**FINANSA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020**

**“UNAUDITED”**

**1. Operations and GENERAL INFORMATION**

Finansa Public Company Limited (the “Company”) was incorporated as a limited company under Thai law on December 7, 1989, registered the change of its status to a public limited company on June 19, 2002 and listed on the Stock Exchange of Thailand on September 25, 2002. Its registered office is located at 48/48 TISCO Tower, 20th Floor, North Sathorn Road, Silom, Bangrak, Bangkok. The Company operates its business in Thailand and its principal activity is to invest in and provide finance and management advisory services to its affiliated and related parties as well as to provide warehouse and factory leasing business. Furthermore, the Company’s subsidiaries also provide financial services, including investment banking, underwriting, selling agent of mutual funds, bond trading and investment.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

**2. BASIS FOR PREPARATION AND PRESENTATION OF INTERIM FINANCIAL STATEMENTS**

2.1 Basis for preparation of the interim financial statements

These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2019) “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.

The consolidated and separate statements of financial position as at December 31, 2019, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.

The unaudited results of operations presented in the three-month and nine-month periods ended September 30, 2020 are not necessarily an indication nor anticipation of the operating results for the full year.

Certain financial information which is normally included in the annual financial statements prepared in accordance with Thai Financial Reporting Standards, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and nine-month periods ended September 30, 2020 should be read in conjunction with the audited financial statements for the year ended December 31, 2019.

The preparation of financial statements in conformity with Thai Financial Reporting Standards also requires the Group’ management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Although these estimates are based on management’s reasonable consideration of current events, actual results may differ from these estimates.

2.2 Basis for preparation of consolidated financial statements

(a) These consolidated financial statements include the financial statements of Finansa Public Company Limited and the following subsidiaries, which were incorporated in Thailand and overseas:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Percentage of shareholding as at** | | | | |  | **Country of registration** |  | | **Nature of business** | |
|  | **September 30,** |  | **December 31,** |  | **September 30,** |  |  | |  | |  | |
|  | **2020** |  | **2019** |  | **2019** |  |  | |  | |  | |
| Subsidiaries held directly and  indirectly by the Company |  |  |  |  |  |  |  | |  | |  | |
| Finansa Capital Limited | 100 |  | 100 |  | 100 |  | Thailand | |  | | Loan management business | |
| Finansa Securities Ltd. | 100 |  | 100 |  | 100 |  | Thailand | |  | | Investment banking / Securities business | |
| Finansa Fund Management Ltd. | 100 |  | 100 |  | 100 |  | Cayman Islands | |  | | Investment business | |
| Finansa (Cambodia) Ltd. | 100 |  | 100 |  | 100 |  | Cambodia | |  | | Investment advisory business | |
| Finansa Hong Kong Limited | - |  | 100 |  | 100 |  | Hong Kong | |  | | Advisory business | |

(b) The financial statements of the subsidiaries incorporated overseas are translated into Thai Baht at the prevailing exchange rates on the statement of financial position dates for assets and liabilities, and at the monthly average exchange rates for revenue and expense items. The resulting differences have been shown under the caption of Translation of financial statement differences which is a part of other components of shareholders’ equity.

(c) Material intercompany transactions between the Group has been eliminated from these interim consolidated financial statements. The interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2020 have included the subsidiaries’ interim financial statements for the three-month and nine-month periods ended September 30, 2020 which were reviewed, except for the financial statements of Finansa Capital Co., Ltd. and Finansa (Cambodia) Ltd. which were not reviewed, therefore the management accounts for these subsidiaries are included in the consolidated financial statements. These subsidiaries’ assets, liabilities and net profit (loss) are not significant to the consolidated financial statements.

(d) On June 5, 2020, Finansa Hong Kong Limited has registered the dissolution. The Company derecognized the assets and liabilities of the subsidiary from the consolidated financial position. In addition, the Company reversed impairment loss on investment in the amount of Baht 32.24 million in the separate statements of profit or loss and other comprehensive income for the nine-month period ended September 30, 2020.

2.3 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements, except the following financial reporting standards, which become effective for fiscal year and involve changes to key principles as follows;

Group of Financial Instruments Standards

|  |  |
| --- | --- |
| **Thai Accounting Standards (“TAS”)** | |
| TAS 32 | Financial Instruments: Presentation |
| **Thai Financial Reporting Standards (“TFRS”)** | |
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |
| **Thai Financial Reporting Standard Interpretations (“TFRIC”)** | |
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The Group has initially applied Group of Financial Instruments Standards which the cumulative effect is recognized as an adjustment to the retained earnings as at the beginning of the reporting period as the new requirements of Thai Financial Reporting Standards (“TFRS 9”) as follows:

1. The classification and measurement of financial assets and financial liabilities;
2. Impairment of financial assets; and
3. General hedge accounting.

The date of initial application, the Group has assessed its existing financial assets and financial liabilities in terms of the requirements of TFRS 9 and applied the requirements of TFRS 9 to the financial instruments that continue to be recognized as at January 1, 2020. The transition provisions of TFRS 9 allow an entity not to restate comparative information.

The cumulative effect of the change accounting policies is described in Note 3.3.

Thai Financial Reporting Standard No. 16 “Leases” (“TFRS 16”)

TFRS 16 provides a comprehensive model for the identification if lease arrangements and their treatment in the financial statements of both lessees and lessors. This TFRS superseded the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 “Leases”, Thai Accounting Standard Interpretation No.15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No.27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No.4 “Determining whether on Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement date for all leases, except for short-term- leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

The main differences between TFRS 16 and TAS 17 with respect to contracts formerly classified as finance leases is the measurement of the residual value guarantees provided by the lessee to the lessor. TFRS 16 requires that the Group recognizes as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by TAS 17. This change did not have a material effect on the Group’s consolidated financial statements.

The cumulative effect of the change accounting policies is described in Note 3.3.

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on April 22, 2020, detail as follows:

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

The Group has not adopted such accounting treatment guidance in the preparation of the interim financial statements for the nine-month period ended September 30, 2020.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be high uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group has elected to apply the following temporary relief measures:

* Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses
* To measure the fair value of investments in unquoted equity instruments using the fair value as at January 1, 2020
* To lightly weight information relating to the COVID-19 situation in applying the valuation technique to measure the fair value of financial assets in the form of debt instruments using Level 2 or Level 3 inputs
* Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets
* Not to use information relating to the COVID-19 situation that may affect the cash flow forecasts used in testing goodwill for impairment.

2.4 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Definition of Business

The revised Thai Financial Reporting Standard No.3 “Business Combinations” clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 “Presentation of Financial Statements” and Thai Accounting Standards No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 “Financial Instruments” and Thai Financial Reporting Standard No.7 “Financial Instruments: Disclosures”.

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when it becomes effective. The Group’s management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2019, except the adoption of new and revised Thai Financial Reporting Standards as described in Note 2.3. Accounting policies which significantly changed are as follows:

3.1 Financial instruments

Accounting policies applicable from January 1, 2020

Financial assets and financial liabilities are recognized in the Group’s statement of financial position when the Group becomes a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

**Financial assets**

All recognized financial assets are measured subsequently in their entirely at either amortized cost or fair value, depending on the classification of the financial assets.

*Classification of financial assets*

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

* 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 asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income

* The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
* The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured subsequently at FVTPL.

*Impairment of financial assets*

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

*Derecognition of financial assets*

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. On the contrary, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

**Financial liabilities**

All financial liabilities are measured subsequently at amortized cost using the effective interest method.

Accounting policies applicable prior to January 1, 2020

Temporary and long-term investments

The Company and its subsidiaries present the values of investments, which are not investments in subsidiaries and associates, according to their types as follows:

1. Investments in securities held for trading are classified as temporary investments and presented at fair value. Gains or losses arising from changes in the carrying amounts of securities are included in the statements of profit or loss and other comprehensive income.
2. Investments in available-for-sale securities, both those held as temporary and long-term investments, are determined at fair value. Changes in the carrying amounts of securities are recorded in other components of shareholders’ equity through other comprehensive income until the securities are sold, when the changes are then included in the statements of profit or loss and other comprehensive income.
3. Investments in debt securities expected to be held to maturity, which are classified as temporary or long-term investments according to their remaining periods to maturity, are recorded at amortized cost. The premium/discount on debt securities is amortized by the effective interest rate method with the amortized amount presented as an adjustment to interest income.
4. Investments in non-marketable equity securities, which are treated as general investments, are classified as long-term investments and valued at cost less allowance for impairment loss.
5. Investments in related parties are classified as long-term investments and valued at cost less allowance for impairment loss.

The weighted average method is used for computation of the cost of investments.

In the event the Company and its subsidiaries reclassify investments in securities, such investments are adjusted to their fair value as at the reclassification dates. Differences between the carrying amount of the investments and their fair value on those dates are recognized as gains (losses) in the statements of profit or loss and other comprehensive income or recorded as a revaluation surplus (deficit) on investments in shareholders’ equity, depending on the type of the reclassified investment.

3.2 Leases

Accounting policies applicable from January 1, 2020

*The Group as lessee*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Accounting policies applicable prior to January 1, 2020

Long-term lease agreements

(a) Operating lease agreements

Leases in which substantially all risks and rewards of ownership of assets remain with the lessor are accounted for as operating lease. Rentals applicable to such operating leases are charged to the statements of profit or loss and other comprehensive income on a straight-line basis over the lease term.

(b) Financial lease agreements

Leases of assets for which substantially all the risks and rewards of ownership are transferred to the Company and its subsidiaries are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased property or the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are recorded as long-term liabilities, while the interest element is charged to the statements of profit or loss and other comprehensive income over the lease periods. The assets acquired under the finance lease are depreciated over the useful lives of the leased assets.

3.3 Impact of first-time adoption of financial reporting standards related to Group of Financial Instruments Standards and Thai Financial Reporting Standards No. 16 “Leases”

3.3.1 The Group has adopted financial reporting standards related to Group of Financial Instruments Standards. The cumulative effect of initially applying these standards is recognized as an adjustment to retained earnings and other component of shareholders’ equity as at January 1, 2020, and the comparative information was not restated.

The impacts on the beginning balance of other component of shareholders’ equity of the year 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **(Unit : Thousand Baht)** | | | | | | |
|  | **Consolidated financial statements** | | | | | | |
|  | **As at**  **December 31, 2019** |  | **Effect from Group of financial instruments** |  | **Reclassifications** |  | **As at**  **January 1, 2020** |
| **Current assets** |  |  |  |  |  |  |  |
| Temporary investments | 172,868 |  | - |  | (172,868) |  | - |
| Other current financial assets | - |  | - |  | 172,868 |  | 172,868 |
|  |  |  |  |  |  |  |  |
| **Non-current assets** |  |  |  |  |  |  |  |
| Long-term investments - Available-for-sale securities | 20,546 |  | - |  | (20,546) |  | - |
| Long-term investments in a related party | 72 |  | (72) |  | - |  | - |
| Other long-term investment - General investments | 28,651 |  | 6,459 |  | (35,110) |  | - |
| Other non-current financial assets | - |  | - |  | 55,656 |  | 55,656 |
|  |  |  |  |  |  |  |  |
| **Shareholders’ equity** |  |  |  |  |  |  |  |
| Other components of shareholders’ equity | (302,330) |  | 6,387 |  | - |  | (295,943) |
|  | **(Unit : Thousand Baht)** | | | | | | |
|  | **Separate financial statements** | | | | | | |
|  | **As at**  **December 31, 2019** |  | **Effect from Group of financial instruments** |  | **Reclassifications** |  | **As at**  **January 1, 2020** |
| **Current assets** |  |  |  |  |  |  |  |
| Temporary investments | 60,203 |  | - |  | (60,203) |  | - |
| Other current financial assets | - |  | - |  | 60,203 |  | 60,203 |
|  |  |  |  |  |  |  |  |
| **Non-current assets** |  |  |  |  |  |  |  |
| Long-term investments - Available-for-sale securities | 11,350 |  | - |  | (11,350) |  | - |
| Other non-current financial assets | - |  | - |  | 11,350 |  | 11,350 |
|  |  |  |  |  |  |  |  |
| **Shareholders’ equity** |  |  |  |  |  |  |  |
| Other components of shareholders’ equity | 65 |  | - |  | - |  | 65 |

The table below shows information relating to financial assets and financial liabilities that have been reclassified as a result of transition to TFRS 9.

|  | **(Unit : Thousand Baht)** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | |
|  | **Carrying amounts December 31, 2019** |  | **Remeasurements** |  | **Reclassifications** |  | **Carrying amounts  January 1,  2020** |  | **Category** |
| **Current financial assets** |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 66,056 |  | - |  | - |  | 66,056 |  | Amortized Cost |
| Temporary investments | 172,868 |  | - |  | (172,868) |  | - |  | - |
| Service income receivables | 6,672 |  | - |  | - |  | 6,672 |  | Amortized Cost |
| Receivables and loans to others | 644,500 |  | - |  | - |  | 644,500 |  | Amortized Cost |
| Other receivables | 29,326 |  | - |  | - |  | 29,326 |  | Amortized Cost |
| Short-term loans and advance to related parties | 730 |  | - |  | - |  | 730 |  | Amortized Cost |
| Other current financial assets | - |  | - |  | 172,868 |  | 172,868 |  | FVTPL |
|  |  |  |  |  |  |  |  |  |  |
| **Non-current financial assets** | |  |  |  |  |  |  |  |  |
| Long-term investments - Available-for-sale securities | 20,546 |  | - |  | (20,546) |  | - |  | - |
| Long-term investments in a related party | 72 |  | (72) |  | - |  | - |  | - |
| Other long-term investment - General investments | 28,651 |  | 6,459 |  | (35,110) |  | - |  | - |
| Other non-current financial assets | - |  | - |  | 55,656 |  | 55,656 |  | FVTOCI |
|  |  |  |  |  |  |  |  |  |  |
| **Current financial liabilities** |  |  |  |  |  |  |  |  |  |
| Current portion of long-term debentures | 230,000 |  | - |  | - |  | 230,000 |  | Amortized Cost |
|  |  |  |  |  |  |  |  |  |  |
| **Non-current financial liabilities** | |  |  |  |  |  |  |  |  |
| Long-term debentures, net of current portion | 1,040,000 |  | - |  | - |  | 1,040,000 |  | Amortized Cost |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **(Unit : Thousand Baht)** | | | | | | | | |
|  | **Separate financial statements** | | | | | | | | |
|  | **Carrying amounts December 31, 2019** |  | **Remeasurements** |  | **Reclassifications** |  | **Carrying amounts  January 1,  2020** |  | **Category** |
| **Current financial assets** |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 9,258 |  | - |  | - |  | 9,258 |  | Amortized Cost |
| Temporary investments | 60,203 |  | - |  | (60,203) |  | - |  | - |
| Service income receivables | 1,507 |  | - |  | - |  | 1,507 |  | Amortized Cost |
| Receivables and loans to others | 407,500 |  | - |  | - |  | 407,500 |  | Amortized Cost |
| Other receivables | 22,250 |  | - |  | - |  | 22,250 |  | Amortized Cost |
| Short-term loans and advance to related parties | 515,552 |  | - |  | - |  | 515,552 |  | Amortized Cost |
| Other current financial assets | - |  | - |  | 60,203 |  | 60,203 |  | FVTPL |
|  |  |  |  |  |  |  |  |  |  |
| **Non-current financial assets** | |  |  |  |  |  |  |  |  |
| Long-term investments - Available-for-sale securities | 11,350 |  | - |  | (11,350) |  | - |  | - |
| Other non-current financial assets | - |  | - |  | 11,350 |  | 11,350 |  | FVTOCI |
|  |  |  |  |  |  |  |  |  |  |
| **Current financial liabilities** | |  |  |  |  |  |  |  |  |
| Short-term loans from related parties | 721,800 |  | - |  | - |  | 721,800 |  | Amortized Cost |
| Current portion of long-term debentures | 230,000 |  | - |  | - |  | 230,000 |  | Amortized Cost |
|  |  |  |  |  |  |  |  |  |  |
| **Non-current financial liabilities** | |  |  |  |  |  |  |  |  |
| Long-term debentures, net of current portion | 1,040,000 |  | - |  | - |  | 1,040,000 |  | Amortized Cost |

3.3.2 For leases that were classified as finance leases applying TAS 17, as at January 1, 2020, the carrying amount of the leased assets is reclassified to right-of-use assets in the consolidated and separate statement of financial position amounting to Baht 4.18 million and Baht 1.81 million, respectively, and the carrying amount of lease liabilities in the consolidated and separate statement of financial position amounting to Baht 4.28 million and Baht 1.86 million, respectively, without any adjustments. (see Note 13)

**4. CASH AND CASH EQUIVALENTS**

4.1 Cash and cash equivalents as at September 30, 2020 and December 31, 2019 are as follows:

**(Unit : Thousand Baht)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **September 30,** |  | **December 31,** |  | **September 30,** |  | **December 31,** |
|  | **2020** |  | **2019** |  | **2020** |  | **2019** |
| Cash | 16 |  | 16 |  | 5 |  | 5 |
| Deposits at financial institutions |  |  |  |  |  |  |  |
| Current accounts | 83,412 |  | 61,507 |  | 12,575 |  | 4,720 |
| Savings accounts | 11,487 |  | 4,533 |  | 11,487 |  | 4,533 |
| Total cash and cash equivalents | 94,915 |  | 66,056 |  | 24,067 |  | 9,258 |

4.2 Reconciliation of liabilities arising from financing activities for the nine-month periods ended September 30, are as follows:

**(Unit : Thousand Baht)**

|  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Balance as at** |  |  |  | **Changes in** |  | **Balance as at** |
|  | **January 1,** |  | **Financing** |  | **non-cash** |  | **September 30,** |
|  | **2020** |  | **cash flows** |  | **item** |  | **2020** |
| Bills of exchange | - |  | 88,930 |  | 1,035 |  | 89,965 |
| Long-term debentures | 1,270,000 |  | (100,000) |  | - |  | 1,170,000 |
| Lease liabilities | 4,282 |  | (848) |  | - |  | 3,434 |
| **Total** | 1,274,282 |  | (11,918) |  | 1,035 |  | 1,263,399 |

**(Unit : Thousand Baht)**

|  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Balance as at** |  |  |  | **Changes in** |  | **Balance as at** |
|  | **January 1,** |  | **Financing** |  | **non-cash** |  | **September 30,** |
|  | **2019** |  | **cash flows** |  | **Item** |  | **2019** |
| Short-term borrowing from a financial |  |  |  |  |  |  |  |
| institution | 20,000 |  | (20,000) |  | - |  | - |
| Short-term debentures | 100,000 |  | (100,000) |  | - |  | - |
| Long-term debentures | 1,170,000 |  | 100,000 |  | - |  | 1,270,000 |
| Liabilities under finance lease agreements | 1,433 |  | (503) |  | 2,151 |  | 3,081 |
| **Total** | 1,291,433 |  | (20,503) |  | 2,151 |  | 1,273,081 |

**(Unit : Thousand Baht)**

|  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Balance as at** |  |  |  | **Changes in** |  | **Balance as at** |
|  | **January 1,** |  | **Financing** |  | **non-cash** |  | **September 30,** |
|  | **2020** |  | **cash flows** |  | **Item** |  | **2020** |
| Short-term borrowings from related parties | 721,800 |  | 20,000 |  | - |  | 741,800 |
| Bills of exchange | - |  | 88,930 |  | 1,035 |  | 89,965 |
| Long-term debentures | 1,270,000 |  | (100,000) |  | - |  | 1,170,000 |
| Lease liabilities | 1,855 |  | (286) |  | - |  | 1,569 |
| **Total** | 1,993,655 |  | 8,644 |  | 1,035 |  | 2,003,334 |

**(Unit : Thousand Baht)**

|  |  |  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Balance as at** | | |  |  |  | **Changes in** |  | **Balance as at** |
|  | **January 1,** | | |  | **Financing** |  | **non-cash** |  | **September 30,** |
|  | **2019** | | |  | **cash flows** |  | **item** |  | **2019** |
| Short-term borrowing from a financial |  | | |  |  |  |  |  |  |
| institution | 20,000 | | |  | (20,000) |  | - |  | - |
| Short-term borrowings from related parties | 799,800 | | |  | (78,000) |  | - |  | 721,800 |
| Short-term debentures | 100,000 | | |  | (100,000) |  | - |  | - |
| Long-term debentures | 1,170,000 | | |  | 100,000 |  | - |  | 1,270,000 |
| Liabilities under finance lease agreements | - | | |  | (205) |  | 2,151 |  | 1,946 |
| **Total** | 2,089,800 | | |  | (98,205) |  | 2,151 |  | 1,993,746 |

**5. rECEIVABLES and LOANS TO OTHERS**

In order to present the statement of financial position in compliance with the Notification of the Department of Business Development, items due within one year are to be presented as current assets and items due longer than one year are to be presented as non-current assets. The Group therefore present “Receivables and loans to others” as follows:

**(Unit : Thousand Baht)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **September 30,** |  | **December 31,** |  | **September 30,** |  | **December 31,** |
|  | **2020** |  | **2019** |  | **2020** |  | **2019** |
|  |  |  |  |  |  |  |  |
| Receivables and loans to others (see Note 5.2) | 558,581 |  | 793,581 |  | 422,500 |  | 420,500 |
| Less Allowance for expected credit loss |  |  |  |  |  |  |  |
| (see Note 6) | (149,081) |  | (149,081) |  | (13,000) |  | (13,000) |
| Receivables and loans to others | 409,500 |  | 644,500 |  | 409,500 |  | 407,500 |
| Less Current portion | (409,500) |  | (644,500) |  | (409,500) |  | (407,500) |
| Receivables and loans to others, |  |  |  |  |  |  |  |
| net of current portion | - |  | - |  | - |  | - |

On December 14, 2016, a subsidiary had entered into an agreement to provide a loan amounting to Baht 237 million to a company with a convertible option to exchange into common shares of another company. The loan has a maturity for 5 years. Subsequently, on November 7, 2018, the subsidiary agreed to exercise the conversion option on the outstanding loan with accrued interest to the conversion shares of Baht 242.79 million. On July 16, 2020, the subsidiary had exercised the conversion option according to the agreement. As a result, the Company has investments in domestic non-marketable equity securities of Baht 242.79 million, equivalent to 12.78% of registered capital of such company.

On December 28, 2018, the Company had entered into an agreement to provide a loan amounting to Baht 120 million to a company with a convertible option to exchange into common shares of the borrower. The loan has a maturity of less than 1 year. However, the agreement has been amended to extend the repayment period to December 30, 2020. As at September 30, 2020 and December 31, 2019, the outstanding amount of loan were Baht 62 million and Baht 60 million, respectively.

5.1 Classified by loan type

**(Unit : Thousand Baht)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |
|  | **As at** |  | **As at** |
|  | **September 30,** |  | **December 31,** |
|  | **2020** |  | **2019** |
| **Loan management business receivables** |  |  |  |
| Loans | 134,981 |  | 134,981 |
| Hire-purchase receivables | 1,181 |  | 1,181 |
| Total receivables and loans | 136,162 |  | 136,162 |
| Less Unearned income | (81) |  | (81) |
| Total receivables and loans | 136,081 |  | 136,081 |
| Less Allowance for expected credit loss  Allowance for doubtful accounts | (136,081)  - |  | -  (136,081) |
| Total loan management business receivables | - |  | - |
|  |  |  |  |
| **Other loans** |  |  |  |
| Bills of exchange | 13,000 |  | 13,000 |
| Loans | 409,500 |  | 644,500 |
| Total other loans | 422,500 |  | 657,500 |
| Less Allowance for expected credit loss  Allowance for doubtful accounts | (13,000)  - |  | -  (13,000) |
| Total other loans | 409,500 |  | 644,500 |
| Total receivables and loans to others | 409,500 |  | 644,500 |

**(Unit : Thousand Baht)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial statements** | | |
|  | **As at** |  | **As at** |
|  | **September 30,** |  | **December 31,** |
|  | **2020** |  | **2019** |
| **Other loans** |  |  |  |
| Bills of exchange | 13,000 |  | 13,000 |
| Loans | 409,500 |  | 407,500 |
| Total other loans | 422,500 |  | 420,500 |
| Less Allowance for expected credit loss  Allowance for doubtful accounts | (13,000)  - |  | -  (13,000) |
| Total receivables and loans to others | 409,500 |  | 407,500 |

5.2 Classified by remaining period of the contract

**(Unit : Thousand Baht)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **September 30,** |  | **December 31,** |  | **September 30,** |  | **December 31,** |
|  | **2020** |  | **2019** |  | **2020** |  | **2019** |
|  |  |  |  |  |  |  |  |
| **Receivables and loans to others** |  |  |  |  |  |  |  |
| At call (including defaulted contracts) | 149,081 |  | 149,081 |  | 13,000 |  | 13,000 |
| Not over 1 year | 409,500 |  | 644,500 |  | 409,500 |  | 407,500 |
| Total receivables and loans to others | 558,581 |  | 793,581 |  | 422,500 |  | 420,500 |

**6. Allowance for EXPECTED CREDIT LOSS/ALLOWANCE FOR DOUBTFUL ACCOUNTS**

**(Unit : Thousand Baht)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **September 30,** |  | **December 31,** |  | **September 30,** |  | **December 31,** |
|  | **2020** |  | **2019** |  | **2020** |  | **2019** |
|  |  |  |  |  |  |  |  |
| Balance - beginning of the period/year | 149,081 |  | 148,458 |  | 13,000 |  | 13,000 |
| Add Allowance for expected credit loss | - |  | - |  | - |  | - |
| Allowance for doubtful accounts | - |  | 623 |  | - |  | - |
| Balance - ending of the period/year | 149,081 |  | 149,081 |  | 13,000 |  | 13,000 |

**7. FINANCIAL ASSETS**

Financial assets as at September 30, 2020 are as follows:

**(Unit : Thousand Baht)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated** |  | **Separate** |
|  | **financial statements** |  | **financial statements** |
| **Other current financial assets** |  |  |  |
| **Equity instruments measured at FVTPL** |  |  |  |
| Domestic marketable equity securities - Investment units | 947,211 |  | 702,141 |
| Total other current financial assets | 947,211 |  | 702,141 |
|  |  |  |  |
| **Other non-current financial assets** |  |  |  |
| **Equity instruments measured at FVTPL** |  |  |  |
| Domestic marketable equity securities - Investment units | 954 |  | - |
|  | 954 |  | - |
| **Debt instruments measured at FVTOCI** |  |  |  |
| Government bond | 11,090 |  | 11,090 |
|  | 11,090 |  | 11,090 |
| **Equity instruments measured at FVTOCI** |  |  |  |
| Domestic non-marketable equity securities | 279,774 |  | 1,875 |
| Investment units in foreign funds | 11,885 |  | - |
|  | 291,659 |  | 1,875 |
| Total other non-current financial assets | 303,703 |  | 12,965 |

Investment as at December 31, 2019 are as follows:

|  | |  | | |  | **(Unit : Thousand Baht)** | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | | |
|  | | **Cost/** |  |  |  | **Cost/** |  | |  |
|  | | **Carrying** |  |  |  | **Carrying** |  | |  |
|  | | **value** |  | **Fair value** |  | **value** |  | | **Fair value** |
| **Temporary investments** | |  |  |  |  |  |  | |  |
| **Trading Securities** | |  |  |  |  |  |  | |  |
| Domestic marketable equity securities | |  |  |  |  |  |  | |  |
| Investment units | | 170,506 |  | 172,868 |  | 59,829 |  | | 60,203 |
| Add Allowance for revaluation | | 2,362 |  | - |  | 374 |  | | - |
| Total trading securities | | 172,868 |  | 172,868 |  | 60,203 |  | | 60,203 |
| **Total temporary investments** | | 172,868 |  | 172,868 |  | 60,203 |  | | 60,203 |
|  | |  |  |  |  |  |  | |  |
| **Long-term investments** |  | |  |  |  |  |  | |  |
| **Available-for-sale securities** |  | |  |  |  |  |  | |  |
| Government bond | 11,285 | |  | 11,350 |  | 11,285 |  | | 11,350 |
| Investment units in foreign funds | 77,473 | |  | 9,196 |  | - |  | | - |
| Total | 88,758 | |  | 20,546 |  | 11,285 |  | | 11,350 |
| Less Provision for impairment | (68,277) | |  | - |  | - |  | | - |
| Add Allowance for revaluation | 65 | |  | - |  | 65 |  | | - |
| Total available-for-sale securities | 20,546 | |  | 20,546 |  | 11,350 |  | | 11,350 |
|  |  | |  |  |  |  |  | |  |
| **General investments** |  | |  |  |  |  |  | |  |
| Domestic non-marketable equity securities | 28,651 | |  |  |  | - |  | |  |
| Overseas non-marketable equity securities | 22,616 | |  |  |  | - |  | |  |
| Long-term investment in a related party | 18,954 | |  |  |  | - |  | |  |
| Total | 70,221 | |  |  |  | - |  | |  |
| Less Allowance for impairment | (41,498) | |  |  |  | - |  | |  |
| Total general investments | 28,723 | |  |  |  | - | |  |  |
| **Total long-term investments** | 49,269 | |  |  |  | 11,350 | |  |  |
| **Total investments** | 222,137 | |  |  |  | 71,553 | |  |  |

As at September 30, 2020 and December 31, 2019, the Company had pledged investments in government bond amounting to Baht 11.09 million and Baht 11.35 million, respectively, to secure bank overdrafts limit with a bank.

**8. OTHER CURRENT ASSETs**

**(Unit : Thousand Baht)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **September 30,** |  | **December 31,** |  | **September 30,** |  | **December 31,** |
|  | **2020** |  | **2019** |  | **2020** |  | **2019** |
| Withholding tax | 5,231 |  | 8,638 |  | 4,553 |  | 7,931 |
| Refundable corporate income taxes | 31,212 |  | 21,809 |  | 24,055 |  | 16,113 |
| Others | 1,976 |  | 1,804 |  | 228 |  | 113 |
| Total | 38,419 |  | 32,251 |  | 28,836 |  | 24,157 |

**9. DEPOSITS SUBJECT TO RESTRICTIONS**

As at September 30, 2020 and December 31, 2019, the Company had pledged bank deposits amounting to Baht 0.63 million and Baht 0.63 million, respectively, to secure bank guarantees issued by a bank on behalf of the Company.

**10. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES**

10.1 Investments in associates in the consolidated financial statements

As at September 30, 2020 and December 31, 2019, the Group had investments in the following entities which are associates and accounted for under equity method in the consolidated financial statements.

**(Unit : Thousand Baht)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Consolidated financial statements** | | | | | | | | | | | | | | | | |
|  |  |  |  |  |  | **Percentage of**  **shareholding** | | |  | **Cost** | | |  | **Carrying value under**  **equity method** | | |
| **Company name** |  | **Nature of**  **business** |  | **Country** |  | **As at**  **September 30,**  **2020** |  | **As at**  **December 31,**  **2019** |  | **As at**  **September 30,**  **2020** |  | **As at**  **December 31,**  **2019** |  | **As at**  **September 30,**  **2020** |  | **As at**  **December 31,**  **2019** |
| **Associate** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| M.K. Real Estate Development Plc. |  | Land and building development |  | Thailand |  | 18.80 |  | 18.80 |  | 945,841 |  | 945,841 |  | 989,489 |  | 1,012,419 |
| Prospect Logistics and Industrial Leasehold Real Estate  Investment Trust (1) |  | Property Fund & REITs |  | Thailand |  | 22.99 |  | - |  | 563,195 |  | - |  | 565,316 |  | - |
| **Subsidiaries’ associates** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Finansia Syrus Securities Plc. |  | Securities business |  | Thailand |  | 29.29 |  | 29.29 |  | 536,350 |  | 536,350 |  | 660,759 |  | 645,128 |
| Siam Investment Partners, L.P. (2) |  | General Partner  of a fund |  | Cayman Islands |  | 50.00 |  | 50.00 |  | 3,786 |  | 3,786 |  | 660 |  | 660 |
| FSS International Investment Advisory Securities Company Limited (3) |  | Investment advisory |  | Thailand |  | 3.75 |  | 3.75 |  | 300 |  | 300 |  | 261 |  | 541 |
| Total investments in associates |  |  |  |  |  |  |  |  |  | 2,049,472 |  | 1,486,277 |  | 2,216,485 |  | 1,658,748 |

(1) On August 14, 2020, the Company has invested in Prospect Logistics and Industrial Leasehold Real Estate Investment Trust at the portion of 22.99%

(2) Siam Investment Partners, L.P. is under liquidation process.

(3) Finansia Syrus Securities Public Company Limited holds an investment in FSS International Investment Advisory Securities Co., Ltd. (FSSIA) at the portion of 96.25%; therefore, the Group hold an investment in FSSIA at the portion of 31.94% in totals.

10.2 Investments in subsidiaries and associates in the separate financial statements

As at September 30, 2020 and December 31, 2019, the Company had investments in the following subsidiaries and associates which are accounted for under the cost method in the separate financial statements.

**(Unit : Thousand Baht)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Separate financial statements** | | | | | | | | | | | | | | | | | | | | | | |
|  |  |  | | |  |  |  | **Paid-up share capital** | | |  | **Percentage of shareholding** | | |  | **Carrying value under cost method** | | |  | **Dividends received** | | |
|  |  |  | | |  |  |  | **As at** |  | **As at** |  | **As at** |  | **As at** |  | **As at** |  | **As at** |  | **For the nine-month** | | |
|  |  |  | | |  |  |  | **September 30,** |  | **December 31,** |  | **September 30,** |  | **December 31,** |  | **September 30,** |  | **December 31,** |  | **periods ended September 30, 30,** | | |
| **Company name** |  | **Nature of business** | | |  | **Country** |  | **2020** |  | **2019** |  | **2020** |  | **2019** |  | **2020** |  | **2019** |  | **2020** |  | **2019** |
| **Subsidiaries** |  |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Finansa Securities Ltd. |  | Securities | | |  | Thailand |  | 700,000 |  | 700,000 |  | 100 |  | 100 |  | 734,709 |  | 734,709 |  | - |  | 70,000 |
| Finansa Capital Limited |  | Loan management | | |  | Thailand |  | 511,000 |  | 511,000 |  | 100 |  | 100 |  | 544,273 |  | 544,273 |  | - |  | - |
| Finansa Fund Management Ltd. |  | Investment | | |  | Cayman Islands |  | 690  (ordinary shares) |  | 690  (ordinary shares) |  | 100 |  | 100 |  | 151,790 |  | 151,790 |  | - |  | - |
|  |  |  | | |  | Islands |  | (ordinary shares) |  | (ordinary shares) |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | | |  |  |  | 5,732  (preference shares) |  | 5,732  (preference shares) |  | 100 |  | 100 |  | 573,198 |  | 573,198 |  | - |  | - |
|  |  |  | | |  |  |  | (preference shares) |  | (preference shares) |  |  |  |  |  |  |  |  |  |  |  |  |
| Finansa (Cambodia) Ltd. |  | Investment advisory | | |  | Cambodia |  | 192 |  | 192 |  | 100 |  | 100 |  | 204 |  | 204 |  | - |  | - |
| Finansa Hong Kong Limited |  | Advisory | | |  | Hong Kong |  | - |  | 512 |  | - |  | 100 |  | - |  | 512 |  | - |  | - |
| Investments in subsidiaries |  |  | | |  |  |  |  |  |  |  |  |  |  |  | 2,004,174 |  | 2,004,686 |  | - |  | 70,000 |
| Less Allowance for impairment |  |  | | |  |  |  |  |  |  |  |  |  |  |  | (455,327) |  | (455,839) |  |  |  |  |
| Investments in subsidiaries - net |  |  | | |  |  |  |  |  |  |  |  |  |  |  | 1,548,847 |  | 1,548,847 |  |  |  |  |
|  |  |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Associates** |  |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| M.K. Real Estate Development Plc. |  | Land and building Development | | |  | Thailand |  | 1,091,205 |  | 1,091,205 |  | 18.80 |  | 18.80 |  | 945,841 |  | 945,841 |  | 22,564 |  | 2,072 |
| Prospect Logistics and Industrial Leasehold Real Estate Investment Trust (1) |  | Property Fund & REITs | | |  | Thailand |  | 2,450,000 |  | - |  | 22.99 |  | - |  | 563,195 |  | - |  | - |  | - |
| Investment in associate | | |  |  |  |  |  |  |  |  |  |  |  |  |  | 1,509,036 |  | 945,841 |  | 22,564 |  | 2,072 |
| Total investment in subsidiaries and associate | | | | | | | |  |  |  |  |  |  |  |  | 3,057,883 |  | 2,494,688 |  |  |  |  |

(1) On August 14, 2020, the Company has invested in Prospect Logistics and Industrial Leasehold Real Estate Investment Trust at the portion of 22.99%

**11. LEASEHOLD RIGHTS**

On July 14, 2020, the Board of Directors’ Meeting had a resolution to approve the Company to terminate sublease of land and building on Bangkok Free Trade Zone.

Subsequently, on August 7, 2020, the Company and sublessor had entered into a memorandum. The Company agreed to return leasehold rights to the sublessor and sublessor agreed to make a payment of Baht 1,307.09 million to the Company. The Company had already transferred the leasehold rights to sublessor on August 17, 2020 and recognized compensation fee from termination of sublease agreement amounting to Baht 198.14 million in statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2020.

**12. BILLS OF EXCHANGE AND DEBENTURES**

12.1 Bills of exchange

As at September 30, 2020, outstanding of bills of exchange issued by the Company, which are charged interest at the rates with reference to the Money Market rate and will be matured on October 5, 2020 (as at December 31, 2019 : Nil).

**(Unit : Thousand Baht)**

|  | **Consolidated and Separate**  **financial statements** |
| --- | --- |
|  |  |
| Bills of exchange | 90,000 |
| Less Discounts | (35) |
| Bills of exchange, net | 89,965 |

12.2 Long-term debentures

As at September 30, 2020 and December 31, 2019, outstanding of long-term debentures issued by the Company which are charged interest at the rates with reference to the Money Market rate are summarized as follows:

**(Unit : Thousand Baht)**

|  | **Consolidated and Separate**  **financial statements** | | |
| --- | --- | --- | --- |
|  | **As at** |  | **As at** |
|  | **September 30,** |  | **December 31,** |
|  | **2020** |  | **2019** |
| Long-term debentures |  |  |  |
| Mature in 2020 | 130,000 |  | 230,000 |
| Mature in 2021 | 400,000 |  | 400,000 |
| Mature in 2022 | 340,000 |  | 340,000 |
| Mature in 2023 | 300,000 |  | 300,000 |
|  | 1,170,000 |  | 1,270,000 |
| Less Current portion | (330,000) |  | (230,000) |
|  | 840,000 |  | 1,040,000 |

**13. RIGHT-OF-USE ASSETS AND lease LIABILITIES**

The statement of financial position included following transactions relating to leases as at September 30, 2020 as follows:

**(Unit : Thousand Baht)**

|  | **Consolidated** |  | **Separate** |
| --- | --- | --- | --- |
|  | **financial statements** |  | **financial statements** |
| **Right-of-use assets** |  |  |  |
| Vehicles | 3,094 |  | 1,484 |
| Equipment | 183 |  | - |
| Total right-of-use assets | 3,277 |  | 1,484 |
|  |  |  |  |
| **Lease liabilities** |  |  |  |
| Current | 1,199 |  | 412 |
| Non-current | 2,235 |  | 1,157 |
| Total lease liabilities | 3,434 |  | 1,569 |

Movements of the right-of-use assets during the nine-month period ended September 30, 2020 are as follows:

**(Unit : Thousand Baht)**

|  | **Consolidated** |  | **Separate** |
| --- | --- | --- | --- |
|  | **financial statements** |  | **financial statements** |
| Net book value as at December 31, 2019 | - |  | - |
| Reclassification from adoption of TFRS 16 (see Note 3.3) | 4,181 |  | 1,806 |
| Net book value as at January 1, 2020 | 4,181 |  | 1,806 |
| Depreciation for period | (904) |  | (322) |
| Net book value as at September 30, 2020 | 3,277 |  | 1,484 |

Liabilities under finance lease agreement as at December 31, 2019 are as follows:

**(Unit : Thousand Baht)**

|  | **Consolidated** |  | **Separate** |
| --- | --- | --- | --- |
|  | **financial statements** |  | **financial statements** |
| Within 1 year | 1,404 |  | 533 |
| Over 1 year and not over than 5 years | 3,474 |  | 1,687 |
| Minimum lease payments | 4,878 |  | 2,220 |
| Less Deferred interest | (596) |  | (365) |
| Present value of minimum lease payment | 4,282 |  | 1,855 |
| Less Current portion | (1,140) |  | (386) |
|  | 3,142 |  | 1,469 |

**14. Other current liabilities**

**(Unit : Thousand Baht)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **September 30,** |  | **December 31,** |  | **September 30,** |  | **December 31,** |
|  | **2020** |  | **2019** |  | **2020** |  | **2019** |
| Accrued bonus expenses | 63,320 |  | 15,601 |  | 4,140 |  | 5,234 |
| Accrued interest expenses | 10,691 |  | 11,145 |  | 15,228 |  | 23,311 |
| Accrued expenses | 4,623 |  | 2,721 |  | 3,484 |  | 1,665 |
| Accrued property tax expense | - |  | 7,654 |  | - |  | 7,654 |
| Other payables | 66,140 |  | 6,156 |  | 65,910 |  | 5,465 |
| Others | 7,483 |  | 3,229 |  | 4,315 |  | 38,523 |
| Total | 152,257 |  | 46,506 |  | 93,077 |  | 81,852 |

**15. Dividends**

On September 15, 2020, the Board of Directors’ meeting passed a resolution to pay interim dividends at Baht 0.15 per share totaling Baht 51.88 million. The Company paid such dividends on October 14, 2020.

On April 24, 2019, the ordinary shareholders’ meeting passed a resolution to pay dividends for the year 2018 at Baht 0.15 per share totaling Baht 51.88 million. The Company paid such dividends on May 21, 2019.

**16. ENCUMBRANCE OF ASSETS**

As at September 30, 2020 and December 31, 2019, the Company had mortgaged office condominium units with net book value of Baht 65.28 million to secure working capital credit facility of Baht 150 million from a local financial institution.

As at September 30, 2020 and December 31, 2019, the Company had pledged a portion of its investment in common shares of an associate with total market value of Baht 169.40 million and Baht 123.20 million, respectively, to secure working capital credit facility of Baht 100 million from a local financial institution. The Company had to maintain required ratios between outstanding debt and collateral amount as specified in the agreement.

**17. BANK GUARANTEES**

As at September 30, 2020 and December 31, 2019, there were outstanding bank guarantees of Baht 0.29 million, issued by a bank on behalf of the Company in the normal course of business.

**18. RELATED PARTY TRANSACTIONS**

The Company has extensive transactions and relationships with related parties. Accordingly, the accompanying financial statements may not necessary be indicative of the conditions that would have existed or the results of operations that would have occurred had the Company operated without such affiliations.

18.1 significant business transactions incurred during the period

During the period, the Company had significant business transactions with related parties which have been concluded on commercial terms and bases agreed upon in the ordinary courses of businesses between the Company and those parties. Following is a summary of those transactions.

18.1.1 Amounts of related party transactions incurred during the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows:

|  |  |  |  | | | |  | |  | | | |  | | **(Unit : Thousand Baht)** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Consolidated financial statements** | | | |  | | **Separate financial statements** | | | |  | |  |
|  |  |  | **For the three-month periods** | | | |  | | **For the three-month periods** | | | |  | |  |
|  |  |  | **ended September 30,** | | | |  | | **ended September 30,** | | | |  | |  |
|  | **Relationship** |  | **2020** |  | **2019** |  | | **2020** | |  | **2019** |  | | **Pricing policies** | |
| **Revenue from investment, advisory** |  |  |  |  |  |  | |  | |  |  |  | |  | |
| **and management business** |  |  |  |  |  |  | |  | |  |  |  | |  | |
| Management fee and service income |  |  |  |  |  |  | |  | |  |  |  | |  | |
| Finansa Securities Limited | Subsidiary |  | - |  | - |  | | 4,400 | |  | 4,400 |  | |  | |
| Finansa Capital Limited | Subsidiary |  | - |  | - |  | | 200 | |  | 200 |  | |  | |
| Finansa Fund Management Ltd. | Subsidiary |  | - |  | - |  | | 2,000 | |  | 2,000 |  | | see Notes 18.1.2, 18.1.4  and 18.1.5 | |
| M.K. Real Estate Development Plc. | Associate |  | 600 |  | 600 |  | | 600 | |  | 600 |  | |
| Prospect Development Co., Ltd. | Common director |  | 2,250 |  | 2,250 |  | | 2,250 | |  | 2,250 |  | |
|  |  |  | 2,850 |  | 2,850 |  | | 9,450 | |  | 9,450 |  | |  | |
| **Dividend income** |  |  |  |  |  |  | |  | |  |  |  | |  | |
| M.K. Real Estate Development Plc. | Associate |  | - |  | - |  | | 22,564 | |  | - |  | | As paid to other shareholders | |
|  |  |  | - |  | - |  | | 22,564 | |  | - |  | |  | |
| **Interest income** |  |  |  |  |  |  | |  | |  |  |  | |  | |
| Finansa Fund Management Ltd. | Subsidiary |  | - |  | - |  | | 2,924 | |  | 3,240 |  | | 2.25% per annum | |
|  |  |  | - |  | - |  | | 2,924 | |  | 3,240 |  | |  | |
| **Revenue from securities business** |  |  |  |  |  |  | |  | |  |  |  | |  | |
| Selling agent fee and other fee income |  |  |  |  |  |  | |  | |  |  |  | |  | |
| M.K. Real Estate Development Plc. | Associate |  | 1,046 |  | 192 |  | | - | |  | - |  | | As agreed by both parties | |
| Prospect Development Co., Ltd. | Common director |  | 1,193 |  | 2,151 |  | | - | |  | - |  | |
|  |  |  | 2,239 |  | 2,343 |  | | - | |  | - |  | |  | |
| **Other income** |  |  |  |  |  |  | |  | |  |  |  | |  | |
| Rental and service income |  |  |  |  |  |  | |  | |  |  |  | |  | |
| Finansa Securities Limited | Subsidiary |  | - |  | - |  | | 1,272 | |  | 1,291 |  | | Market prices | |
| Finansa Capital Limited | Subsidiary |  | - |  | - |  | | 13 | |  | 27 |  | |
| Prospect Development Co., Ltd. | Common director |  | 715 |  | 706 |  | | 715 | |  | 706 |  | |
| Prospect Reit Management Co., Ltd. | Common director |  | 79 |  | - |  | | 79 | |  | - |  | |
|  |  |  | 794 |  | 706 |  | | 2,079 | |  | 2,024 |  | |  | |
| **Finance costs** |  |  |  |  |  |  | |  | |  |  |  | |  | |
| Finansa Securities Limited | Subsidiary |  | - |  | - |  | | 2,631 | |  | 2,611 |  | | 1.50% - 1.75% per annum | |
| Finansa Capital Limited | Subsidiary |  | - |  | - |  | | 491 | |  | 491 |  | |  | |
|  |  |  | - |  | - |  | | 3,122 | |  | 3,102 |  | |  | |
| **Property management fee and other expenses** |  |  |  |  |  |  | |  | |  |  |  | |  | |
| Prospect Development Co., Ltd. | Common director |  | 6,134 |  | 4,708 |  | | 6,134 | |  | 4,708 |  | | see Note 18.1.3 | |
|  |  |  | 6,134 |  | 4,708 |  | | 6,134 | |  | 4,708 |  | |  | |
| **Selling agent fee and other fees** |  |  |  |  |  |  | |  | |  |  |  | |  | |
| Finansia Syrus Securities Plc. | Associate |  | 24 |  | 12 |  | | - | |  | - |  | | As agreed by both parties | |
|  |  |  | 24 |  | 12 |  | | - | |  | - |  | |  | |
|  |  |  |  |  |  |  | |  | |  |  |  | |  | |
|  |  |  |  |  |  |  | |  | |  |  |  | |  | |

|  |  |  |  | | |  |  | | |  | **(Unit : Thousand Baht)** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |  |  |
|  |  |  | **For the nine-month periods** | | |  | **For the nine-month periods** | | |  |  |
|  |  |  | **ended September 30,** | | |  | **ended September 30,** | | |  |  |
|  | **Relationship** |  | **2020** |  | **2019** |  | **2020** |  | **2019** |  | **Pricing policies** |
| **Revenue from investment, advisory** |  |  |  |  |  |  |  |  |  |  |  |
| **and management business** |  |  |  |  |  |  |  |  |  |  |  |
| Management fee and service income |  |  |  |  |  |  |  |  |  |  |  |
| Finansa Securities Limited | Subsidiary |  | - |  | - |  | 13,200 |  | 13,200 |  |  |
| Finansa Capital Limited | Subsidiary |  | - |  | - |  | 600 |  | 600 |  |  |
| Finansa Fund Management Ltd. | Subsidiary |  | - |  | - |  | 6,000 |  | 6,000 |  | see Notes 18.1.2, 18.1.4  and 18.1.5 |
| M.K. Real Estate Development Plc. | Associate |  | 1,800 |  | 1,800 |  | 1,800 |  | 1,800 |  |
| Prospect Development Co., Ltd. | Common director |  | 6,750 |  | 6,750 |  | 6,750 |  | 6,750 |  |
|  |  |  | 8,550 |  | 8,550 |  | 28,350 |  | 28,350 |  |  |
| **Dividend income** |  |  |  |  |  |  |  |  |  |  |  |
| Finansa Securities Limited | Subsidiary |  | - |  | - |  | - |  | 70,000 |  | As paid to other shareholders |
| M.K. Real Estate Development Plc | Associate |  | - |  | - |  | 22,564 |  | 2,072 |  |
|  |  |  | - |  | - |  | 22,564 |  | 72,072 |  |  |
| **Interest income** |  |  |  |  |  |  |  |  |  |  |  |
| Finansa Fund Management Ltd. | Subsidiary |  | - |  | - |  | 8,708 |  | 9,613 |  | 2.25% per annum |
|  |  |  | - |  | - |  | 8,708 |  | 9,613 |  |  |
| **Revenue from securities business** |  |  |  |  |  |  |  |  |  |  |  |
| Selling agent fee and other fee income |  |  |  |  |  |  |  |  |  |  |  |
| M.K. Real Estate Development Plc. | Associate |  | 2,455 |  | 4,293 |  | - |  | - |  | As agreed by both parties |
| Prospect Development Co., Ltd. | Common director |  | 2,947 |  | 3,906 |  | - |  | - |  |
|  |  |  | 5,402 |  | 8,199 |  | - |  | - |  |  |
| **Other income** |  |  |  |  |  |  |  |  |  |  |  |
| Rental and service income |  |  |  |  |  |  |  |  |  |  |  |
| Finansa Securities Limited | Subsidiary |  | - |  | - |  | 3,760 |  | 3,917 |  | Market prices |
| Finansa Capital Limited | Subsidiary |  | - |  | - |  | 41 |  | 90 |  |
| Prospect Development Co., Ltd. | Common director |  | 2,143 |  | 2,121 |  | 2,143 |  | 2,121 |  |
| Prospect Reit Management Co., Ltd. | Common director |  | 83 |  | - |  | 83 |  | - |  |  |
|  |  |  | 2,226 |  | 2,121 |  | 6,027 |  | 6,128 |  |  |
| **Finance costs** |  |  |  |  |  |  |  |  |  |  |  |
| Finansa Securities Limited | Subsidiary |  | - |  | - |  | 7,797 |  | 7,729 |  | 1.50% - 1.75% per annum |
| Finansa Capital Limited | Subsidiary |  | - |  | - |  | 1,462 |  | 1,456 |  |  |
|  |  |  | - |  | - |  | 9,259 |  | 9,185 |  |  |
| **Property management fee and**  **other expenses** |  |  |  |  |  |  |  |  |  |  |  |
| Prospect Development Co., Ltd. | Common director |  | 16,281 |  | 13,988 |  | 16,281 |  | 13,988 |  | see Note 18.1.3 |
|  |  |  | 16,281 |  | 13,988 |  | 16,281 |  | 13,988 |  |  |
| **Selling agent fee and other fees** |  |  |  |  |  |  |  |  |  |  |  |
| Finansa Securities Limited | Subsidiary |  | - |  | - |  | 91 |  | 615 |  | As agreed by both parties |
| Finansia Syrus Securities Plc. | Associate |  | 36 |  | 24 |  | - |  | - |  |  |
|  |  |  | 36 |  | 24 |  | 91 |  | 615 |  |  |

18.1.2 The Company has entered into service agreements with its subsidiaries and an associated company. These contracts require the Company to provide services, including management, marketing, and other business operation support, to the subsidiaries and an associated company. The Company charged service fees as agreed by both parties based on estimated time spent and cost incurred plus margin. Service fees for each company for the years 2020 and 2019 are as follows:

**(Unit : Thousand Baht)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2020** | | |  | **2019** | | |
| **Company Name** |  | **Period of contract** |  | **Annual Fee** |  | **Period of contract** |  | **Annual Fee** |
|  |  |  |  |  |  |  |  |  |
| Finansa Securities Limited |  | 1 January - 31 December 2020 |  | 16,000 |  | 1 January - 31 December 2019 |  | 16,000 |
| Finansa Capital Limited |  | 1 January - 31 December 2020 |  | 800 |  | 1 January - 31 December 2019 |  | 800 |
| Finansa Fund Management Ltd. |  | 1 January - 31 December 2020 |  | 8,000 |  | 1 January - 31 December 2019 |  | 8,000 |
| Prospect Development Co., Ltd. |  | 1 May 2020 - 30 April 2021 |  | 9,000 |  | 1 May 2019 - 30 April 2020 |  | 9,000 |

18.1.3 The Company has entered into a property management service agreement with Prospect Development Co., Ltd. to manage the Company’s warehouse and factory buildings for lease. The fee is determined based on rental and service fee income and profit from leasing operation of the Company.

18.1.4 The Company has entered into a service agreement with its subsidiary of which the Company will provide compliance and board secretary services. The Company charged service fee as agreed by both parties at Baht 1,600,000 per annum.

18.1.5 The Company has entered into a service agreement with its associate of which the Company will provide information technology services to the associate and its affiliates. The Company charged service fee for 2020 and 2019 as agreed by both parties at Baht 200,000 per month.

18.2 Outstanding balances at the statements of financial position dates

The outstanding balances of transactions between the Group with their related parties as at September 30, 2020 and December 31, 2019 can be summarized as follows:

**(Unit: Thousand Baht)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Consolidated**  **financial statements** | | | |  | | **Separate**  **financial statements** | | | | |
|  |  |  | **As at** | |  | **As at** |  | | **As at** | |  | | **As at** | |
|  |  |  | **September 30,** | |  | **December 31,** |  | | **September 30,** | |  | | **December 31,** | |
|  | **Relationship** |  | **2020** | |  | **2019** |  | | **2020** | |  | | **2019** | |
| **Service income receivables** |  |  |  | | | |  | |  | |  | |  | |
| Finansa Securities Limited | Subsidiary |  | - | |  | - |  | | 76 | |  | | 75 | |
| M.K. Real Estate Development Plc. | Associate |  | 214 | |  | 431 |  | | 214 | |  | | 428 | |
| Prospect Development Co., Ltd. | Common director |  | 133 | |  | 70 |  | | 77 | |  | | 41 | |
| Prospect Reit Management Co., Ltd. | Common director |  | 2 | |  | - |  | | 2 | |  | | - | |
|  |  |  | 349 | |  | 501 |  | | 369 | |  | | 544 | |
| **Other receivables** |  | | |  | |  | |  | |  | |  |  | |
| Finansa Fund Management Ltd. | Subsidiary |  | - |  | | - | |  | | 8,899 | |  | 191 | |
| Finansia Syrus Securities Plc. | Associate |  | 85 |  | | 85 | |  | | - | |  | - | |
| Munkong Living Co., Ltd. | Common director |  | 3 | |  | - |  | | 3 | |  | | - | |
|  |  |  | 88 |  | | 85 | |  | | 8,902 | |  | 191 | |
| **Short-term loans and advances to related** |  |  |  |  | |  | |  | |  | |  |  | |
| **parties** |  |  |  |  | |  | |  | |  | |  |  | |
| Finansa Fund Management Ltd. | Subsidiary |  | - |  | | - | |  | | 525,279 | |  | 515,552 | |
| Siam Investment Fund II, L.P. | Related party |  | 767 |  | | 730 | |  | | - | |  | - | |
|  |  |  | 767 |  | | 730 | |  | | 525,279 | |  | 515,552 | |
| **Other non-current assets** |  |  |  |  | |  | |  | |  | |  |  | |
| Prepaid commission fee |  |  |  |  | |  | |  | |  | |  |  | |
| Prospect Development Co., Ltd. | Common director |  | - |  | | 4,748 | |  | | - | |  | 4,748 | |
|  |  |  | - |  | | 4,748 | |  | | - | |  | 4,748 | |
| **Short-term borrowings from related parties** | | | |  | |  | |  | |  | |  |  | |
| Finansa Securities Limited | Subsidiary |  | - |  | | - | |  | | 612,000 | |  | 592,000 | |
| Finansa Capital Limited | Subsidiary |  | - |  | | - | |  | | 129,800 | |  | 129,800 | |
|  |  |  | - |  | | - | |  | | 741,800 | |  | 721,800 | |
| **Other current liabilities** |  |  |  |  | |  | |  | |  | |  |  | |
| Accrued interest payables |  |  |  |  | |  | |  | |  | |  |  | |
| Finansa Securities Limited | Subsidiary |  | - |  | | - | |  | | 617 | |  | 9,707 | |
| Finansa Capital Limited | Subsidiary |  | - |  | | - | |  | | 3,921 | |  | 2,459 | |
| Fee and service payables |  |  |  |  | |  | |  | |  | |  |  | |
| Prospect Development Co., Ltd. | Common director |  | 83 |  | | 3,085 | |  | | 83 | |  | 3,085 | |
| Rental deposit |  |  |  |  | |  | |  | |  | |  |  | |
| Finansa Securities Limited | Subsidiary |  | - |  | | - | |  | | 1,044 | |  | 1,044 | |
| Finansa Capital Limited | Subsidiary |  | - |  | | - | |  | | 26 | |  | 26 | |
| Prospect Development Co., Ltd. | Common director |  | 589 |  | | 589 | |  | | 589 | |  | 589 | |
|  |  |  | 672 |  | | 3,674 | |  | | 6,280 | |  | 16,910 | |

18.3 Movements of loans to/from related parties

18.3.1 Short-term loans and advances to related parties

During the nine-month period ended September 30, 2020, the Group had movements of short-term loans and advances to related parties as follows:

**(Unit: Thousand Baht)**

|  |  |  | **Consolidated financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **As at**  **January 1,** |  |  |  |  |  | **Effect from exchange** |  | **As at**  **September 30,** |
|  | **Relationship** |  | **2020** |  | **Increase** |  | **Decrease** |  | **rate** |  | **2020** |
| Siam Investment Fund II, L.P. | Related party |  | 730 |  | - |  | - |  | 37 |  | 767 |
| Related persons |  |  | - |  | 2,137 |  | (2,137) |  | - |  | - |
|  |  |  | 730 |  | 2,137 |  | (2,137) |  | 37 |  | 767 |

**(Unit: Thousand Baht)**

|  |  |  | **Separate financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **As at**  **January 1,** |  |  |  |  |  | **Effect from exchange** |  | **As at**  **September 30,** |
|  | **Relationship** |  | **2020** |  | **Increase** |  | **Decrease** |  | **rate** |  | **2020** |
| Finansa Fund Management Ltd. | Subsidiary |  | 515,552 |  | 9,733 |  | (6) |  | - |  | 525,279 |
| Related persons |  |  | - |  | 2,101 |  | (2,101) |  | - |  | - |
|  |  |  | 515,552 |  | 11,834 |  | (2,107) |  | - |  | 525,279 |

18.3.2 Short-term loans from related parties

During the nine-month period ended September 30, 2020, the Company had movements of short-term loans from related parties as follows:

**(Unit: Thousand Baht)**

|  |  |  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Relationship** |  | **As at**  **January 1, 2020** |  | **Increase** |  | **Decrease** |  | **As at**  **September 30,**  **2020** |
| Finansa Securities Limited | Subsidiary |  | 592,000 |  | 20,000 |  | - |  | 612,000 |  |
| Finansa Capital Limited | Subsidiary |  | 129,800 |  | - |  | - |  | 129,800 |
|  |  |  | 721,800 |  | 20,000 |  | - |  | 741,800 |

18.4 Directors and management remuneration

Directors and managements remuneration for the three-month and nine-month periods ended September 30, 2020 and 2019 consist of the following:

**(Unit: Thousand Baht)**

|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **For the three-month**  **periods ended September 30,** | | |  | **For the three-month**  **periods ended September 30,** | | |
|  | **2020** |  | **2019** |  | **2020** |  | **2019** |
| Short-term management remuneration | 8,672 |  | 8,135 |  | 7,175 |  | 6,638 |
| Long-term management remuneration | 281 |  | 334 |  | 240 |  | 297 |
|  | 8,953 |  | 8,469 |  | 7,415 |  | 6,935 |
|  |  |  |  |  | **(Unit: Thousand Baht)** | | |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | **For the nine-month**  **periods ended September 30,** | | |  | **For the nine-month**  **periods ended September 30,** | | |
|  | **2020** |  | **2019** |  | **2020** |  | **2019** |
| Short-term management remuneration | 25,523 |  | 24,900 |  | 21,031 |  | 20,446 |
| Long-term management remuneration | 843 |  | 1,001 |  | 719 |  | 892 |
|  | 26,366 |  | 25,901 |  | 21,750 |  | 21,338 |

In addition, for the three-month and nine-month periods ended September 30, 2020, a subsidiary had paid for advisory fee to managements, totaling Baht 0.85 million and Baht 2.55 million, respectively (for the three-month and nine-month periods ended September 30, 2019: Baht 0.83 million and Baht 2.54 million, respectively). Such cost is presented as part of investment, advisory and management business costs in the consolidated statement of profit or loss and other comprehensive income.

**19. FINANCIAL INFORMATION BY SEGMENT**

The Group have been operating in three principal business segments: (1) Investment, advisory and management business, (2) Securities business and (3) Warehouse and factory leasing business, which are organized and managed separately and carried out in various geographical areas. Although its subsidiaries are registered and incorporated in various countries, their ultimate assets and investments are mainly in Asia. Therefore, no geographical segment information is presented.

The financial information of the Group for the three-month and nine-month periods ended September 30, 2020 and 2019 were presented by business segment as follows:

|  | **(Unit : Thousand Baht)** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **For the three-month period ended September 30, 2020** | | | | | | | | |
|  | **Investment,** |  |  |  | **Warehouse** |  |  |  |  | |
|  | **advisory and** |  |  |  | **and factory** |  |  |  | **Consolidated** | |
|  | **management** |  | **Securities** |  | **leasing** |  |  |  | **financial** | |
|  | **business** |  | **business** |  | **business** |  | **Eliminations** |  | **statements** | |
| Revenue from external customers |  |  |  |  |  |  |  |  |  | |
| Service income |  |  |  |  |  |  |  |  |  | |
| - Overtime | 2,850 |  | - |  | - |  | - |  | 2,850 | |
| Advisory fee and success fee |  |  |  |  |  |  |  |  |  | |
| - Overtime | - |  | 21,200 |  | - |  | - |  | 21,200 | |
| - At the point of time | - |  | 5,000 |  | - |  | - |  | 5,000 | |
| Commission fee |  |  |  |  |  |  |  |  |  | |
| - At the point of time | - |  | 3,492 |  | - |  | - |  | 3,492 | |
| Rental income |  |  |  |  |  |  |  |  |  | |
| - Overtime | - |  | - |  | 23,297 |  | - |  | 23,297 | |
| Gains on investments | 141 |  | 190 |  | - |  | - |  | 331 | |
| Interest income and dividend | 18,495 |  | - |  | - |  | - |  | 18,495 | |
| Compensation fee from termination of sublease agreement | - |  | - |  | 198,136 |  | - |  | 198,136 | |
| Inter - segment revenues | 32,579 |  | 2,632 |  | - |  | (35,211) |  | - | |
| Total revenues | 54,065 |  | 32,514 |  | 221,433 |  | (35,211) |  | 272,801 | |
| Segment income (loss) | 43,901 |  | (9,176) |  | 203,063 |  | (31,784) |  | 206,004 | |
| Unallocated income and expenses : |  |  |  |  |  |  |  |  |  | |
| Other income |  |  |  |  |  |  |  |  | 836 | |
| Servicing and administrative expenses |  |  |  |  |  |  |  |  | (19,955) | |
| Share of profit from associates | 33,683 |  |  |  |  |  |  |  | 33,683 | |
| Finance costs |  |  |  |  |  |  |  |  | (17,130) | |
| Income tax expense |  |  |  |  |  |  |  |  | (24,857) | |
| Net profit |  |  |  |  |  |  |  |  | 178,581 | |
|  | **(Unit : Thousand Baht)** | | | | | | | | |
|  | **For the three-month period ended September 30, 2019** | | | | | | | | |
|  | **Investment,** |  |  |  | **Warehouse** |  |  |  |  | |
|  | **advisory and** |  |  |  | **and factory** |  |  |  | **Consolidated** | |
|  | **management** |  | **Securities** |  | **leasing** |  |  |  | **financial** | |
|  | **business** |  | **business** |  | **business** |  | **Eliminations** |  | **statements** | |
| Revenue from external customers |  |  |  |  |  |  |  |  |  | |
| Service income |  |  |  |  |  |  |  |  |  | |
| - Overtime | 2,843 |  | - |  | - |  | - |  | 2,843 | |
| Advisory fee and Success fee |  |  |  |  |  |  |  |  |  | |
| - At the point of time | - |  | 5,200 |  | - |  | - |  | 5,200 | |
| - Overtime | - |  | 975 |  | - |  | - |  | 975 | |
| Commission fee |  |  |  |  |  |  |  |  |  | |
| - At the point of time | - |  | 3,656 |  | - |  | - |  | 3,656 | |
| Rental income |  |  |  |  |  |  |  |  |  | |
| - Overtime | - |  | - |  | 44,099 |  | - |  | 44,099 | |
| Gains on investments | 246 |  | 424 |  | - |  | - |  | 670 | |
| Interest income and dividend | 6,514 |  | - |  | - |  | - |  | 6,514 | |
| Inter - segment revenues | 10,330 |  | 2,639 |  | - |  | (12,969) |  | - | |
| Total revenues | 19,933 |  | 12,894 |  | 44,099 |  | (12,969) |  | 63,957 | |
| Segment income (loss) | 5,253 |  | (11,407) |  | 19,823 |  | (9,510) |  | 4,159 | |
| Unallocated income and expenses : |  |  |  |  |  |  |  |  |  | |
| Other income |  |  |  |  |  |  |  |  | 1,202 | |
| Servicing and administrative expenses |  |  |  |  |  |  |  |  | (19,009) | |
| Share of loss from associates | (3,905) |  |  |  |  |  |  |  | (3,905) | |
| Finance costs |  |  |  |  |  |  |  |  | (16,001) | |
| Income tax - income |  |  |  |  |  |  |  |  | 3,900 | |
| Net loss |  |  |  |  |  |  |  |  | (29,654) | |

**(Unit : Thousand Baht)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **For the nine-month period ended September 30, 2020** | | | | | | | | |
|  | | **Investment,** |  |  |  | **Warehouse** |  |  |  |  | |
|  | | **advisory and** |  |  |  | **and factory** |  |  |  | **Consolidated** | |
|  | | **management** |  | **Securities** |  | **leasing** |  |  |  | **financial** | |
|  | | **business** |  | **business** |  | **business** |  | **Eliminations** |  | **statements** | |
| Revenue from external customers | |  |  |  |  |  |  |  |  |  | |
| Service income | |  |  |  |  |  |  |  |  |  | |
| - Overtime | | 8,550 |  | - |  | - |  | - |  | 8,550 | |
| Advisory fee and Success fee | |  |  |  |  |  |  |  |  |  | |
| - Overtime | | - |  | 32,400 |  | - |  | - |  | 32,400 | |
| - At the point of time | | - |  | 226,428 |  | - |  | - |  | 226,428 | |
| Commission Fees | |  |  |  |  |  |  |  |  |  | |
| - At the point of time | | - |  | 8,902 |  | - |  | - |  | 8,902 | |
| Rental income | |  |  |  |  |  |  |  |  |  | |
| - Overtime | | - |  | - |  | 113,815 |  | - |  | 113,815 | |
| Gains (loss) on investments | | (8,376) |  | 540 |  | - |  | - |  | (7,836) | |
| Interest income and dividend | | 32,076 |  | 300 |  | - |  | - |  | 32,376 | |
| Compensation fee from termination of sublease agreement | | - |  | - |  | 198,136 |  | - |  | 198,136 | |
| Inter - segment revenues | | 52,534 |  | 7,886 |  | - |  | (60,420) |  | - | |
| Total revenues | | 84,784 |  | 276,456 |  | 311,951 |  | (60,420) |  | 612,771 | |
| Segment income (loss) | | 54,353 |  | 139,938 |  | 245,352 |  | (50,198) |  | 389,445 | |
| Unallocated income and expenses : | |  |  |  |  |  |  |  |  |  | |
| Other income | |  |  |  |  |  |  |  |  | 9,488 | |
| Gain from dissolution of a subsidiary | |  |  |  |  |  |  |  |  | 3,181 | |
| Servicing and administrative expenses | |  |  |  |  |  |  |  |  | (73,064) | |
| Share of profit from associates | 22,044 | |  |  |  |  |  |  |  | 22,044 | |
| Finance costs | |  |  |  |  |  |  |  |  | (48,568) | |
| Income tax expense | |  |  |  |  |  |  |  |  | (49,274) | |
| Net profit | |  |  |  |  |  |  |  |  | 253,252 | |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **(Unit : Thousand Baht)** | | | | | | | | |
|  | | **For the nine-month period ended September 30, 2019** | | | | | | | | |
|  | | **Investment,** |  |  |  | **Warehouse** |  |  |  |  | |
|  | | **advisory and** |  |  |  | **and factory** |  |  |  | **Consolidated** | |
|  | | **management** |  | **Securities** |  | **leasing** |  |  |  | **financial** | |
|  | | **business** |  | **business** |  | **business** |  | **Eliminations** |  | **statements** | |
| Revenue from external customers | |  |  |  |  |  |  |  |  |  | |
| Service income | |  |  |  |  |  |  |  |  |  | |
| - At the point of time | | 783 |  | - |  | - |  | - |  | 783 | |
| - Overtime | | 8,550 |  | - |  | - |  | - |  | 8,550 | |
| Advisory fee and Success fee | |  |  |  |  |  |  |  |  |  | |
| - At the point of time | | - |  | 22,300 |  | - |  | - |  | 22,300 | |
| - Overtime | | - |  | 3,550 |  | - |  | - |  | 3,550 | |
| Commission Fees | |  |  |  |  |  |  |  |  |  | |
| - At the point of time | | - |  | 11,969 |  | - |  | - |  | 11,969 | |
| Rental income | |  |  |  |  |  |  |  |  |  | |
| - Overtime | | - |  | - |  | 132,422 |  | - |  | 132,422 | |
| Gains on investments | | 940 |  | 1,762 |  | - |  | - |  | 2,702 | |
| Interest income and dividend | | 19,087 |  | 220 |  | - |  | - |  | 19,307 | |
| Inter - segment revenues | | 113,158 |  | 8,329 |  | - |  | (121,487) |  | - | |
| Total revenues | | 142,518 |  | 48,130 |  | 132,422 |  | (121,487) |  | 201,583 | |
| Segment income (loss) | | 100,656 |  | (25,416) |  | 61,026 |  | (111,056) |  | 25,210 | |
| Unallocated income and expenses : | |  |  |  |  |  |  |  |  |  | |
| Other income | |  |  |  |  |  |  |  |  | 17,298 | |
| Servicing and administrative expenses | |  |  |  |  |  |  |  |  | (57,434) | |
| Share of profit from associates | 20,047 | |  |  |  |  |  |  |  | 20,047 | |
| Finance costs | |  |  |  |  |  |  |  |  | (48,231) | |
| Income tax - income | |  |  |  |  |  |  |  |  | 10,112 | |
| Net loss | |  |  |  |  |  |  |  |  | (32,998) | |

Transfer prices between the Group is set out in Note 18 to the financial statements.

Assets and liabilities information of the Group as at September 30, 2020 and December 31, 2019 presented by business segment are as follows:

**(Unit : Thousand Baht)**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **As at September 30, 2020** | | | | | | | | |
|  | **Investment,** |  |  |  | **Warehouse** |  |  |  |  |
|  | **advisory and** |  |  |  | **and factory** |  |  |  | **Consolidated** |
|  | **management** |  | **Securities** |  | **leasing** |  |  |  | **financial** |
|  | **business** |  | **business** |  | **business** |  | **Eliminations** |  | **statements** |
|  |  |  |  |  |  |  |  |  |  |
| Total assets | 6,261,487 |  | 920,046 |  | 2,094 |  | (2,824,285) |  | 4,359,342 |
|  |  |  |  |  |  |  |  |  |  |
| Total liabilities | 2,669,052 |  | 80,522 |  | 13,214 |  | (1,281,661) |  | 1,481,127 |

**(Unit : Thousand Baht)**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **As at December 31, 2019** | | | | | | | | |
|  | **Investment,** |  |  |  | **Warehouse** |  |  |  |  |
|  | **advisory and** |  |  |  | **and factory** |  |  |  | **Consolidated** |
|  | **management** |  | **Securities** |  | **leasing** |  |  |  | **financial** |
|  | **business** |  | **business** |  | **business** |  | **Eliminations** |  | **statements** |
|  |  |  |  |  |  |  |  |  |  |
| Total assets | 4,895,559 |  | 777,708 |  | 1,170,834 |  | (2,747,355) |  | 4,096,746 |
|  |  |  |  |  |  |  |  |  |  |
| Total liabilities | 2,643,487 |  | 31,156 |  | 77,647 |  | (1,330,979) |  | 1,421,311 |

**20. FAIR VALUE MEASUREMENT**

Certain financial assets of the Group are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets are determined.

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Fair value (Thousand Baht)** | | | | | | |  |  |  |  |
|  |  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |  |  |  |  |
|  |  | **As at**  **September 30,**  **2020** |  | **As at**  **December 31,**  **2019** |  | **As at**  **September 30,**  **2020** |  | **As at**  **December 31,**  **2019** |  | **Fair value**  **hierarchy** |  | **Valuation technique(s)**  **and key input(s)** |
| **Financial Assets** |  |  |  |  |  |  |  |  |  |  |  |  |
| Government bond |  | 11,090 |  | 11,350 |  | 11,090 |  | 11,350 |  | Level 2 |  | Market yield of debt securities published by the Thai Bond Market Association |
| Investment units in  domestic funds |  | 948,165 |  | 172,868 |  | 702,141 |  | 60,203 |  | Level 2 |  | Net asset value at the end of the reporting period |
| Investment units in  foreign funds |  | 11,885 |  | 9,196 |  | - |  | - |  | Level 2 |  | Net asset value at the end of the reporting period |
| Domestic non-marketable  equity securities |  | 279,774 |  | 28,651 |  | 1,875 |  | - |  | Level 3 |  | Discounted cash flows from the effective interest rate method |

Short-term loans to others; the carrying values of outstanding balances approximate their fair values due to relatively short period to maturity.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirely, which are described as follows:

* Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
* Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
* Level 3 inputs are unobservable inputs for the asset or liability.

**21. EVENT AFTER THE REPORTING PERIOD**

21.1 According to the resolution of the Board of Directors’ Meeting held on September 25, 2020, the Board approved the acquisition of 892,578,048 ordinary shares of M.K. Real Estate Development Public Company Limited which are held by all other shareholders at the price per share of not exceeding Baht 3.10, totaling value of not exceeding Baht 2,767 million, and proposed taking the transaction to the shareholders’ meeting for approval. The Extraordinary General Meeting of Shareholders No.1/2020 held on November 10, 2020 resolved to approve the acquisition of such ordinary shares.

21.2 On October 29, 2020, the Company entered into a borrowing agreement with a local financial institution, with credit facilities of Baht 2,767 million for acquiring shares through a Voluntary Tender Offer for M.K. Real Estate Development Public Company Limited’s ordinary shares. Borrowing under this facility will be repaid on an annual basis as specified in the agreement, and due within December 2025 with interest at MLR plus 0.5 per annum and secured by deposit account, unit trusts and common shares in associates as collateral.

**22. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS**

The interim financial statements has been approved for issuance by the authorized directors on November 12, 2020.