325,532)
Cash receipt for proceed of equipment	2,580	246,926	2,580	246,926
Cash paid for acquisition of land, building and equipment	(2,081,068)	(12,057,731)	(2,077,688)	(11,677,434)
<b>Net cash flows used in investing activities</b>	<b>(2,388,456)</b>	<b>(12,136,337)</b>	<b>(2,385,076)</b>	<b>(11,756,040)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions	54,591,233	(10,400,000)	54,591,233	(10,400,000)
Payment for loans issuing cost	(2,800,000)	(2,275,000)	(2,800,000)	(2,275,000)
Cash paid for lease liabilities	(2,040,245)	(2,021,021)	(2,040,245)	(2,021,021)
Increase (decrease) in short-term loans	(111,404,482)	14,848,384	(111,404,482)	14,848,384
Repayment of debentures	-	(226,300,000)	-	(226,300,000)
Cash received from long-term loans	1,631,000,000	1,036,000,000	1,631,000,000	1,036,000,000
Repayment of long-term loans	(1,412,781,599)	(1,864,410,293)	(1,412,781,599)	(1,864,410,293)
Payment for dividend	(159,378,700)	(153,248,750)	(159,378,700)	(153,248,750)
<b>Net cash flows used in financing activities</b>	<b>(2,813,793)</b>	<b>(1,207,806,680)</b>	<b>(2,813,793)</b>	<b>(1,207,806,680)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,891,884</b>	<b>12,517,946</b>	<b>2,263,311</b>	<b>12,595,162</b>
Cash and cash equivalents at beginning of year	41,400,008	28,882,062	40,012,334	27,417,172
<b>Cash and cash equivalents at end of year</b>	<b>43,291,892</b>	<b>41,400,008</b>	<b>42,275,645</b>	<b>40,012,334</b>
<b>Supplemental cash flows information</b>				
<b>Non-cash transaction</b>				
Additions to right-of-use assets and lease liabilities	1,121,461	-	1,121,461	-

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



## **S 11 Group Public Company Limited and its subsidiary**

### **Notes to financial statements**

**For the year ended 31 December 2022**

#### **1. General information**

##### **1.1 Corporate information**

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

As at 31 December 2022, the Company has 8 branches located in Chonburi, Ayudhya, Rayong, Nakhon Ratchasima, Prachinburi, Chantaburi and Buriram (2021: 8 branches).

##### **1.2 The Coronavirus disease 2019 pandemic (COVID-19)**

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

#### **2. Basis for the preparation of the financial statements**

##### **2.1 Basis for the preparation of the financial statements**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## **2.2 Basis for the preparation of the consolidated financial statements**

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

## **2.3 Basis for the preparation of the separate financial statements**

The separate financial statements present investment in a subsidiary under the cost method.

## **3. New financial reporting standards**

### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

## 3.2 Accounting Guidance

### **Accounting Guidance on Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19**

The Federation of Accounting Professions has announced Accounting Guidance on Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19. Its objectives are to provide temporary relief measures and an alternative for all entities providing assistance to debtors in accordance with guidelines of the BOT. The accounting guidance is applicable for provisions of assistance to such debtors made during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes.

Under this accounting guidance, the Company may elect to adopt accounting treatments consistent with the circular of the BOT No. BOT.RPD2.C.802/2564 dated 3 September 2021 "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)". The assistance to debtors can be classified into 2 groups by debt restructuring method as follows:

1. For debt restructuring for the purpose of reducing the debt burden of debtors that involves more than just a payment timeline extension, the Company may elect to apply the temporary relief measures relating to staging assessment and setting aside of provisions (Assistance type 1) as follows:
  - Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that the payment terms and conditions are clearly stated in the debt restructuring agreement and the debtor is considered able to comply with the debt restructuring agreement.
  - Non-performing loans (NPL) are classified as performing loans or stage 1 if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
  - Additional loans provided to a debtor for use as additional working capital or to increase liquidity to enable the debtor to continue its business operations during the debt restructuring are classified as performing loans or stage 1 if the debtor is considered able to comply with the debt restructuring agreement.
  - Loans are classified as loans with significant increase in credit risk (Under-performing or Stage 2) only when principal or interest payments are more than 30 days past due or 1 month past due.

- A new effective interest rate is applied to determine the present value of loans that have been restructured if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan.
- 2. For debt restructuring involving only a payment timeline extension, e.g. an extension of payment period, a provision of grace period on principal and/or interest payments, a conversion of short-term debts into long-term debts, the Company is required to perform staging assessment and set aside provisions in accordance with the related financial reporting standards (Assistance type 2). However, the Company may elect to adopt treatments regarding significant increase in credit risk according to the appendix to the circular of the BOT No. BOT.RPD2.C.802/2564 to assess whether a debtor is to move to under-performing stage or Stage 2.

### **3.3 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

#### **a) Hire purchase interest income**

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

#### **b) Fee and service income**

Fee and service income are recognised on an accrual basis.

#### **c) Penalty fee income**

Penalty fee income is recognised when received.

## 4.2 Expense recognition

### a) Interest expenses

Interest expenses are charged to expenses on an accrual basis.

### b) Commissions and direct expenses of the hire purchase contracts

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

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

## 4.3 Financial instruments

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

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs.

#### *Financial assets*

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

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

### *Financial liabilities*

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **4.4 Cash and cash equivalents**

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

#### **4.5 Hire purchase receivables**

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

#### **4.6 Allowance for expected credit losses of hire purchase receivables**

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

Moreover, the Company also set up the management overlay based on expected credit loss.

#### **4.7 Assets foreclosed**

Assets foreclosed are assets repossessed from hire purchase receivables and are stated at the lower of cost and net realisable value net of allowance for loss on impairment (if any).

Gain (loss) on disposal of assets foreclosed is recognised in part of profit or loss on disposal date.

Loss on impairment (if any) is recognised as expenses in part of profit or loss.

#### **4.8 Investment in subsidiary**

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

#### **4.9 Land, building and equipment and depreciation**

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

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

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

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

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

#### **4.10 Leases**

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **The Group as a lessee**

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

##### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

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

Land	15 years
Buildings	1 - 5 years
Equipment	3 - 4 years

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

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



### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

## **4.11 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

## **4.12 Employee benefits**

### **Short-term employee benefits**

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

### **Post-employment benefits**

#### ***Defined contribution plans***

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

#### ***Defined benefit plans***

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

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

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

## **4.13 Provisions**

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

## **4.14 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

### **Current tax**

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

### **Deferred tax**

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

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

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

#### **4.15 Derivatives**

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

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

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

#### **4.16 Fair value measurement**

Fair value is the price that would be received from sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1    Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2    Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3    Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **5. Significant accounting judgments and estimates**

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

### **5.1 Allowance for expected credit losses of hire purchase receivables**

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

### **5.2 Allowance for impairment of assets foreclosed**

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

### **5.3 Land, building and equipment and depreciation**

In determining depreciation of building and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's building and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review land, building and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **5.4 Leases**

#### **The Group as a lessee**

##### *Determining the lease term with extension and termination options*

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

### *Estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### **The Group as lessor**

#### *Lease classification*

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### **5.5 Deferred tax assets**

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future profits.

### **5.6 Post-employment benefits under defined benefit plans**

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

### **5.7 Fair value of financial instruments**

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosure of fair value hierarchy.

## 6. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash and cash equivalents	811,832	807,132	801,700	797,000
Bank deposits	42,480,060	40,592,876	41,473,945	39,215,334
Total	43,291,892	41,400,008	42,275,645	40,012,334

As at 31 December 2022, bank deposits in savings accounts and fixed deposits are carried interest at the rates between 0.15 - 0.40 percent per annum (2021: 0.05 - 0.40 percent per annum) as announced by the banks.

## 7. Hire purchase receivables

7.1 As at 31 December 2022 and 2021, the contracted terms of the Company's hire purchase receivables are 12 - 60 installments with payments to be made in equal installments and interest charged at the fixed rates specified in the contracts. Hire purchase receivables classified by due date per agreement are as follows:

(Unit: Baht)

	Consolidated and Separate financial statements						Total
	2022						
	Portion due within one year	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years	Portion due over four years but within five years	Portion due over five years	
Hire purchase receivables	4,641,859,500	2,454,167,164	1,064,260,008	205,867,017	9,946,917	-	8,376,100,606
Less: Unearned hire purchase income <sup>(1)</sup>	(1,182,894,176)	(494,940,813)	(134,238,095)	(17,590,710)	(381,601)	-	(1,830,055,395)
Present value of the minimum lease payment receivables	3,458,965,324	1,959,226,351	930,021,913	188,276,307	9,555,316	-	6,546,045,211
Less: Allowance for expected credit losses	(490,027,370)	(224,471,142)	(128,244,057)	(27,414,206)	(1,373,812)	-	(871,530,587)
Net hire purchase receivables	2,968,937,954	1,734,755,209	801,777,856	160,862,101	8,181,504	-	5,674,514,624

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

(Unit: Baht)

	Consolidated and Separate financial statements						Total
	2021						
	Portion due within one year	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years	Portion due over four years but within five years	Portion due over five years	
Hire purchase receivables	4,789,408,230	2,265,799,324	778,113,492	41,494,182	6,020,076	-	7,880,835,304
Less: Unearned hire purchase income <sup>(1)</sup>	(1,311,949,670)	(474,556,360)	(88,724,233)	4,261,480	(70,575)	-	(1,871,039,358)
Present value of the minimum lease payment receivables	3,477,458,560	1,791,242,964	689,389,259	45,755,662	5,949,501	-	6,009,795,946
Less: Allowance for expected credit losses	(547,680,775)	(170,314,683)	(83,987,031)	(5,256,226)	(741,695)	-	(807,980,410)
Net hire purchase receivables	2,929,777,785	1,620,928,281	605,402,228	40,499,436	5,207,806	-	5,201,815,536

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

7.2 As at 31 December 2022 and 2021, the balances of hire purchase receivables (net of unearned hire purchase income) and allowance for expected credit losses are classified by aging of installment past due as follows:

(Unit: Baht)

Aging	Consolidated and Separate financial statements			
	Balance of hire purchase receivables		Allowance for expected credit losses	
	2022	2021	2022	2021
Not yet due, past due not more than 2 months	5,982,864,426	5,327,291,037	626,313,997	447,841,001
More than 2 months, but less than 4 months	220,546,037	233,390,627	12,492,182	5,110,315
4 months or more, but less than 6 months	118,713,536	96,523,982	8,803,196	2,438,794
6 months or more, including fully-mature deposit contracts	223,921,212	352,590,300	223,921,212	352,590,300
Total	<u>6,546,045,211</u>	<u>6,009,795,946</u>	<u>871,530,587</u>	<u>807,980,410</u>

7.3 As at 31 December 2022, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before netting with unearned hire purchase income) of Baht 580 million (2021: Baht 699 million) in order to secure certain credit facilities granted by commercial banks as discussed in Note 16 to the financial statements.

#### 7.4 Allowance for expected credit losses

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

(Unit: Baht)

	Consolidated and Separate financial statements	
	2022	2021
Balance at beginning of year	807,980,410	880,139,515
Add: Expected credit losses during the year	692,639,391	741,192,670
Less: Bad debt written-off	(629,089,214)	(813,351,775)
Balance at end of year	<u>871,530,587</u>	<u>807,980,410</u>

#### 8. Assets foreclosed

(Unit: Baht)

	Consolidated and Separate financial statements	
	2022	2021
Assets foreclosed - cost	34,379,441	23,444,541
Less: Allowance for impairment	(11,883,420)	(7,189,181)
Assets foreclosed - net	<u>22,496,021</u>	<u>16,255,360</u>

## 9. Other current assets

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Advance VAT receivable	22,928,078	27,313,131	22,928,078	27,313,131
Other receivable - sales of assets foreclosed	706,168	2,294,811	706,168	2,294,811
Revenue department receivable	6,522,765	2,766,996	6,522,765	2,766,996
Other accrued income	6,010,157	3,986,538	6,010,157	3,986,538
Others	7,772,913	3,297,021	8,052,968	3,148,943
Total	43,940,081	39,658,497	44,220,136	39,510,419

## 10. Restricted bank deposits

As at 31 December 2022 and 2021, the Company had restricted bank deposit with outstanding balances of Baht 1.81 million and Baht 1.50 million respectively, this represents bank deposits pledged with a commercial bank to secure the issuance of letters of guarantee on behalf of the Company, as discussed in Note 28.1 to the financial statements, a deposit used as an employee's security deposit and the security deposit of a contractor hired to repossess motorcycles.

## 11. Investment in subsidiary

Detail of investments in subsidiary as presented in separate financial statements are as follows:

Company's name	(Unit: Baht)					
	Paid-up capital		Shareholding percentage		Cost	
	2022	2021	2022	2021	2022	2021
			(%)	(%)		
MOD S Company Limited	1,000,000	1,000,000	90	90	1,327,690	1,327,690

During the year ended 31 December 2022, the Company had no dividend received from the subsidiary.



## 12. Land, building and equipment

(Unit: Baht)

Net book value	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Land, Building and Equipment	88,337,085	93,785,736	88,093,869	93,377,270
Right-of-use assets (Note 17)	10,173,332	11,163,304	10,173,332	11,163,304
<b>Total</b>	<b>98,510,417</b>	<b>104,949,040</b>	<b>98,267,201</b>	<b>104,540,574</b>

Movements of land, building and equipment during the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Baht)

	Consolidated financial statements						Total
	Land	Building and improvement	Furniture and office equipment	Computer and equipment	Motor vehicles	Construction in progress	
<b>Cost</b>							
1 January 2021	51,120,289	43,386,192	18,297,849	14,291,086	18,798,892	100,000	145,994,308
Additions	3,136,000	291,415	952,855	2,444,761	5,232,699	-	12,057,730
Disposals/written off	-	-	(53,606)	(91,311)	(5,699,907)	-	(5,844,824)
31 December 2021	54,256,289	43,677,607	19,197,098	16,644,536	18,331,684	100,000	152,207,214
Additions	-	-	321,295	1,759,773	-	-	2,081,068
Disposals/written off	-	-	(145,737)	(262,609)	-	-	(408,346)
31 December 2022	54,256,289	43,677,607	19,372,656	18,141,700	18,331,684	100,000	153,879,936
<b>Accumulated depreciation</b>							
1 January 2021	-	13,254,940	15,046,169	10,868,966	16,774,854	-	55,944,929
Depreciation during the year	-	2,191,254	1,520,775	1,821,603	2,778,498	-	8,312,130
Depreciation for disposals/written off	-	-	(49,658)	(91,167)	(5,694,756)	-	(5,835,581)
31 December 2021	-	15,446,194	16,517,286	12,599,402	13,858,596	-	58,421,478
Depreciation during the year	-	2,136,631	1,112,945	2,057,206	2,116,673	-	7,423,455
Depreciation for disposals/written off	-	-	(39,644)	(262,438)	-	-	(302,082)
31 December 2022	-	17,582,825	17,590,587	14,394,170	15,975,269	-	65,542,851
<b>Net book value</b>							
31 December 2021	54,256,289	28,231,413	2,679,812	4,045,134	4,473,088	100,000	93,785,736
31 December 2022	54,256,289	26,094,782	1,782,069	3,747,530	2,356,415	100,000	88,337,085
<b>Depreciation charge for the year (included in selling and administrative expenses)</b>							
2021							8,312,130
2022							7,423,455

(Unit: Baht)

Separate financial statements							
	Land	Building and improvement	Furniture and office equipment	Computer and equipment	Motor vehicles	Construction in progress	Total
<b>Cost</b>							
1 January 2021	51,120,289	43,386,192	17,739,958	13,631,844	18,798,892	100,000	144,777,175
Additions	3,136,000	291,415	740,197	2,277,123	5,232,699	-	11,677,434
Disposals/written off	-	-	(53,606)	(91,311)	(5,699,907)	-	(5,844,824)
31 December 2021	54,256,289	43,677,607	18,426,549	15,817,656	18,331,684	100,000	150,609,785
Additions	-	-	320,557	1,757,131	-	-	2,077,688
Disposals/written off	-	-	(145,737)	(255,600)	-	-	(401,337)
31 December 2022	54,256,289	43,677,607	18,601,369	17,319,187	18,331,684	100,000	152,286,136
<b>Accumulated depreciation</b>							
1 January 2021	-	13,254,940	14,790,078	10,310,873	16,774,854	-	55,130,745
Depreciation during the year	-	2,191,254	1,306,307	1,661,292	2,778,498	-	7,937,351
Depreciation for disposals/written off	-	-	(49,658)	(91,167)	(5,694,756)	-	(5,835,581)
31 December 2021	-	15,446,194	16,046,727	11,880,998	13,858,596	-	57,232,515
Depreciation during the year	-	2,196,031	968,348	1,973,776	2,116,673	-	7,254,828
Depreciation for disposals/written off	-	-	(39,644)	(255,432)	-	-	(295,076)
31 December 2022	-	17,642,225	16,975,431	13,599,342	15,975,269	-	64,192,267
<b>Net book value</b>							
31 December 2021	54,256,289	28,231,413	2,379,822	3,936,658	4,473,088	100,000	93,377,270
31 December 2022	54,256,289	26,035,382	1,625,938	3,719,845	2,356,415	100,000	88,093,869
<b>Depreciation charge for the year (included in selling and administrative expenses)</b>							
2021							7,937,351
2022							7,254,828

As at 31 December 2022, certain items of building, equipment and motor vehicles of the Group were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 32 million (2021: Baht 28 million).

### 13. Deferred tax assets/income tax expenses

#### 13.1 Deferred tax assets

As at 31 December 2022 and 2021, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2022	2021
<b>Deferred tax assets</b>		
Allowance for expected credit losses	174,306,117	161,596,082
Allowance for impairment of assets foreclosed	2,376,684	1,437,836
Provision for long-term employee benefits	4,630,270	4,328,292
Advance receive from insurance premium	9,432,817	7,351,995
Others	729,586	2,009,306
<b>Total</b>	<b>191,475,474</b>	<b>176,723,511</b>
<b>Deferred tax liabilities</b>		
Deferred commission and initial direct cost from hire purchase contracts	52,457,809	21,277,687
Deferred loans issuing costs	478,364	2,488,246
Deferred debentures issuing cost	-	766,698
<b>Total</b>	<b>52,936,173</b>	<b>24,532,631</b>
<b>Deferred tax assets - net</b>	<b>138,539,301</b>	<b>152,190,880</b>

#### 13.2 Income tax expenses

Income tax expenses for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2022	2021
<b>Current income tax:</b>		
Corporate income tax charge	74,718,276	82,612,084
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	13,400,481	17,059,508
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>88,118,757</b>	<b>99,671,592</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2022	2021
Deferred tax relating to actuarial gain	(251,098)	(377,008)

The reconciliation between accounting profit and income tax expense for the years ended 31 December 2022 and 2021 are shown below.

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accounting profit before tax	439,783,135	499,675,221	440,471,488	499,417,627
Applicable tax rate	20%	20%	20%	20%
Amount of profit before tax multiplied by applicable tax rate	87,956,627	99,935,044	88,094,298	99,883,525
Effect of additional expense and non-deductible expense	162,130	(263,452)	24,459	(211,933)
Income tax expenses reported in the statements of comprehensive income	88,118,757	99,671,592	88,118,757	99,671,592

#### 14. Short-term loans from financial institutions

	Interest rate (% per annum)	(Unit: Baht)	
		Consolidated and Separate financial statements	
		2022	2021
Promissory notes	4.00 - 4.40	293,491,233	238,900,000

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

As at 31 December 2022, the short-term credit facilities which have not yet been drawn down amounted to Baht 107 million.

## 15. Short-term loans

As at 31 December 2022, the Company has loans in form of bills of exchange, net of discount, totaling Baht 387 million, the bills are registered, transferable, and maturing within 183 days from the date of issuance (maturity date between January - June 2023), with interest charged at the rate of 3.14 - 3.50 percent per annum (2021: Bills of exchange of Baht 486 million, the bills are registered, transferable, and maturing within 270 days from the date of issuance, maturity date between January - August 2022, with interest charge at the rate of 3.14 - 3.25 percent per annum).

## 16. Long-term loans

As at 31 December 2022 and 2021, the long-term loans, which the Company obtained from local financial institutions, are detailed below.

Facility no.	Loan facility	Interest rate (% per annum)	Repayment schedule	(Unit: Baht)	
				Consolidated and Separate financial statements	
				2022	2021
1	Loan agreement dated 27 June 2014	MLR - 2.63	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	626,658,334	538,669,786
2	Loan agreement dated 28 June 2019	4.4	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	-	116,274,877
3	Loan agreement dated 11 September 2019	THBFIX6M + 1.65	Payment in 30 installments, with the first installment payment on the last day of the month of drawdown	7,400,000	164,460,000
4	Loan agreement dated 31 March 2020	4.4	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	132,593,807	395,153,251
5.1	Loan agreement dated 28 December 2020	THBFIX6M + 2.20	Payment in 24 installments, with the first installment payment on the last day of the month of drawdown	37,500,000	262,500,000
5.2	Loan agreement dated 28 December 2020	3.7 (2021: THBFIX6M + 2.20)	Payment in 24 installments, with the first installment payment on the last day of the month of drawdown	75,000,000	-
6	Loan agreement dated 5 July 2021	4.4	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	435,084,706	192,381,911
7	Loan agreement dated 7 June 2022	4.4	Payment in 24 equal installments, with the first installment payment on the last day of the next month of the month of drawdown	143,750,000	-
8	Loan agreement dated 3 August 2022	MLR - 1.56	Payment in equal not over 36 installments, with the first installment payment on the last day of the next month of the month of drawdown	429,671,379	-
Total				1,887,658,226	1,669,439,825
Less: Deferred loans issuing costs				(3,041,947)	(4,483,613)
Long-term loans				1,884,616,279	1,664,956,212
Less: current portion due within 1 year				(1,110,191,489)	(1,167,778,655)
Long-term loans, net of current portion				774,424,790	497,177,557

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

As at 31 December 2022, the Company has commitments of Baht 120 million under interest rate swap agreements with a bank that is the Company's lender for loan facilities no. 3, 5.1 and 5.2 whereby floating interest rates are swapped for a fixed interest rate throughout the term of the loan and loan facilities no. 5.2 amount of Baht 75 million under interest rate swap agreements with a bank that is the Company's lender whereby fixed interest rates are swapped for a floating interest rate throughout the term of loan. The interest rate swap agreements gradually mature within 2023, in accordance with the conditions of loan repayment (2021: The Company had commitments of Baht 427 million under interest rate swap agreements for loan facility no. 3 and 5.1).

As at 31 December 2022, the Company has long-term credit facilities which have not yet been drawn down amounted to Baht 1,508 million.

Movements in the long-term loans account during the years ended 31 December 2022 and 2021 are summarised below.

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2022	2021
Balance at beginning of year	1,669,439,825	2,497,850,118
Add: Addition borrowings during the year	1,631,000,000	1,036,000,000
Less: Loans repayment during the year	(1,412,781,599)	(1,864,410,293)
Balance at end of year	<u>1,887,658,226</u>	<u>1,669,439,825</u>

## 17. Lease

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

### a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Baht)			
	Consolidated and Separate financial statements			
	Land	Buildings	Equipment	Total
1 January 2021	9,448,850	1,443,684	1,921,690	12,814,224
Additions	-	344,047	-	344,047
Depreciation for the year	(678,959)	(696,181)	(619,827)	(1,994,967)
31 December 2021	8,769,891	1,091,550	1,301,863	11,163,304
Additions	-	1,000,482	120,979	1,121,461
Written off - net	-	(153,267)	-	(153,267)
Depreciation for the year	(678,959)	(659,741)	(619,466)	(1,958,166)
31 December 2022	8,090,932	1,279,024	803,376	10,173,332

### b) Lease liabilities

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2022	2021
Lease payments	10,853,912	11,834,406
Less: Deferred interest expenses	(315,628)	(344,289)
Total	10,538,284	11,490,117
Less: Portion due within one year	(1,869,031)	(1,891,252)
Lease liabilities - net of current portion	8,669,253	9,598,865

Movements of lease liabilities for the years ended 31 December 2022 and 2021 are as follow.

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2022	2021
Balance at beginning of year	11,490,117	13,000,154
Additions	1,121,461	344,047
Interest recognised	129,596	166,937
Written off	(162,645)	-
Lease payment	(2,040,245)	(2,021,021)
Balance at end of year	10,538,284	11,490,117

A maturity analysis of lease liability of cash paid from lease, as disclose in Note 29.2.3 to the financial statements liquidity risk.

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

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2022	2021
Depreciation expense of right-of-use assets	1,958,166	1,994,967
Interest expense on lease liabilities	127,776	164,830
<b>Total</b>	<b>2,085,942</b>	<b>2,159,797</b>

**d) Others**

The Company had total cash outflows for leases for the year ended 31 December 2022 of Baht 2.04 million (2021: Baht 2.02 million).

**18. Provision for long-term employee benefits**

Provision for long-term employee benefits, which represents compensation payable to employees after they retire for the years ended 31 December 2022 and 2021, are as follows:

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2022	2021
Provision for long-term employee benefits		
at beginning of year	21,641,457	20,368,986
Included in profit or loss:		
Current service cost	2,156,884	2,786,496
Interest cost	608,499	371,014
Included in other comprehensive income:		
Actuarial gain arising from		
Financial assumptions changes	(772,411)	(1,437,536)
Experience adjustments	(483,079)	(447,503)
<b>Provision for long-term employee benefits at end of year</b>	<b>23,151,350</b>	<b>21,641,457</b>

As at 31 December 2022, the weighted average duration of the liabilities for long-term benefit of the Comapany is 21.22 years (2021: 21.41 years), and the Company has no obligation relating to loan-term employee benefits expected to be paid to its employees in the next one year.



Principal actuarial assumptions at the valuation date were as follows:

(Unit: % per annum)

	Consolidated and Separate financial statements	
	2022	2021
	Discount rate	3.42
Salary increase rate	6.50	6.50
Staff turnover rate	11.65	10.88

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefits obligation as at 31 December 2022 and 2021 are as follows:

(Unit: Baht)

	Consolidated and Separate financial statements			
	2022			
	Rate increase 1%		Rate decrease 1%	
Discount rate	Liabilities decreased by	962,749	Liabilities increased by	1,100,333
Salary increase rate	Liabilities increased by	1,005,916	Liabilities decreased by	944,952
Turnover rate	Liabilities decreased by	863,745	Liabilities increased by	1,001,797

(Unit: Baht)

	Consolidated and Separate financial statements			
	2021			
	Rate increase 1%		Rate decrease 1%	
Discount rate	Liabilities decreased by	1,035,790	Liabilities increased by	1,195,843
Salary increase rate	Liabilities increased by	1,139,909	Liabilities decreased by	1,011,145
Turnover rate	Liabilities decreased by	952,053	Liabilities increased by	1,110,922

## 19. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business and boost the value of the holdings of the Company's shareholders and to meets financial covenants attached to the loan agreements. The Company has complied with these covenants throughout the reporting periods. As at 31 December 2022, the Company had a debt-to-equity ratio of 0.87:1 (2021: 0.83:1).

## 20. Statutory reserve

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

## 21. Expenses by nature

Significant selling and administrative expenses by nature for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Salary, wages and other				
employee benefits	156,030,239	161,772,711	147,774,313	153,996,472
Insurance premium expenses	75,273,308	90,903,068	75,273,308	90,903,068
Stamp duties and postal expenses	11,578,751	10,963,766	11,577,982	10,963,430
Expense relating demands for payment	12,293,189	12,938,637	20,955,449	21,610,618
Depreciation	9,381,621	10,307,097	9,212,994	9,932,318
Registration expenses	4,177,034	9,066,783	4,177,034	9,066,783
Utilities expenses	5,854,147	5,538,364	5,370,100	5,029,702
Miscellaneous for office expenses	2,496,720	2,169,678	2,492,830	2,150,812

## 22. Loss on impairment and disposal of assets foreclosed

Loss on impairment and disposal of assets foreclosed for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Baht)	
	Consolidated and Separate	
	financial statements	
	2022	2021
Loss on impairment of assets foreclosed (reversal)	4,694,239	(7,236,215)
Loss on disposal of assets foreclosed	85,368,008	143,197,512
Total	90,062,247	135,961,297

## 23. Earnings per share

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

## 24. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by Ayudhya Fund Management, will be paid to employees upon termination in accordance with the fund rules. The contributions for the years 2022 amounting to Baht 2.85 million (2021: Baht 2.73 million) were recognised as expenses.

## 25. Related party transactions

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

	Name of related party		Relationship with the Company		Pricing policy
	MOD S Company Limited		A subsidiary		
	Consolidated financial statements		Separate financial statements		
	2022	2021	2022	2021	
(Unit: Baht)					
<u>Transactions with subsidiary</u>					
Service income	-	-	-	24,700	As stipulated in agreements
Service expense	-	-	8,663,366	8,683,843	As stipulated in agreements
<u>Transactions with directors and related persons</u>					
Interest expense	-	1,370,082	-	1,370,082	As stipulated in agreements
Amortisation of debenture issuing cost	-	121,515	-	121,515	As stipulated in agreements

The balance of the accounts as at 31 December 2022 and 2021 between the Company and related parties are as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Subsidiary</u>				
Service payable	-	-	814,000	758,500

#### Directors and management benefits

During the years ended 31 December 2022 and 2021, the Company had the following employee benefit expenses payable to their directors and management.

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2022	2021
Short-term employee benefits	17,175,797	17,932,198
Post-employment benefits	1,102,142	1,366,900
Total	<u>18,277,939</u>	<u>19,299,098</u>

## 26. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividends from the operating result for the year ended 31 December 2021	The Annual General Meeting of the Company's shareholders No. 1/2022 on 7 April 2022	98.08	0.16
Interim dividend from the operating result for the nine-month period of 2022	The Board of Director's Meeting of the Company's No. 4/2022 on 10 November 2022	61.30	0.10
		<u>159.38</u>	
Dividends from the operating result for the year ended 31 December 2020	The Annual General Meeting of the Company's shareholders No. 1/2021 on 1 April 2021	91.95	0.15
Interim dividend from the operating result of the nine-month period of 2021	The Board of Director's Meeting of the Company's No. 4/2021 on 11 November 2021	61.30	0.10
		<u>153.25</u>	

## **27. Segment information**

The Company operations involve a single reportable operating segment of hire purchase of motorcycles and are carried on in the single geographical area of Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that the Company's chief operating decision maker (Managing Director) used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area. In addition, the Company has no major customer with reserve of 10 percent or more of an entity's revenues during the year 2022 and 2021.

## **28. Commitments**

### **28.1 Guarantees**

As at 31 December 2022 and 2021, there was an outstanding bank guarantee of Baht 10,000 issued by a bank on behalf of the Company as a guarantee for a post office box.

### **28.2 Employee Joint Investment Program**

The Company has an Employee Joint Investment Program ("the EJIP"), one of the Company's staff welfare benefits, which encourages the Company staff to voluntarily join the EJIP savings scheme under which they can purchase shares of the Company. EJIP members pay monthly contributions in a certain amount, and the Company pays contributions on behalf of EJIP members at the same amount but not higher than 5 - 7.5 percent of their basic salaries based on their position. However, total contributions for each year will not exceed 60 percent of their basic salaries. In addition, the Company pays additional contributions to EJIP members by considering their length of service, with a minimum of 3 years' service required. The amount contributed by the Company to EJIP members was presented under the caption of personal expenses. However, the EJIP was discontinued in 2021.

### 28.3 Service agreements

The Company has entered into service agreements. The terms of the agreements are generally 1 year. As at 31 December 2022 and 2021, future minimum lease payments required under these non-cancellable service contracts were as follows:

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2022	2021
Payable:		
In up to 1 year	1,232,004	1,208,628

## 29. Financial instruments

### 29.1 Derivatives

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2022	2021
<b>Derivative liabilities</b>		
Derivatives liabilities not designated as hedging instruments	350,758	5,984,135

### 29.2 Financial risk management objectives and policies

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

#### 29.2.1 Credit risk

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

### ***Hire purchase receivables***

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large customer.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation of expected credit losses are considered the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group has a policy to write-off its receivables when a demand for payment has been properly made and clearly evidenced, and yet the debts remain unsettled.

### ***Derivatives***

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

### **Maximum exposure to credit risk**

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

As at 31 December 2022 and 2021, the exposure to credit risk are as follow:

	(Unit: Baht)	
	Consolidated financial statements	
	2022	2021
Cash and cash equivalents	43,291,892	41,400,008
Restricted bank deposits	1,808,697	1,498,729
Hire purchase receivables	6,546,045,211	6,009,795,946
Total exposure to credit risk	<u>6,591,145,800</u>	<u>6,052,694,683</u>

(Unit: Baht)

	Separate financial statements	
	2022	2021
Cash and cash equivalents	42,275,645	40,012,334
Restricted bank deposits	1,808,697	1,498,729
Hire purchase receivables	6,546,045,211	6,009,795,946
Total exposure to credit risk	<u>6,590,129,553</u>	<u>6,051,307,009</u>

### Credit quality analysis

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

### Collateral and any operations to increase creditability

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

(Unit: Baht)

	Consolidated and Separate financial statements		
	Exposure to risk with collateral		Type of collateral
	2022	2021	
Hire purchase receivables	6,546,045,211	6,009,795,946	Motorcycle

### 29.2.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the financial position of the Group. As the Group has no foreign currency assets and liabilities and no investments in securities, market risk therefore consists of only interest rate risk. The Group manages the changes in interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, in order to generate a suitable yield while maintaining risk at acceptable levels.



## Interest rate risk

The Group enters into a variety of derivatives to manage its risk exposure, including cash and cash equivalents, hire purchase receivables, restricted bank deposits, short-term loans from financial institutions, trade accounts payables, short-term loans, long-term loans, lease liabilities and derivatives liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by manage this, the Group enters into interest rate swaps in which it agrees to exchange, at specified intervals, between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount as described in Note 16 to the financial statements.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Baht)

Consolidated financial statements					
2022					
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total
	Repricing or maturity date				
	Within 1 year	1 - 5 years			
<b>Financial assets</b>					
Cash and cash equivalents	-	-	9,765,466	33,526,426	43,291,892
Hire purchase receivables	2,968,937,954	2,705,576,670	-	-	5,674,514,624
Restricted bank deposits	11,322	-	1,797,375	-	1,808,697
<b>Financial liabilities</b>					
Short-term loans from financial institutions	293,491,233	-	-	-	293,491,233
Trade accounts payables	-	-	-	40,755,070	40,755,070
Short-term loans	387,496,391	-	-	-	387,496,391
Long-term loans	543,804,055	241,457,491	1,099,354,733	-	1,884,616,279
Lease liabilities	1,869,031	8,669,253	-	-	10,538,284
Derivatives liabilities	-	-	350,758	-	350,758

(Unit: Baht)

Separate financial statements					
2022					
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total
	Repricing or maturity date				
	Within 1 year	1 - 5 years			
<b>Financial assets</b>					
Cash and cash equivalents	-	-	8,789,351	33,486,294	42,275,645
Hire purchase receivables	2,968,937,954	2,705,576,670	-	-	5,674,514,624
Restricted bank deposits	11,322	-	1,797,375	-	1,808,697
<b>Financial liabilities</b>					
Short-term loans from financial institutions	293,491,233	-	-	-	293,491,233
Trade accounts payables	-	-	-	40,755,070	40,755,070
Short-term loans	387,496,391	-	-	-	387,496,391
Long-term loans	543,804,055	241,457,491	1,099,354,733	-	1,884,616,279
Lease liabilities	1,869,031	8,669,253	-	-	10,538,284
Derivatives liabilities	-	-	350,758	-	350,758

(Unit: Baht)

Consolidated financial statements					
2021					
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total
	Repricing or maturity date				
	Within 1 year	1 - 5 years			
<b>Financial assets</b>					
Cash and cash equivalents	-	-	13,336,972	28,063,036	41,400,008
Hire purchase receivables	2,929,777,785	2,272,037,751	-	-	5,201,815,536
Restricted bank deposits	11,305	-	1,487,424	-	1,498,729
<b>Financial liabilities</b>					
Short-term loans from financial institutions	238,900,000	-	-	-	238,900,000
Trade accounts payables	-	-	-	1,827,300	1,827,300
Short-term loans	485,929,600	-	-	-	485,929,600
Long-term loans	455,745,435	244,588,725	964,622,052	-	1,664,956,212
Lease liabilities	1,891,252	9,598,865	-	-	11,490,117
Derivatives liabilities	-	-	5,984,135	-	5,984,135

(Unit: Baht)

Separate financial statements					
2021					
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total
	Repricing or maturity date				
	1 year	1 - 5 years			
<b>Financial assets</b>					
Cash and cash equivalents	-	-	11,989,430	28,022,904	40,012,334
Hire purchase receivables	2,929,777,785	2,272,037,751	-	-	5,201,815,536
Restricted bank deposits	11,305	-	1,487,424	-	1,498,729
<b>Financial liabilities</b>					
Short-term loans from financial institutions	238,900,000	-	-	-	238,900,000
Trade accounts payables	-	-	-	1,827,300	1,827,300
Short-term loans	485,929,600	-	-	-	485,929,600
Long-term loans	455,745,435	244,588,725	964,622,052	-	1,664,956,212
Lease liabilities	1,891,252	9,598,865	-	-	11,490,117
Derivatives liabilities	-	-	5,984,135	-	5,984,135

#### Analysis of effect to changes in interest rates

Analysis of effect to changes in interest rates shows the potential change in interest rates on the statement of comprehensive income and the equity of the Group by setting constant to other variables. However, financial assets and financial liabilities at the end of reporting period of the Group have constant interest rates. Effect to changes in interest rates does not have any significant impact on the financial statements.

#### **29.2.3 Liquidity risk**

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

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

The table below summarises the maturity profile of the Group financial assets and financial liabilities as at 31 December 2022 and 2021 are as follows:

(Unit: Baht)

Consolidated financial statements					
2022					
Transactions	At call	Within 1 year	Over 1 year	No specific maturity	Total
<b><u>Financial assets</u></b>					
Cash and cash equivalents	43,291,892	-	-	-	43,291,892
Hire purchase receivables	-	2,968,937,954	2,705,576,670	-	5,674,514,624
Restricted bank deposits	-	-	-	1,808,697	1,808,697
<b><u>Financial liabilities</u></b>					
Short-term loans from financial institutions	293,491,233	-	-	-	293,491,233
Trade accounts payables	-	40,755,070	-	-	40,755,070
Short-term loans	-	387,496,391	-	-	387,496,391
Long-term loans	-	1,110,191,489	774,424,790	-	1,884,616,279
Lease liabilities	-	1,869,031	8,669,253	-	10,538,284
Derivatives liabilities	-	350,758	-	-	350,758

(Unit: Baht)

Separate financial statements					
2022					
Transactions	At call	Within 1 year	Over 1 year	No specific maturity	Total
<b><u>Financial assets</u></b>					
Cash and cash equivalents	42,275,645	-	-	-	42,275,645
Hire purchase receivables	-	2,968,937,954	2,705,576,670	-	5,674,514,624
Restricted bank deposits	-	-	-	1,808,697	1,808,697
<b><u>Financial liabilities</u></b>					
Short-term loans from financial institutions	293,491,233	-	-	-	293,491,233
Trade accounts payables	-	40,755,070	-	-	40,755,070
Short-term loans	-	387,496,391	-	-	387,496,391
Long-term loans	-	1,110,191,489	774,424,790	-	1,884,616,279
Lease liabilities	-	1,869,031	8,669,253	-	10,538,284
Derivatives liabilities	-	350,758	-	-	350,758

(Unit: Baht)

## Consolidated financial statements

Transactions	2021				
	At call	Within 1 year	Over 1 year	No specific maturity	Total
<b><u>Financial assets</u></b>					
Cash and cash equivalents	41,400,008	-	-	-	41,400,008
Hire purchase receivables	-	2,929,777,785	2,272,037,751	-	5,201,815,536
Restricted bank deposits	-	-	-	1,498,729	1,498,729
<b><u>Financial liabilities</u></b>					
Short-term loans from financial institutions	238,900,000	-	-	-	238,900,000
Trade accounts payables	-	1,827,300	-	-	1,827,300
Short-term loans	-	485,929,600	-	-	485,929,600
Long-term loans	-	1,167,778,655	497,177,557	-	1,664,956,212
Lease liabilities	-	1,891,252	9,598,865	-	11,490,117
Derivatives liabilities	-	785,750	5,198,385	-	5,984,135

(Unit: Baht)

## Separate financial statements

Transactions	2021				
	At call	Within 1 year	Over 1 year	No specific maturity	Total
<b><u>Financial assets</u></b>					
Cash and cash equivalents	40,012,334	-	-	-	40,012,334
Hire purchase receivables	-	2,929,777,785	2,272,037,751	-	5,201,815,536
Restricted bank deposits	-	-	-	1,498,729	1,498,729
<b><u>Financial liabilities</u></b>					
Short-term loans from financial institutions	238,900,000	-	-	-	238,900,000
Trade accounts payables	-	1,827,300	-	-	1,827,300
Short-term loans	-	485,929,600	-	-	485,929,600
Long-term loans	-	1,167,778,655	497,177,557	-	1,664,956,212
Lease liabilities	-	1,891,252	9,598,865	-	11,490,117
Derivatives liabilities	-	785,750	5,198,385	-	5,984,135

## 29.3 Fair values

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Baht)

	Consolidated financial statements				
	2022				
	Carrying amount	Fair value			
	Total	Level 1	Level 2	Level 3	
<b><u>Financial assets for which fair value are disclosed</u></b>					
Cash and cash equivalents	43,291,892	43,291,892	43,291,892	-	-
Hire purchase receivables	5,674,514,624	5,519,134,105	-	-	5,519,134,105
Restricted bank deposits	1,808,697	1,808,697	1,808,697	-	-
<b><u>Financial liability measured at fair value</u></b>					
Derivatives liabilities	350,758	350,758	-	350,758	-
<b><u>Financial liabilities for which fair value are disclosed</u></b>					
Short-term loans from financial institutions	293,491,233	293,491,233	-	293,491,233	-
Trade accounts payables	40,755,070	40,755,070	40,755,070	-	-
Short-term loans	387,496,391	387,496,391	-	387,496,391	-
Long-term loans	1,884,616,279	1,882,545,235	-	1,882,545,235	-
Lease liabilities	10,538,284	10,538,284	-	10,538,284	-

(Unit: Baht)

	Separate financial statements				
	2022				
	Carrying amount	Fair value			
	Total	Level 1	Level 2	Level 3	
<b><u>Financial assets for which fair value are disclosed</u></b>					
Cash and cash equivalents	42,275,645	42,275,645	42,275,645	-	-
Hire purchase receivables	5,674,514,624	5,519,134,105	-	-	5,519,134,105
Restricted bank deposits	1,808,697	1,808,697	1,808,697	-	-
<b><u>Financial liability measured at fair value</u></b>					
Derivatives liabilities	350,758	350,758	-	350,758	-
<b><u>Financial liabilities for which fair value are disclosed</u></b>					
Short-term loans from financial institutions	293,491,233	293,491,233	-	293,491,233	-
Trade accounts payables	40,755,070	40,755,070	40,755,070	-	-
Short-term loans	387,496,391	387,496,391	-	387,496,391	-
Long-term loans	1,884,616,279	1,882,545,235	-	1,882,545,235	-
Lease liabilities	10,538,284	10,538,284	-	10,538,284	-

(Unit: Baht)

Consolidated financial statements					
2021					
	Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3
<b><u>Financial assets for which fair value are disclosed</u></b>					
Cash and cash equivalents	41,400,008	41,400,008	41,400,008	-	-
Hire purchase receivables	5,201,815,536	5,018,584,799	-	-	5,018,584,799
Restricted bank deposits	1,498,729	1,498,729	1,498,729	-	-
<b><u>Financial liability measured at fair value</u></b>					
Derivatives liabilities	5,984,135	5,984,135	-	5,984,135	-
<b><u>Financial liabilities for which fair value are disclosed</u></b>					
Short-term loans from financial institutions	238,900,000	238,900,000	-	238,900,000	-
Trade accounts payables	1,827,300	1,827,300	1,827,300	-	-
Short-term loans	485,929,600	485,929,600	-	485,929,600	-
Long-term loans	1,664,956,212	1,669,577,575	-	1,669,577,575	-
Lease liabilities	11,490,117	11,490,117	-	11,490,117	-

(Unit: Baht)

Separate financial statements					
2021					
	Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3
<b><u>Financial assets for which fair value are disclosed</u></b>					
Cash and cash equivalents	40,012,334	40,012,334	40,012,334	-	-
Hire purchase receivables	5,201,815,536	5,018,584,799	-	-	5,018,584,799
Restricted bank deposits	1,498,729	1,498,729	1,498,729	-	-
<b><u>Financial liability measured at fair value</u></b>					
Derivatives liabilities	5,984,135	5,984,135	-	5,984,135	-
<b><u>Financial liabilities for which fair value are disclosed</u></b>					
Short-term loans from financial institutions	238,900,000	238,900,000	-	238,900,000	-
Trade accounts payables	1,827,300	1,827,300	1,827,300	-	-
Short-term loans	485,929,600	485,929,600	-	485,929,600	-
Long-term loans	1,664,956,212	1,669,577,575	-	1,669,577,575	-
Lease liabilities	11,490,117	11,490,117	-	11,490,117	-

Fair value hierarchy for financial assets and liabilities as at 31 December 2022 and 2021 is stipulated in notes 4.16 to the financial statements.

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

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

During the current year, there were no transfers within the fair value hierarchy.

### **30. Events after the reporting period**

On 16 February 2023, the Board of Director Meeting of the Company No. 1/2023 passed the resolutions to propose to the Annual General Meeting of shareholders to approve a dividend payment from the 2022 operating results at a rate of Baht 0.20 per share, or a total of Baht 122.60 million. The Company paid an interim dividend of Baht 0.10 per share on 9 December 2022 and is therefore to pay another final dividend of Baht 0.10 per share.

### **31. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 16 February 2023.