

2019

รายงานประจำปี 2562



ANNUAL REPORT

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Report from the Board of Directors

To All Shareholders

SGF Capital Public Company Limited, formerly known as Siam General Factoring Public Company Limited ("the Company"), which was established on 7 August 1985. The Company was listed in the Stock Exchange of Thailand on 10 February 1988 and transformed into a public company on 29 December 1993.

Since the beginning of 2017, the Company has had a policy to focus on retail finances in the type of car registration loan (Hire purchase contract) under the brand "SGF Check-In Ngern Duan". The Company has laid a foundation for the retail finance services. (Car and motorcycle hire purchase) in many areas and recruiting executives and team of experts in the retail finance services industry as well as preparing operational system to expand retail finance businesses throughout the country.

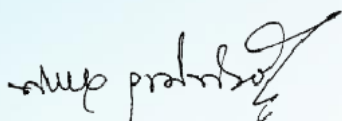
Nevertheless, since the overall Thai economy in 2019 has been witnessed the downturn since the third quarter and the fourth quarter in all industries and regions whether tourism that has decreased in major tourist destinations both in the northern and southern regions, the overall auto sales throughout 2019 has contracted due to weak consumer purchasing power and the strictness in auto loan approval process of financial institutions which are the empirical factors affecting the business outcome and confidence of consumers, putting pressure on investment, converting permanent employees to temporary status. The Company is always aware of the changes and impacts that may occur therefore the Company has developed the policy concerning risk management since the 3rd quarter of 2019 in order to control the risk that may occur. The Company has increased the strictness in auto loan approval process, requiring additional conditions; credit bureau status check, to be performed, changing of customer quality inspection methods as well as controlling the amount of credit approved appropriate for the ability to repay a loan. In addition, the company has also improved the effectiveness of debt collection strategy etc.

From the above-said policy therefore, in the past year, the retail finance approval by the Company (Car Hire Purchase) under the brand "SGF Check-In Ngern Duan" has decreased slightly from Baht 973.33 million in 2018 to Baht 904.15 million, representing a 7.11% decrease. At the end of 2019, total retail finances outstanding was Baht 1,598.09 million with total growth 90.50%. In the meantime, with a policy that focuses on debt collection and sustainable reduction of NPL, fortunately, the Company then has experienced non-performing loans (Retail loan receivables overdue more than 3 installments) at 4.1% of total hire purchase loans. In accordance with loan, the Company has not provided new loans for the said business, there was only a contract renewal for existing customers and personal loans decreasing from Baht 2.30 million in 2018 to Baht 1.79 million in 2019 due to the Company policy in which the Company would approved loan only to the customers who authorize payroll deductions method. Underpinning this point, the Company's total loan as of 31 December 2019 increased from Baht 1,780 million in 2018 to Baht 2,012 million in 2019, representing an increase of 13.03%.

The overall Thai economy in 2020 is expected to expand at a low rate since the Thai economy has faced with a number of headwinds: the COVID-19 pandemic, trade war, severe drought, Government budget expenditure is off schedule so the Company has steered a cautious business practice in expanding financial services. The Company will focus on analyzing customer data collected and stored in the Company database in order to select target customers who are good quality customers or the customers who are in the criteria that the Company can accept and meet customer requirements.

The Company has also established a strategy to expand the customer base into the main target group for achieving the rate of growth of finance at an appropriate criterion, creating sustainability for the Company while controlling NPL along with expanding new sales channels as well as focusing on the development of personnel, technology and last but not least, controlling costs in favor of the stable and sustainable growth of the Company.

On behalf of the Board of Directors of SGF Capital Public Company Limited, we would like to thank you our shareholders, customers and partners for your continuing support. The Board of Directors and management team are committed to managing the business with good corporate governance and ethics, giving importance to the rights of all stakeholders of the Company and the society and the environment for the Company sustainability growth, which will benefit to all group of stakeholders in the future



Mr. Pinit Wuthipand
Chairman of the Board



Mr. Kannanat Boonsunanondha
Chief Executive Officer

Vision

SGF commits to provide financial services to its target customers and does whatever to become a stable and sustainable company for all stakeholders.

Mission





Financial Highlights

		2560 2017	2561 2018	2562 2019
รายได้จากสินเชื่อเช่าซื้อรายย่อย	Hire purchase Income	39.77	158.40	301.75
รายได้จากสินเชื่อเงินให้กู้ยืม	Pre-finance Income	86.53	48.07	20.23
รายได้จากการซื้อสิทธิเรียกกรอง	Factoring Income	2.30	237.40	0.47
รายได้จากสินเชื่อเงินให้กู้ยืมจากการซื้อลูกหนี้	Purchase of receivable Income	12.29	7.17	1.08
รายได้รวม	Total Income	153.79	483.78	342.30
กำไรขั้นต้น	Gross Profit	145.84	458.96	298.98
กำไร(ขาดทุน)สุทธิ	Net Profit (Loss)	32.60	186.62	55.63
ฐานะการเงิน ณ 31 ธันวาคม (ล้านบาท)	Financial Status as at 31 December (Million Baht)			
ลูกหนี้สินเชื่อเช่าซื้อรายย่อย (สุทธิ)	Hire purchase Receivables (net)	370.50	1,144.41	1,599.09
ลูกหนี้สินเชื่อจำนำทะเบียน (สุทธิ)	Car for cash (net)	-	-	2.68
ลูกหนี้สินเชื่อเงินให้กู้ยืม (สุทธิ)	Pre-finance Receivables (net)	735.41	629.00	395.23
ลูกหนี้จากการซื้อสิทธิเรียกกรอง (สุทธิ)	Factoring Receivables (net)	154.87	3.16	3.16
ลูกหนี้สินเชื่อรวม	Total Receivables (net)	1,274.68	1,780.00	2,002.43
สินทรัพย์หมุนเวียน	Current Assets	619.60	705.67	522.34
สินทรัพย์รวม	Total Assets	1,614.72	2,136.08	2,347.43
หนี้สินหมุนเวียน	Currents Liabilities	65.66	141.81	349.62
หนี้สินรวม	Total Liabilities	77.80	412.81	568.41
ส่วนของผู้ถือหุ้น	Shareholders' Equity	1,536.93	1,723.27	1,779.02
เทียบเป็นรายหุ้น (บาท)	Per Share (Baht)			
กำไรสุทธิต่อหุ้น	Net Profit per share	0.0025	0.1425	0.0425
เงินปันผลต่อหุ้น	Dividend per share	-	-	-
มูลค่าหุ้นตามบัญชี	Book value per share	0.117	1.315	1.358
อัตราส่วนทางการเงิน	Financial Ratio			
อัตราส่วนระหว่างสินทรัพย์หมุนเวียนกับหนี้สินหมุนเวียน	Current Ratio	9.44	4.98	1.49
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น	Debt to Equity Ratio	0.05	0.24	0.32
อัตราส่วนกำไรสุทธิ	Net Profit Margin	16.86%	40.05%	16.39%
อัตราส่วนผลตอบแทนของส่วนผู้ถือหุ้นสามัญ	Return on Equity	2.14%	11.45%	3.18%
อัตราผลตอบแทนจากสินทรัพย์รวม	Return on Assets	2.06%	9.95%	2.48%

Investors can find additional information of the Company from “Form 56-1”
in the www.sec.or.th
and the Company website www.sgfcap.com



Company Profile

Name	SGF Capital Public Company Limited
Initial	SGF
Registration No	0107536001699
Type of business	Hire purchase, Personal Loan, Nano Finance, Loan and short term loan – Factoring
Head Office	121, 4 th Floors, WTH Holding Building, Vibhavadi-Rangsit Road, Samsen – Nai, Phyathai, Bangkok 10400 Telephone : 0-2232-1789 Fax : 0-2232-1790
Date of Establishment	7 August 1985
Registered in SET	10 February 1988
Registered Capital	1,637,500,000 baht
Issue and Paid-up Capital	1,637,500,000 baht
Par Value	1.25 baht per share
Website	www.sgfcap.com

1988

Registered in SET

1997

The Company increase The Letter of guarantee service to support customer for bidding by the governmental agency

2000

The Company made debt restructuring agreement and the creditor agree to settled Loan of US\$ 11.55 million (Baht 452 million) by issuing preferred shares

2005

The Company has permitted to operate personal loan business from BOT

2015

The Company has permitted to operate Nano finance from BOT

2019

The Company has permitted to operate Car for cash from BOT



Type of Business Operation

1. Hire purchase

The Company has offered automobile and motorcycle hire purchase loans since late February 2017. This is a loan service offered to general customers who own vehicles or refinance from other financing institutions by entering into a hire purchase agreement and transferring the ownership of the vehicles to the Company while still being able to use the vehicles in order to take out a loan to use for their careers or daily life.

2. Car for cash

Personal loan service under supervision that has a vehicle registration as collateral (Car for cash) started from August 2019. Car for cash is a loan service for retail business customers who own a lien-free vehicle. The customer can apply for loan by signing a loan contract and vehicle ownership document will be pledged as collateral against loan, customer deliver a vehicle registration book to be under the Company possession with no ownership transfer. This loan service is type of financing solutions meant for customers which can be essentially used for any purpose whether using in daily life or maintaining or improving a retail business.

3. Loan Credit

A long term loan 1-3 years. This loan is given to a customer to improve or develop there business and gradually repayment as agreement. The Company will set the credit amount depends on each work project and the value of collateral.

4. Personal Loan

The Company granted a license to operate, personal loans under supervision of the Bank of Thailand, from the Ministry of Finance on 21 October 2005. The company will define the credit line according to the Company's policies, set the application rate and fee in accordance with the regulations of the Bank of Thailand. This loan service is type of financing solutions meant for social welfare customer with payroll deduction.

5. Nano Finance Credit

The Company granted a license to operate, nano finance under supervision of the Bank of Thailand, from the Ministry of Finance on 26 December 2015. The company started this service from December 2016 to provide credit lines for working capital to small business entrepreneurs. The duration of loan is approximately 1-4 years. The company will define the credit line and application rate in accordance with the regulations of the Bank of Thailand. However, the Company reduce nano finance since early 2018 due to high risk and NPL.



Industrial and Competition Circumstances

Retail Credit (Individual)

In pursuance of automobile and motorcycle hire purchase loans, the Company has mainly focused on entering into hire purchase agreements with a group of customers lacking financial liquidity and unable to acquire loan from bank. Obviously, since there are many customers in this group, the competition then may not be as strong or plentiful. Accordingly, the market share among this group can be distributed. The companies that operate retail business loans can be given as example are MTC, SAWAD, NGERNTIDLOR and AMANAH.

Thailand Economic Outlook for 2020

The overall Thai economy in 2020 is expected to expand at a low rate since the Thai economy has faced with a number of headwinds: the COVID-19 pandemic, tourism that has decreased as a result of this problem, a trade war that despite the truce but still uncertain, the global economic slowdown, severe drought, Government budget expenditure is off schedule, as a result, Thailand's GDP expected to grow by 2.0%, which is lower than the year 2019. As a consequence, the public will be more careful in spending their money while the financial institutions has tightened rules governing loan approval so it has tremendously affected revenue growth of financial services businesses both income generates from their main businesses; financial services and non-interest income.

In addition, the companies, both banks and nonbank financial institutions, must also prepared to deal with the issues regarding changes in regulatory framework and official government policies which may cause changes in the company's environment / business conditions. The TFRS9 Accounting Standard which is effective in 2020 is a good sample supporting this argument.

In accordance with the car finance market, the Company still believes that the market may still be affected by many factors especially the strict credit evaluation and approval process which have been practiced continuously since 2019 therefore the Thailand's vehicle domestic sales is expected to be stable or to contract in 2020, which will directly affect the hire purchase for new car. Against this backdrop, comparing to the shrinking new car market, the used car market may not shrink to the same level as new car market faced. The company estimates that the amount of new loans in 2020 should not be lower than last year as the car registration loan may grow progressively considering the economic slowdown and an upturn in consumer spending. Nevertheless, the Company must give special attention on NPL debt collection.

New car registration statistics by the Department of Land Transport from 2014 – 2019

Type	2019	2018	2017	2016	2015	2014	Total
Passenger Car (Sedan, Pickup)	994,277	987,324	919,820	811,518	796,089	904,969	5,713,997
Motorcycle	1,876,710	1,942,494	2,001,130	1,914,131	1,815,000	1,819,371	11,368,836
Total	2,870,987	2,929,818	2,725,649	2,920,950	2,611,089	2,724,340	16,782,833

In the year 2020, the Company has a policy to provide each type of loan as follows:

- **Hire purchase of cars and motorcycles:** Provide title pawn to small customers. Customer uses a debt-free car or motorcycle or a car that is still under payment with a financial institution as collateral. The loan will be provided according to the Company's terms which will not exceed the Company's central appraised price and will be lower than the price of the second-hand car market to protect against the risk of depreciation of collateral value. Moreover, the company has permitted a license to operate a personal loan business under the supervision of the type of credit that has a car registration as collateral (Car for cash) which enable to expand the market to accommodate more customers. (The Company began offering Cash for cash services in June 2019).
- **Personal Loan:** Provide a loan to employees in companies that has been approved a support of personal loans. Loans are determined by the income, ability to pay, credit score, and credit history from the credit bureau under the rules of the Bank of Thailand.
- **Nano Finance:** Provide an easily accessible and suitable amount of loan for business operation both for the production of goods and services to small entrepreneurs who need a loan systematically through a financial institution licensed by the Bank of Thailand. (The Company began offering Nano Finance services in December 2016.)

Corporate Credit (Juristic Person)

For the year 2020, for SME loans, the Company has focused on supporting credits to existing customers to increase liquidity in doing business for customers to improve and develop competitiveness with land and buildings as collateral to reduce the risk of distressed debt problems.



Risk Factors

The company is aware that risk management is the important part for making business of the company so that the company considers to determine the method of risk management in each aspect for effectively control. Moreover, the company has also analyzed the key risk factors which may have an effect on making business and brought them to improve process of risk management in each aspect continuously.

Risk management has many key processes including identification of the most important risk factor that might have an effect on making business, risk assessment, procedure of risk monitoring and control the risk to be in an appropriate level under policy specified by the company, and risk report to all concerned people in order to manage and/or deal with risk in time

The most important risk factors that may have an effect on making business as follows:

- **Credit Risk**
- **Market Risk**
- **Interest rate Risk**
- **Loan Covenant Risk**
- **Government Implementation Risk**
- **Foreclosed Property Devaluation Risk**

The Company has specified method of risk management in each aspect as follows:

1. Credit Risk

Credit Risk is the risk that arises from the inability of customer to perform their obligations under contractual agreements in relation to the company's lending- for example, the customer's failure to repay principle or interest as agreed with the company, including some factors which may affect the ability of customers to fully repay loans, etc.

As it can be observed, Thailand's economy has been affected by internal stability and high level of household debt which have a major effect on the purchasing power of the people. Besides, the aforementioned issues also affect the capital, liquidity and interest rates therefore, in order to operate the business, the Company must pay close attention to the need for assessing and monitoring customer risk which may be affected by the said matter since some customers might face weak financial status or other risk factors which causes the ability to pay off debt to decrease.

In contemplation of credit risk management, the Company has established a credit approval policy which is intended to provide loans only to customers having collateral items to pledge for a loan and set a credit line which is appropriate to the collateral value. In addition, the Company also has a credit operation department dealing with supervising and controlling the approval for a loan to ensure strict compliance with specified conditions. Besides, the Company also has had a legal department to take action on legal issues arising out of loans.

In accordance with car and motorcycle hire purchase loans, the Company has considered credit limits in accordance with the appraised value of collateral while adhering to the ability to repay loans of each borrower. In addition, in compliance with the specified conditions, there are branch staffs and debt management department to administer and supervise the repayments of customers to meet the specified conditions set therein. Furthermore, there is also a legal department that will proceed in a lawsuit in case that the Company has the right to file a lawsuit against the customers.

2. Market Risk

For the part of loan business, the competition rate of financial institution is still continuously higher and higher, both commercial bank and non-bank. The market leader is still the group of commercial bank which has advantage over the others, both in the matter of large volume of customer base who uses the other line of financial service so it is quite easy to offer the continuous line of service and very low bank's financial cost. However, the company uses professionally operation by developing and delivering a better quality and service. Granting service facility that is corresponding and meeting customer's need which building satisfaction in using service continuously.

In order to approve a loan the Company has required any type of collaterals whether it is cash or savings accounts, lands, personal vehicles, assignment of proceeds all depending on type of loan. Moreover, in order to minimize financial risk in business, prior to approving any secured loan, the Company would considered the appropriate credit limit according to the value of collateral and the ability of the customers to repay loan.

Nowadays, new and used motorcycle; and vehicle loans have fierce competition both remaining and new comer entrepreneur. Nevertheless, the competition in registration loans isn't fierce and has quite high level of customers' demand, the company can increase competition ability and market share in this business by expanding the branch office to cover overall regions in Thailand, understanding target group of customer, quick servicing, sudden responding customers' need, and providing service to diverse target customers who demanding the money and can't approach to commercial bank's services.

3. Interest rate Risk

Interest rates are considered significant factors that directly affect incomes and expenses. The Company's main income comes from interests obtained from the loan market. Fixed interest rates are specified in hire purchase agreements since the date that hire purchase agreements are made. Meanwhile, as the Company's major sources of loans are obtained from financial institutions, the Company is inevitably forced to pay for its interests at the float rate referring to the financial market's current interest rates. Therefore, in case where there is any change in the interest rates, it will cause a direct impact on the Company's profit margin. The Company has developed its own policy to request for loans to be provided by financial institutions and investors without having to rely on any particular institution in order to diversify risks and costs of loans.

In pursuance of car and motorcycle hire purchase loans as well as car registration loan, it cannot be argued that they are loan products with a high-return nature which provides sufficient interest rate that can cover other costs and expenses. Fortunately, the interest rate and fees can be calculated in order to meet the appropriate level with the Company's financial costs. Apparently, in term of interest rate, most of car registration loan offered by many financial institutions will have quite similar rate to offer their customers.

4. Loan Covenant Risk

The Company has net debt to equity ratio (Net Debt / Equity Ratio) as of December 31, 2019 is equal to 0.32: 1. As a matter of fact, the issuer will maintain Net Debt to Equity Ratio not more than 2.5: 1 at the end of the quarterly accounting period or the end of the fiscal year throughout the debentures. As of December 31, 2019, the Company has had no wrongdoing cases and there was still no default and fortunately, the financial status of the Company still consistently adhere to the conditions provided to banks and creditors.

5. Government Implementation Risk

The hire purchase business still remains highly competitive nowadays. The government has hence determined to control the business by establishing the Office of the Consumer Protection Board (OCPB) to control and supervise companies engaged in the hire purchase business, while protecting customers from being exploited by unethical business providers. Therefore, the Company has developed new policies to upgrade its hire purchase business in accordance with stricter guidelines determined by the government, while keeping an eye on the updated information related to the business to ensure greater development of operations and management in line with the government's requirements.

As for the Car for cash loan, the Company has just operated in third quarter of 2019 under the supervision of the Bank of Thailand, therefore, the Company must operate the business in accordance with the guidelines set by the Bank of Thailand.

6. Foreclosed Property Devaluation Risk

Regarding the hire purchase business for automobiles and motorcycles, property confiscation is inevitable. Although property confiscation can cause risks on foreclosed properties, this is considered reasonable compensation for damages that may be caused by customers' debt insolvency as the Company can resell those confiscated automobiles and motorcycles to compensate damages caused by debt defaults. The Company has often experienced losses from property confiscation as a result of the imbalance between the value of the confiscated property and the value of the remaining balance.



Corporate Governance

Corporate Governance Policy

Boards of directors have placed importance on follow the principle of good corporate governance by realizing role and responsibility of boards of directors in supporting to create good corporate governance in order to increase competitive capacity of business as well as confidence for stockholder, investor, and all concerned people by efficient and above-board management. In 2019, the Board of directors has the policy detail in each group as follows:-

Shareholders' right

The Company takes into account all group of shareholder's rights, particularly minority shareholders, foreign shareholders, and institutional shareholders, without limitation to the rights provided by laws only, as well as promoting and supporting all groups of shareholders to participate in the shareholders' meeting, by providing shareholders with sufficient information both Thai and English language publication, so that all shareholders can understand clearly.

Proceeding prior to Meeting : In the case that shareholders are not convenient to attend the meeting by themselves. The Company facilitated by providing a proxy in the form that shareholders can specify their voting and nominated 1 independent director as an alternative for shareholders to exercise their rights to attend the meeting, and providing 3 types of proxies as specified by law, and revealing all 3 forms of proxies on the Company's website for the shareholders to choose as appropriate. In addition, the Company has also provided duty stamps, free of charge, for the shareholders who granted proxies to attend the meeting on their behalf.

The Company prepared a meeting invitation letter with details, explanations and reasons for each agenda, date, time, venue, as well as details about documents or evidence for attending the meeting. Documents prepared in both Thai and English language in order for all shareholders to be able to know and understand clearly. In this regard, the Company has stipulated that the invitation letter for the meeting be published on the Company's website 30 days in advance. But for the 2019 Annual General Meeting of Shareholders on 30 April 2019, the Company has published the invitation letter on the Company's website since 2 April 2019, together with sending the meeting invitation letter to the Thailand Securities Depository Company Limited, the share registrar of the Company, delivered to the shareholders 14 days before The shareholders' meeting proceed according to the agenda as specified in the invitation letter, there is no additional agenda item which has not been informed to the shareholders in advance, so that the shareholders have the opportunity to study the information for consideration of the various agenda items.

The Board allows shareholders to propose questions in advance by published the rules on the Company's website. The Company has set a meeting date of Annual General Meeting of Shareholders not in a continuous holiday, the meeting time not too early, the meeting place in an area with convenient transportation and enough parking places, as well as attaching a map of the meeting and transportation locations to shareholders.

Proceeding during the Meeting : On the meeting day, the Company arranges staff to take care and to provide information to shareholders before, after and during the meeting, as well as providing snacks for shareholders. The Company uses a barcode system and processes it with a computer program for registration, attendance and vote counting for accuracy and speed, which can show the result of the vote count online immediately. In 2019, the Company held 1 general meeting of shareholders with 100.00% of the Board members attending, the Company secretary and the Company auditor also attended the meeting to answer shareholders' questions as well.

The Company requires one shareholder to have one vote. In normal cases, the resolution must be passed by a majority vote of the shareholders who attend the meeting and cast their votes. In determining the remuneration of directors, the resolution must be passed by votes of not less than two-thirds of the total votes of the shareholders who attend the meeting. For other cases, the votes shall be in accordance with the Company regulations, laws and relevant regulations, and the agenda for acknowledgment, no resolution.

In voting on each agenda, the Company uses a barcode system to record data so that resolutions can be presented to the meeting in a quick time, and will show the results of agree, disagree, abstain and void ballot. The Company disclosed the resolution together with the voting results of each agenda and

disseminate the said resolution through the SET systems and disclosed the minute meeting on the Company's website for the shareholders to be able to check the voting result quickly.

Proceeding after the Meeting : The Company disseminates the resolutions of shareholders' meeting on each agenda item on its website within the business day following the meeting date in order for the shareholder's to promptly acknowledge and inspect the voting results. In regards to the minutes of the shareholders' meeting, the Company has clearly recorded information relating to the list of directors attending the meeting, no of shareholders who attend the meeting, both by themselves and by proxy, material clarifications, questions and answers or opinions in brief, the meeting resolutions, whereby votes were divided into agree, disagree, abstain or void ballot, which shall be available on the Company's website within 14 days from the shareholders' meeting date rather than having the shareholders wait until the next meeting.

The Company sends the annual reports with copy of Statement of financial position and Statements of Comprehensive Income; which are audited by the auditors and approved by shareholders, plus copy of minutes of the meetings to the registrar of public company limited.

Equitable Treatment towards Shareholders

The Company has policy to ensure treatment towards all shareholders on an equal, whether they are major shareholders, minor shareholders or institute investors to create the true fairness, as follows:

- The Board supervise the Company to notify the meeting schedule with agenda and the Board's opinion in each agenda accordance with disclosure criteria by SET, including supervising the preparation of the meeting invitation letter both Thai and English version with complete details, for the benefit of shareholders who are foreign.
- Conducted the meeting in the order of the agenda as specified in the meeting invitation letter without any material changing or adding any agenda immediately so that the shareholders' have opportunity to study information in support of consideration of each agenda.
- The Company has a policy to allow shareholders to use their rights as a shareholder fairly and equally to propose the agenda of the Annual General Meeting of Shareholders and nominate a suitable person to be considered as a director through the Company's website. The Board will consider the suitability of filing the meeting agenda as proposed by the shareholders. For those nominated for consideration as director, the management will present to the Nomination and Remuneration Committee to consider and propose to the Board of Directors and shareholder's meeting.
- The Chairman of the meeting governs and proposes opportunities to shareholders' comment and enquiry sufficiently and appropriately prior to each resolution, and gave the opportunity to shareholders to exercise the right to appoint individual director.
- Correctly and completely prepares and records the minutes of the meeting and disseminates the same to all shareholders via the Company's website within 14 days after the end of the meeting, for the shareholders absent from the meeting or for any persons interested in the Company's information to acknowledge details and information of the meeting.
- The Company has established measures to prevent inside information usage for seeking interest of directors and executives by informing all persons of their roles and duties to report their own securities holding, and on securities holding by their respective spouses or minor children who hold securities of the Company; and to report every change in such securities holding from purchase, sale, transfer or acceptance of transfer of securities, to the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within 3 days from the date of purchase, sale, transfer or acceptance of transfer of securities. In addition, the Company also requires the reporting of directors' securities holding to the Board of Directors every quarter.
- The Board requires directors and executives to report their conflict of interest by disclosing information about the director position or executives or shareholding information in other

juristic persons, to provide information to the Board to consider and approve the related transaction correctly, transparently and in accordance with the relevant regulations.

- The Board has a policy prohibiting directors and executives who are connected persons or having a conflict of interest with the agenda being considered in the meeting and voting on that agenda.
- In the case that the Company has connected transaction/ related transaction according to the definition of the SET, the Company will comply with the regulations of the SET and disclose the connected or related transaction in the notes to financial statements audited or reviewed by the Company's auditor. The Audit Committee will consider the necessity and the justification of the transaction, including the pricing and the conditions of the transaction in accordance with normal business, and comparing pricing with third parties or market prices, the stakeholder will not participate in the consideration and approval the transaction.

Roles of the Stakeholders

The company had realized to the supports of the stakeholders which promoted competitive potentiality and profit to the company, so the Company realizes the significance of rights of every group of all stakeholders, whether inside, such as, staff and executives of the Company, or outside, such as, customers, competitors, lender and other relevant authorities by set role of stakeholders in the governance policy. (Details as appeared in company's website). The Company has continued to take care of stakeholders in accordance with the policies, as follows:

1. Customer relations policy

The Company is committed to providing quality and reliable services by emphasizing on satisfy customer's need with accurate and fast service, maintaining good relationship. There is continuous framework of improving service to be able to provide to customer immediately in order that customer can obtain good quality service at fair price. The aim is to achieve customer successful.

2. Business partner policy

As the Company has policy of up to par product and service acquisition so that comes to provide an equitable and fair purchase and procurement that not taking advantage of business partner and is conforming to the process explicitly.

3. Creditor policy

The Company has complied with the loan conditions as stipulated in the loan agreement, and has a policy to treat all creditors fairly, to build confidence to financial institution, investors, for the best interest of the Company but not violate the agreement as well as based on fair compensation for both parties.

For the bondholders, the Company issues debentures in accordance with the rules, regulation and notification of the SEC and strictly complies with the policies, objective and resolutions of the shareholders' meeting, and pay attention to fulfillment of obligations in accordance with the terms and conditions of all the debenture relevant contractual conditions.

4. Competitor policy

The Company has policy that shall treat business competitor fairly by not elicit trade secret of competitor by means of deceptive method and acts under the convention of good competition.

5. Employee policy

The Company considers staff as a key resource behind its business movements and as a crucial factor to the Company's sustainable success and growth, and then clearly sets out the staff practices that give a fair treatment to employee with care and fair to continually promote and constantly support in self-develop and training in diversified program, creating a participatory and teamwork environment. Empowering employees to be ready to work. Providing fair compensation and appropriate to the

knowledge and ability of the staff in line with the Company's business, provide health check-up annually, group insurance, provident fund etc.

6. Stockholder policy

As the Company is subject to build added value to stockholder in long term so that has policy to work honestly and also makes decision sincerely, carefully, cautiously, and fairly to the stockholder, both major and minor ones, for the optimum benefit of stockholder on the whole as well as access necessary, correct and appropriate information in timely manner.

7. Social and environment policy

The Company intends to take part in development of company together with development of society and environment to a sustainable progress by promoting employee's conscious mind and contribute to society and environment by promoting campaign of energy saving and nature conservation efficiently; apply ethics and moral; transparently, fairly and equally operate business; do not take advantages over community society, environment and do not make any on the contrary, illegal.

8. Anti-Corruption policy

The Company realizes and gives priority to anti-corruption and fraud prevention and also adopts measures to prevent corruption both inside and outside. The Company sets out guidelines and procedure in order to prevent fraud. The Company encourages and promotes directors', executives' and staff's awareness to ensure that they refrain from committing any fraud and realize the negative impacts of corruption. In addition, the Company has imposed the duty on the Internal Audit to follow up, conduct surveillance, review, and risk assessment for preventing/suppressing corruption.

9. Policy and Practices on Non-infringement of Intellectual Property

The Company respects to conducting business policies in accordance with the laws regarding intellectual property rights, including the proprietary rights in others' intellectual property, by encouraging personnel to perform duties under laws or regulations relating to intellectual property rights, trademarks, patents, copyrights, trade secrets and other intellectual property as required by law. Not related to intellectual property infringement by copying or using the others intellectual property in the business without permission.

10. Policy on Respect of Laws and Human Rights Principles

The Company makes it mandatory for directors, executives and staff to comply with the laws and human right principle or human dignity, regardless of race, color, sex, language, religion, social origin, property, birth, political opinion, or other status, as well as realizing their own rights, duties and responsibilities towards society and others, based on the guidelines.

11. Information System Security Policy

The information security plays an important part in contributing to the efficient and trustworthy business operations of the Company, the Company then is determined to develop the information security system and put it into practice, to rest assured that:

1. Access to the information system shall be stricted to only authorized users
2. The information system provides accuracy, reliability and confidentiality
3. The information system is always readily available to the users
4. The information security is regularly reviewed
5. Staff are encouraged to have information security knowledge, ability and awareness.

Notifying the Information and Complaints

The Company has provided measures and reporting channels to the complaint, opinion and to report the offense of stakeholders from all sectors. This can be through various channel as follows:

Postal service	: Company Secretary / Internal Audit / Audit Committee SGF Capital Public Company Limited 121 4 th Floor, WTH Holding Building, Vibhavadi-Rangsit Rd. Samsen-nai, Phyathai, Bangkok 10400
Telephone	: 02-232-1789 ext. 1745 internal audit or 1771 company secretary
Fax	: 02-232-1790
Email	: internal_audit@sgfcap.com or apinya.b@sgfcap.com

Employees are able to notify complaints or propose opinions to Executives or Internal audit directly. The Company to ensure fairness and protect the whistleblower act. The confidentiality of those involved in the investigation of acts of corruption.

Information Disclosure and Transparency

The Board of Directors is responsible for determining the operational guideline for the executives and staff to have a purpose in the same direction. In 2019, the Board of Directors reviewed the Company's strategy, goals and directions, including monitor and ensure the implementation of the Company's strategy. The Board of Directors monitors the operations of the management at the Board meeting every month, by report on the results of operations and financial report.

The Board of Directors establishes the policy that the Company shall undertake activities with transparency and open for inspection with sufficient financial and non-financial information disclosure to all relevant parties as well as monitoring to ensure disclosure of correct, complete, timely, reliable and thorough information, and all parties shall be able to easily access such information on an equal basis to ensure compliance with the good corporate governance principles. The Company will disclose information to the shareholders and the public via Stock Exchange of Thailand data dissemination channels and the company's website www.sgfcap.com. The Company strictly adheres to the enactment of laws, rules, and regulations determined by the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and relevant agencies, while regularly monitoring the addition, amendment, and revision of such laws, rules, and regulations to ensure the accuracy and efficiency of application, leading to shareholders' greater confidence and trust towards the Company's transparent business operations and management.

The Company publishes information in line with the set criteria such as Annual Disclosure Form (Form 56-1), Annual Report (Form 56-2), reports corporate governance compliance results through Form 56-1 and Form 56-2, and the Board of directors' responsibilities for financial transactions displayed together with the auditor's report in the Form 56-2.

Other than the report on securities trading of directors and executives in accordance with the requirements of the SEC office, other executives, along with staff, who are authorized to have access to or perceive the Company's undisclosed material information which may influence securities price movements, are also emphasized and prevented from using such information in securities trading for personal interests and interests of others, or taking advantage of general investors, such as, information on capital increase or decrease, dividend payment, the Company's operation results, joint investments, etc. In this respect, the Company requires its executives to report on their securities trading in accordance with the rules as required by the Stock Exchange, and all persons who perceive inside information should refrain from trading securities or should wait until the public has been informed of and have an adequate time to study such information.

Investor Relations Activities

Although the Company does not set up an investor relations department, but the Company assigned the Chief Executive Officer and company secretary representative of the Company to have duties to communicate information to shareholders and other stakeholder such as debenture holders, investors, as well as related parties in time and appropriate.

Directors' Responsibilities

The Board realizes the importance of role and responsibility of the board in determines corporate governance policy as well as monitor and follow-up the compliance of management on approved policies and plans and accountability for the board of director and shareholders. The Board of Directors comprise of directors who have diversity skills, knowledge, experience and agility sufficient as well as performed the duties with care, dedication and responsibilities. The Board must have leadership, vision, and freedom of decision-making in order to maximize the company's benefits and the overall shareholders.

The structure of the Board of Directors consists of 7 qualified members, comprising 3 executive directors, and 4 independent directors, which represent 57% of all directors. The Company determines qualifications of "independent directors" as the minimum requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Performance of Duty of the Chairman of the Board of Directors and Chief Executive Officer

The Chairman of the Board of Directors and Chief Executive Officer may not be the same person so as to separate between the policy making and supervisory duty and the regular managerial duty. The Board of Directors clearly determines powers and duties of the Chairman of the Board of Directors and the Chief Executive Officer. The Chairman of the Board of Directors is an independent director by the definition of the Stock Exchange and has no relationship with management.

Terms of director

According to the Public Company Act B.E.2535, term of director member is 3 years. However, the retired members are eligible to be re-elected for another term.

Board of Directors' Meeting

The Board of Directors holds a meeting to acknowledge the operation results every month in the third week of the month by set its meeting schedule in advance all the year, so the directors can arrange the time and attend the meeting as well as arranges the special meeting as necessary. At each meeting, both acknowledge and consideration agenda are clearly set, the document is well-prepared and delivered to the directors 5 business days prior to the meeting so that the director can study the information before attend the meeting. In the meeting, all directors can freely discuss, express opinion openly and independently. In some case, the Board of Directors will be invited the executives to attend the meeting to provide further details as directly related, and acknowledge the policies directly so they can be effectively implemented.

In considering existing issues, the Chairman of the Board of Directors, also considered the Chairman of the Board of Directors' Meeting, will always allow members of the Board of Directors to express their opinions and suggestions freely and independently. For each meeting, a majority vote will be used to finalize each proposed issue. Each member possesses one vote, where any member engaged in a particular issue will refrain from discussing on the issue or not exercise the right to cast a vote for such issue. In case where the voting results appear to be equal, the Chairman of the Board of Directors' Meeting is required to cast a final vote to finalize a proposed issue.

In addition, the Board of Directors always realizes the significance of managing related party transactions as well as conflicts of interest, expected to be carried out in a cautious and unbiased manner. All details of

related party transactions and conflicts of interest are also disclosed completely. The Company's secretary is required to record all meeting minutes and opinions provided by members of the Board of Directors in a written form in order to promptly propose such minutes of the meeting to the Board of Directors for further approval to be ready for the next meeting. Finally, the Chairman of the Board of Directors' Meeting will be required to sign for accuracy certification. After the approval from the meeting, the documents will be stored in the shelf on HR department, head office. In addition, the Company secretary has the duty to keep the director important document, such as directors' registration, stakeholder report; directs and supervises in compliance with the law, regulations and laws. In 2019, there were 14 Company's director meetings, 5 Audit Committee meetings, 2 Executive Committee meeting and 2 Nomination and remuneration committee meeting, 1 Risk management Committee meeting.

Positions in other companies

The Board of Directors has policy to limit the number of listed companies in which each director may hold directorship not exceed 5 companies, so that all directors can devote their time to regularly attend meetings.

Determination of the number of terms of holding of office as independent director

The Board of Directors does not clearly determine any number of terms of holding of office as independent directors, the Board of Directors considers and deems that the appointment of independent directors to resume office as independent directors will be useful for the Company and shareholders since the directors consecutively holding such office will have better knowledge and experience in the Company's business operations and create more value for shareholders.

Orientation and development of the Directors

The Company recognizes the importance of having orientation for new Directors. The Company secretary is assigned to prepare documents and information necessary and useful for their performance of duties (e.g. Company regulations) as well as other information pertaining to Company business. The objective is to provide new Directors with knowledge and understanding of the business and Company operation in various areas.

Corporate Governance Policy

The Company has established a corporate governance policy, Business ethics policy to be the guideline of directors, management and employees to implement the practices, by published on the Company website and encourage employees to follow such policies regularly.

Directors and executives of the company must to be a good practice to follow CG policy. Management is responsible for the dissemination of knowledge, understanding and encourages all employees to abide by the policy of corporate governance and continuously create as part of the corporate culture in practice.

In addition, the Company also gives importance to the roles and duties of the Board of Directors by encouraging directors and senior executives to attend the seminar in a course that useful for their duties performance. Meet with the Board of directors to exchange opinions, including encouraging directors to attend the Directors' program from the Thai Institute of Directors to bring knowledge and experience to develop the organization in further.

Sub-committee

- ◆ **The Board of Directors** As of 31 December 2019 consists of 7 directors:

	Position	Date appointed
1. Mr. Pinit Wuthipand	Chairman of the Board	19 January 2011
2. Mrs. Supanut Pongserm	Independent Director	27 May 2010
3. Mr. Piphat Inphongphant	Independent Director	19 January 2011
4. Mrs. Rachaneekorn Chintakanon	Director	3 August 2015
5. Mr. Yanyong Siripun	Director	9 May 2016
6. Mr. Issarachai Decharit	Director	19 December 2019
7. Mr. Kannanat Boonsunanondha	Chief Executive Officer	4 November 2019
8. Mr. Jitkasem Sangsingkeo*	Director	14 August 2018 - 1 July 2019
9. Mr. Vivat Vithoontien*	Chief Executive Officer	14 February 2017 - 4 November 2019
10. Mr. Wisait Panutat*	Chairman of the Board	27 May 2010 - 24 November 2019

Remarks :

Mr. Jitkasem Sangsingkeo was resigned on 1 July 2019.

Mr. Vivat Vithoontien was resigned on 4 November 2019.

Mr. Wisait Panutat has passed away on 24 November 2019

Miss Apinya Borivachanon has been appointed as the secretary of board of directors. She was responsible for duties as prescribed by the Securities and Exchange Act (Book No. 4), B.E. 2551, and coordination to be in compliance with the resolution of board of directors according to the corporate governance policy.

Powers and Duties of the Company's Board of Directors

1. Supervise and monitor the management to encourage compliance with the established policies, operational plans and annual budget in accordance with the direction and the strategies of the organization, the good corporate governance and business code of conduct policy and benefit of all stakeholders. Arrange for the review and evaluation of strategies and goals in compliance with the situation of the Company.
2. Discharge their duties and supervise the operation of the Company to ensure strict compliance with Securities and Stock Exchange Laws, notification of Capital Market Supervisory Board, regulations of the Stock Exchange of Thailand concerning connected transaction rules for the listed companies to abide by while adhering to other laws relating to the business of the Company.
3. Review and approve visions, missions, directions, key strategies, business policies as well as the operational plans and annual budget of the Company.
4. Consider and establish the management structure. Consider, select, propose to appoint, and set the scope of duties and responsibilities of the sub-committee and company secretary in order to support the administration of the board of directors.
5. Appoint or authorize any other person to carry out the business of the Company under the control of the board of directors or may authorize that persons to have power as the board of directors deems appropriate, however, the said power is subject to the board of directors decision to cancel or change of such power.
6. Discharge their duties in accordance with the laws, objectives and regulations of the Company, the board resolution as well as resolutions of the shareholders' meeting with responsibility, caution and honesty.
7. Supervise the business with Ethical Standards and Code of Business Ethics and regularly review the good corporate governance policy of the Company.

◆ **Executive Committee** as 31 December 2019 consists of

- | | |
|----------------------------------|---|
| 1. Mrs. Rachaneekorn Chintakanon | Chairman of the Executive Committee |
| 2. Mr. Kannanat Boonsunanondha | Director |
| 3. Mr. Issarachai Decharit | Director |
| 4. Ms. Apinya Borivachanon | Director / Executive Management |
| Ms. Apinya Borivachanon | The Company Secretary be the secretary of the meeting |

Remarks ! Change during 2019

Mr. Wisait Panutat Chairman of the Executive Board has passed away on 24 November 2019, and the Board of Directors meeting No.14/2019 held on 19 December 2019 appointed Mr.Issarachai Decharit as director/ executive director replacement Mr.Visait Panutat. Therefore, effective from 19 December 2019, and appointed Mrs. Rachaneekorn Chintakanon as Chairman of the Executive Committee and Ms.Apinya Borivachanon as the Executive Committee member.

Powers and Duties of the Executive Committee

1. Having duties to carry out the management of Company business in compliance with the Company business objectives provided that in accordance with any policy, regulations or orders prescribed by the Company Board of Directors.
2. Having a plan, policies and strategic direction to do business and set the management structure in line with economics and competition, propose to the Board of approval.
3. Having the power to approve and/or assent on any Company normal business operations and general business management.
4. Credit approval, debt adjustment, bad debt write-off as assign by the Board.
5. Considering and screening the Company annual policy, target, work plan, budget and any other recommendations to be proposed to the Company Board of Directors for approval or assent provided as prescribed in the regulations and orders of the Company Board of Directors.
6. Oversee the operation of the Company to comply with the policy, strategy, business plan and budget as approved by the Board.
7. Report of operating result in the matters and within the following times to the Board of Directors:-
 - 7.1 Report of operating result of the company on quarterly basis.
 - 7.2 Auditor's report related to the Financial Statements of the company including annual budget and review budget.
 - 7.3 Other reports as deemed appropriate by the Board.
8. Performing any other tasks as assigned by the Company Board of Directors.

◆ **Nomination and Remuneration Committee** as of 31 December 2019 consists of

- | | |
|----------------------------------|---|
| 1. Mr. Yanyong Siripun | Chairman of the Board |
| 2. Mrs. Rachaneekorn Chintakanon | Director |
| 3. Mr. Kannanat Boonsunanondha | Director |
| Ms. Apinya Borivachanon | The Company Secretary be the secretary of the meeting |

Powers and Duties of the Nomination and Remuneration Committee

1. To consider and selecting qualified persons to hold the position of the Company's directors, both in case appoint director to replace the director who completes their tenure and appointed a new director, to the Board of Directors so as to nominate them to the shareholders' meeting, or proposing the nomination to the Board of Directors for consideration and appointment.
2. Considering selecting and proposing qualified persons to hold the position of the Chief Executive officer to the Board of Directors for consideration and appointment.
3. Propose guidelines and methods to compensate for directors and committees appointed by the Board of Directors.

4. Review the remuneration for directors and committee based on their responsibilities, the Company's financial status, and the compensation of nearby businesses, and propose to shareholders for approval.
5. To consider and propose policy relating to the remuneration and benefit in order to keep and motivate employees who possess required qualifications
6. To review budget for wage adjustment and bonus annually and propose to the Executive Board and Board of Directors.
7. To help the Executive Board and Board of Directors assess the operating result and ability of Chief Executive Officer based on the short-term and long-term objectives and business plans.
8. To conduct any activities assigned by the Company Board of Directors.

◆ **Audit Committee** as of 31 December 2019 consists of all independent directors

- | | |
|----------------------------|--|
| 1. Mr. Pinit Wuthipand | Chairman of Audit Committee / Independent Director |
| 2. Mrs. Supanut Pongserm | Audit Committee Member / Independent Director |
| 3. Mr. Piphat Inphongphant | Audit Committee Member / Independent Director |
| Ms. Nattiya Saeting | Internal Audit be secretary of the meeting |

Audit Committee member who have financial statement review knowledge

Mr.Pinit Wuthipand is the director who has the knowledge and experiences to review the financial statement. All of the Audit Committee Members are not the employee of the company.

Powers and Duties of Audit Committee

1. To ensure that the financial statements of the Company have adequate accuracy.
2. To ensure that the internal control and internal audit systems of the Company are appropriate and effective and to consider the independence of the internal audit department including the approval of any appointment, allocation, or dismissal of the head of internal audit department or any other department relating to the internal audit responsibilities.
3. To ensure that the Company complies with the laws on the Securities and Exchange, the regulations of the Stock Exchange and other laws in connection with the businesses of the Company.
4. To consider, select and propose for election of any independent person to act as the Company's auditor and propose the remuneration for such person and meet privately at least 1 time per year with the auditor without any member of the management team present. Including the dismissal of said person as well.
5. To ensure that in conducting all the connected transactions or transactions that may lead to conflict of interests, the Company complies with all the laws and regulations of the Stock Exchange and ensure that such transactions are reasonable and give the most benefits to the Company.
6. To prepare a report of the Audit Committee to be included in the annual Report of the Company. Such Report shall be signed by the Chairman of the Audit Committee and shall consist of at least the following information:
 - (a) Comments on the accurateness, completeness and credibility of the financial statements of the Company.
 - (b) Comments on the adequacy of the internal control system of the Company.
 - (c) Comments on the compliance to the laws on Securities and Exchange, regulations of the Stock Exchange or any other laws in connection with the businesses of the Company
 - (d) Comments on the suitability of the auditor.
 - (e) Comments on the transactions that may lead to conflict of interests
 - (f) The number of meetings held by the Audit Committee and the attendance of each member of the Audit Committee.
 - (g) Comments on other concerns that have arisen as the Audit Committee perform its duties as defined in the Committee's charter.

- (h) Any other matters that the shareholders and general investors should be informed within the scope of duties and responsibilities assigned by the Board of Directors of the Company.
- 7. To perform any tasks assigned by the Board of Directors with the approval from the Audit Committee.
- 8. While undertaking their duties, if the Audit Committee found out or have doubts over any of the following transactions or actions, which would have an adverse affect to the financial status and the operational outcome of the Company, the Audit Committee shall report to the Board of Directors of the Company so the Board could resolve the matter within the time frame deemed appropriate by the Audit Committee.
 - (a) Any transaction that may lead to conflict of interests.
 - (b) Any fraud, unusual matter or critical failure in the internal control system.
 - (c) Any violation of Securities and Exchange laws, Regulations of the Stock Exchange or any laws in connection with the businesses of the Company.

◆ **Risk Management Committee** as of 31 December 2019 consists of

- | | |
|----------------------------------|---|
| 1. Mrs. Petcharat Thongtang* | Advisor Chairman of the Risk Management Committee |
| 2. Mr. Pinit Wuthipand | Director |
| 3. Mrs. Rachaneekorn Chintakanon | Director |
| Ms. Apinya Borivachanon | The Company Secretary be the secretary of the meeting |

Remark ! * She is not director, being an external person invited to be the Chairman of the Risk Management Committee.

Powers and Duties of the Risk Management Committee

1. Determine policies to be proposed to the Board of Directors, consider the overall aspect of risk management, covering all types of risk, for example, credit risk, marketing risk, liquidity risk, operational risk, and other potential risks that may directly affect the Company's reputation.
2. Develop effective strategies in line with risk management policies that can be pursued, assessed, and monitored, ensuring that risks can be maintained at an acceptable level.
3. Provide effective monitoring and support in reviewing risk management policies and guidelines on a yearly basis to ensure that the risk management policies and guidelines are in compliance with current business situations.
4. Report on potential risks and their aspects experienced by the Company. Develop guidelines for effective risk management, including its progress and consequences to regularly be acknowledged by the Board of Directors.
5. Provide effective communication and exchange of information on risk management and internal control for the Audit Committee.
6. Be authorized to get all risk management processes implemented under the scope, authority, and responsibility towards the Company's access to information related to the Risk Management Committee's compliance with charters.
7. Offer productive suggestions and effective supports to the Board of Directors, the Operations Department, and the Risk Management Committee aiming to generate greater development for organizational risk management as well as foster substantial progress for organizational risk management on a consistent basis.

◆ **Chief Executive Officer**

Powers and Duties of Chief Executive Officer

Chief Executive Officer has power and duty to supervise, execute, operate and perform on behalf of the company in accordance with purpose and regulations of the company as well as with principles, resolutions, policy, strategy and budget submitted by the Board of Directors within legal lines and power restriction defined by the Board of Directors of the company who transfers the power of

attorney to Directors to perform on behalf of the company as well as delegation power to executives and/or employees, and/or other persons as appropriate, except the following case on which Directors have to be granted the approval from the Board of Executive Directors or the Board of Directors of the company (case by case) to perform:

1. The investment of any project development exclusive from the annual policy of the company.
2. The procurement, purchase or land or real property transfer for the use of the company operation, including any requirement on permission or procedure with concerned government sectors in order to achieve the aforesaid tasks.
3. The guaranty by rights or land or real property ownership which are assets of the company, for individual and/or individual group and/or juristic person and/or government sector and/or public organization for the use of the company operation.
4. The different types of account opening, the overdraft loan application and other service application with commercial banks including the account opening or cancellation of the aforesaid service.
5. The approval on organization structure, salary structure, operation plans and annual budget.

However, such appointment does not include the authority to approve the transactions that such Managing Director and/or their attorney have the conflict of interests (as the announcement of the Office of the Securities and Exchange Commission) with the Company or its subsidiary, except the approval in accordance with policy and within the Board of Directors approve criteria.

Nominating of Directors and Executives

◆ Independent Directors

Nomination of Independent Directors, the Nomination and Remuneration Committee will recruit the persons with complete the qualifications according to the qualifications of the independent directors specifies by the Company which is in accordance with the regulations of the SEC and the Stock Exchange of Thailand, without any exceptions and conditions, to be submitted to the Board of Directors for approval.

As of 31 December 2019, the Company has 7 directors, consists of 3 executive directors and 4 independent directors. Independent Director is 57% of the Board of Directors, consists of;

- | | |
|----------------------------|----------------------|
| 1. Mr. Pinit Wuthipand | Independent Director |
| 2. Mrs. Supanut Pongserm | Independent Director |
| 3. Mr. Piphat Inphongphant | Independent Director |
| 4. Mr. Yanyong Siripun | Independent Director |

The 4 independent directors of the Company do not have any qualifications or conditions that contrary to the requirements of the office of SEC and SET, and they have no business relations with the Company in the past fiscal year.

The Board of Directors does not clearly determine any number of terms of holding of office as independent director. The Board of Directors considers and deems that the appointment of independent directors to resume office as directors will be useful for the Company and shareholders since the directors consecutively holding such office will have better knowledge and experience in the Company's business operations and create more value for shareholders.

Qualifications of Independent Directors: The Company has defined the definition of independent directors of the Company equal to the regulation of the SEC and the Stock Exchange of Thailand, without any exceptions and conditions, as following:

1. To hold the company shares not exceeding 1% of number of total shares entitled to vote in the company, affiliated companies, joint companies or person who may have conflict (are considered as related person pursuant to Article 258 according to the Security Law)
2. Not being or used to be the director who takes part in the management of the company, or an employee, staff member or advisor who receives a regular salary or is a controlling person of the company, holding company, subsidiary company, associated company, subsidiary company of the same level or corporate

with possible conflict, except having been out of the above position for at least two years prior to the appointment.

3. Not being a person who is related by blood or by law as a parent, spouse, sibling and child including a child's spouse, to any management member, major shareholder, controlling person or the person whom has been proposed to become the management member or controlling person of the company or subsidiary company.
4. Not having or used to have business relationship with the company, holding company, subsidiary company, associated company or corporate with possible conflict in a way which may prevent independent judgment, as well as not being or used to be the major shareholder, non-independent director or management member of the entity having business relationship with the company, holding company, subsidiary company, associated company or corporate with possible conflict, except having been out of the above position for at least two years prior to the appointment.

The business relationship stated in the first paragraph shall include normal commercial transactions for business operation, rent or rent out of real estate, transactions concerning the property or service, giving or receiving financial support, receiving or giving loan, standing security, giving property as collateral security or other similar actions, which make the applicant or party in the contract pay debt obligation to the other party from 3% of net tangible asset of the applicant or from twenty million baht, whichever is lower. In this respect, the calculation of such debt obligation shall be in compliance with the method to calculate the value of related transactions as prescribed by the notification of the Commission of Stock Exchange of Thailand relating to the data presentation and operation of registered company for related transactions, mutatis mutandis. However, in consideration of such debt obligation, it shall include debt obligation incurred one year prior to the date of business relationship with the same person.

5. Not being or used to be the auditor of the company, holding company, subsidiary company, associated company or corporate with possible conflict and not being the major shareholder, non- non-independent director or management member or managing partner of the audit firm with staff being the auditor of the company, holding company, subsidiary company, associated company or corporate with possible conflict, except having been out of the above position for at least two years prior to the appointment.
6. Not being or used to be the service provider in any professions including legal advisor or financial advisor receiving the service fee exceeding Baht 2 million per year from the company, holding company, subsidiary company, associated company or corporate with possible conflict. Nevertheless, in the case of the professional service provider being a corporate, the consideration shall extend to the major shareholder, non-independent director, management member or managing partner of such professional service provider, except having been out of the above position for at least two years prior to the appointment.
7. Not being the director who has been appointed as the representative of the company, major shareholder or shareholder whom is related to the major shareholder of the company.
8. Having no other characteristic which may prevent from giving independent opinions concerning with the business operation of the company.

◆ *Nominating Directors and Executives*

A) Nomination of Directors

The Nomination and Remuneration Committee considers nominating persons to be appointed as directors to replace those directors who vacate office, both resignations prior to the end of term and retirement by rotation, in accordance with the following criteria:

1. Having qualification in compliance with the Public Limited Companies Act, the Securities and Exchange Act, rules of the SEC Office and rules of the Stock Exchange.
2. Having knowledge, ability and experience in a variety of fields which will be beneficial and add value to the Company.
3. Having characteristics supporting and promoting the corporate governance to create value to the Company, such as, independence, willingness to share opinions, initiative and performance of duties with responsibility, due care, integrity and full-time contribution, etc.
4. In the nomination of directors, there should be consideration of the required qualification taking into account the necessary skills for the Board and qualifications in line with the

Company's business strategies.

The election a director has rules and methods as following:

- a) Each shareholder has 1 vote per share, the number of his/her votes corresponds therefore to the number of shares held by him/her.
- b) Each shareholder can exercise his/her right according to the number of his/her votes as specified in (a) electing one or many directors, but cannot give his/her votes to any person particularly.
- c) The persons gaining the highest votes shall be respectively elected directors in the proper number for such election. In case the number of the persons gaining less but equal votes exceeds the appropriate level for such election, the Chairman of the meeting shall make a final decision.

If the position of director is vacant by the other reason in addition to see out its term, committee shall select the qualified person and no legally prohibited quality in replacing to the previous one in the next committee meeting except only that leftover term of committee shall be less than 2 months. The new person takes place with former committee shall take a position of committee only equal to the leftover terms of the former committee. The resolution of committee in such matter should be comprised of votes at least 3 of 4 of the remaining number of committee.

B) Nomination of Chief Executive Officer

The Executive in the position of Chief Executive Officer must be nominated by the Nomination and Remuneration Committee, which consider nominating qualified persons, namely, those who have knowledge and capacities and experience which are useful for management and operations to achieve objectives or targets as determined by the Board of Directors and have a good understanding of the Company's business, whereby the Nomination and Remuneration Committee shall propose the nominations to the Board of Directors for consideration and appointment.

The supervision of operations of subsidiaries and associates

At present, the Company has 2 subsidiaries with 99.99% shares, which is SGF Asset Management Co.,Ltd., SGF Service Management Co.,Ltd. with no associates company.

In order to comply with the principles of supervision that makes it possible to control and manage the operations of subsidiaries, maintain benefit from investment, the Company has sent the person to represent to the Company to be a director in the subsidiary company. However, all 2 companies have not opened to operate.

The supervision of the internal information application

The Company consistently values internal control, particularly the use of inside information which is an important part in enhancing good corporate governance. The Company has therefore established a policy regarding supervision of the use of insider information and published in the Code of Business Ethics and the Code of Conduct for Directors, Executives and Employees in order to prevent the use of important inside information of the Company has not been disclosed to the public whether for personal advantage, or for the advantage of a related person. The said business ethics manual has been approved by the board of directors' meeting and has been announced to all employees to let all employees know about this policy. The key points of this policy can be summarized as follows:

1. The Company has established measures to prevent the illegal use of inside information by the board of directors, executives as well as the spouse, minor children as specified in Section 89/1 of the Securities and Exchange Act by preparing and disclosing reports on each person holding securities within thirty days from the date of appointment. The Company also has prepared and disclosed reports to the SEC Office on the changes to such holding as well as the holding and changes to the holding of their spouse and minor children in accordance with Section 59 of the Securities and Exchange Act, B.E. 2535. During the past year, directors and executives have strictly follow the policy so there has no evidence regarding trading during prohibited period.
2. The Company has established standard concerning the prohibition against the abuse of inside information

for personal advantage by limiting number of persons having access to inside information in order to prevent access to information from third parties along with assigning employees at each level the rights to access to information to suit their responsibilities. In addition, the Company has ascertained that all employees acknowledge and comply with the Company's information security policy and the Computer Act as well.

3. The Company has established guidelines for protecting and preserving the confidentiality of the inside information and prohibiting against the abuse of inside information by prohibiting directors, the executives, and employees from, first, trading securities within the period of one month prior to the financial statements or other relevant information have been made to public since it is likely to affect the securities price of the Company, second, purchasing, selling, transferring or accepting transfer of the Company's securities until the twenty four-hour period after the disclosing of important information has passed.
4. Directors, executives, and employees shall not disclose the Company information as well as customer information without permission from the board of directors of the Company or the Chief Executive Officer or the assigned person unless it is information that must be disclosed to outsiders regarding legal provisions.

Prevention of a conflict of interests

The Company has operated business with good corporate governance principles taking into account the fairness and responsibility to all stakeholders in all sectors as well as building credibility and considering the best interests of the Company while not seeking personal benefits and / or related persons and last but not least, operating business with precision, honest and avoidance of conflicts of interest that may occur to the Company.

The Company has established measures to prevent conflicts of interest that may occur from connected transactions of the Company by setting up a transparent operating system and strictly following all rules of the Stock Exchange of Thailand and the regulations, notifications, orders or requirements of the Capital Market Supervisory Board as well as ensuring the compliance with the general requirements for connected transactions which include disclosures of information and the acquisition or distribution of important assets of the Company while adhering to the guidelines provided in codes of conduct and business ethics which directors, executives and employees must adhere to.

Besides, the Company has had control measure with regard to connected transactions to ensure the fair and reasonable practice pursuant to the normal business conditions. Furthermore, the Company has not failed to ascertain that the disclosure of connected transactions is in accordance with the good corporate governance principles with consideration of eliminating conflicts of interest carefully and logically by assigning the internal audit department to follow up on the preliminary examination as well as having the auditor reviews the said transaction on an annual basis and provides opinions on the reasonability of the connected transaction. Finally yet importantly, the Company has disclosed the said information in the notes to the financial statements which was audited or reviewed by the Company's auditor.

Remuneration for Auditor

The Company appointed "PricewaterhouseCoopers ABAS Company Limited" to be the Company's auditor, which has been approved by the 2019 Annual General Meeting of Shareholders. The Auditor have independence, reliability and have neither relationship with nor interest in the Company or its subsidiaries, executives, major shareholders or their related persons.

Auditor's Fee can separate as following:

1. Audit Fee
 - The Company audit fee in accounting year 2019 is amount of 0 baht.
 - An auditing office where an auditor belongs to person or affiliated company and auditing office where an auditor belongs to, in the accounting year 2019 is 2.80 million baht, and will have to pay in the future due to an agreement that has not been completed in the past fiscal year amount 0 baht.
2. Non-audit Fee
 - None -



Internal Control and Risk Management

At the Board of Directors Meeting No.3/2020 held on 18 March 2020, all three members of the Audit Committee / Independent Directors attended the meeting and commented on adequacy and suitability of the internal control system by referring to "Adequacy Assessment Form of the Internal Control System" of the Securities and Exchange Commission.

The Company has always recognized the importance of internal control as it is considered a significant mechanism in building confidence and trust among executives as well as reducing business risks. Admittedly, effective internal control also helps the Company in properly allocating and utilizing resources according to its organizational objective. Developed under the requirements of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) standard, the Company's internal control is developed completely and appropriately for greater efficiency and productivity of both operations and management.

1. Control Environment

The Company has determined its organizational structure and authority for senior executives and employees, including work regulations, operational requirements and punishments for improper and illegal practices, and scopes of responsibilities at work, as part of the effort to prevent conflicts of interest and ensure the balance of power among the mentioned group of people.

The Board of Directors has requested the Audit Committee to be responsible for managing and supervising the Company's corporate governance, conflicts of interest, related party transactions, and anti-bribery and corruption to comply fully with relevant laws.

In addition, the Company has assessed the adequacy of internal control in line with the requirements of the Securities and Exchange Commission (SEC) on a yearly basis, while reporting existing results to the Audit Committee prior to proposing to the Board of Directors for further consideration.

2. Risk Assessment

The Company is fully aware of the importance of internal and external risk factors, which may directly affect the Company's business operations. Although risk assessment is conducted on a regular basis, potential risk factors and external threats are still anticipated to cause a direct impact to the Company's business operations. For specific types of risk, the Company has managed to rely on the expertise, experience, and professionalism of its senior executives who are entrusted with responsibilities to consider, evaluate, and monitor possible risks, while relevant parties are compulsorily required to generate further development of internal control and risk management for their own departments.

3. Control Activities

The Company has determined clear policies and guidelines for dealing with activities related to efficient utilization of properties for the highest benefit. Authority of each person and investment budgets are specified clearly in a written form. Meanwhile, responsibilities of work are required to be classified and reviewed on a regular basis to prevent corrupted actions. Also, employees have been urged to pay attention to the reporting of corruption cases through various communication channels determined by the Company.

Furthermore, the Company has developed its business continuity plan to be prepared for emergency cases and unexpected circumstances, in which the plan has been reviewed and practiced on a regular basis.

4. Information and Communication

The Company has promoted the development of information technology in a consistent manner to ensure the accuracy and update of information. In the same way, the information must be secure and confidential at all stages, varying in collection, processing, storage, and monitoring, aiming to be prepared for the expansion of the business. The information must also be utilized to support strategic decisions made by senior executives.

Also, the Company has developed several effective communication channels expected to be used by senior executives and employees. The use of electronic mails and intranet systems helps facilitate internal communication, where people inside and outside the organization are allowed to keep the company informed about corruption cases via the communication channels determined by the Company.

5. Monitoring Activities

The Board of Directors has provided a complete coverage of internal control, consisting of finance and accounting, operations, compliance of laws and regulations, property monitoring, and more. The Company also focuses on the monitoring of performances with comparison of revenues generated by different businesses expected to be practiced on a monthly basis. The Audit Department, remaining under the supervision and management of the Audit Committee, is responsible for verifying and reviewing all implementation processes to ensure effective assessment of internal control and risk management. Auditors are also required to keep the Company's Board of Directors acknowledged on the correction of inefficient implementations on a quarterly basis, as part of the attempt to keep developing efficient and appropriate internal control based on the principles of good corporate governance to achieve targeted goals

The Company regularly provides the monitoring compliance with the internal control system by the responsible parties, and the internal audit unit who monitors the operation and reports the result independently to the Audit Committee. In 2019, the Audit Company has 5 meetings.

The Board considered and agreed that The Company has sufficient and appropriate internal control system. The Company's Board of Directors was satisfied with the existing internal control system. The results of the audit, as appears from the evidence that can be examined, did not appear to have a practice that was illegal or against the rules in any ways. Mistaken practices are not significant. The internal audit unit has informed the management department and the relevant authorities and already solved the issues.



Shareholders Structure

As of 31 December 2019, the company has a registered capital of 1,637,500,005 baht with 1,637,500,005 baht paid up capital, divided into

1. a common shares per value Baht 1.25 totaling 1,637,500,000 baht with paid up capital 1,310,000,000 share.
2. a preferred shares per value Baht 1.25 totaling 4 shares (in the form of unaccumulated dividend right at the rate 3 percent per annum, the Company shall firstly pay dividend only when the Company earn profits after provisioning for legal reserves and other required reserves and there is no accumulated loss)

	Name of shareholders (as of 2 April 2019)	Number of shares (Par 1.25 baht)	Percent
1	Mr. Kampol Tatiyakawee	80,000,000	6.11%
2	Mr. Chavalit Satetametekul	80,000,000	6.11%
3	Mr. Vivat Vithoontien	62,363,300	4.76%
4	Mr. Pisuit Dechakaisaya	60,020,000	4.58%
5	Ms. Kanokwan Lekvijit	59,932,400	4.57%
6	Mr. Art Thongtang	36,945,300	2.82%
7	Mr. It-ti Thongtang	36,945,300	2.82%
8	Ms. Viorn Thongtang	36,945,300	2.82%
9	Mr. Atikun Thongtang	36,945,300	2.82%
10	Mr. Santi Saitsawat	29,752,039	2.27%
	Total	519,848,939	39.68%

- ***The dividend payment policy***

The Company has the policy to pay its dividend to the shareholders not more than 50 percent after corporate income tax and appropriation to legal reserve. However, the Board of directors may consider to adjust the dividend payment pending on liquidity requirement, cash flow requirement for expansion and investment and other requirement in the future.



Board of Directors



(Mr. Pinit Wuthipand)

Chairman of the Board /
Chairman of Audit Committee



(Mr. Yanyong Siripun)

Chairman of the Nomination and
Remuneration Committee



(Mr. Kannanat Boonsunanondha)

Chief executive officer



(Mrs. Rachaneekorn Chintakanon)

Chairman of the Executive Board



(Mr. Piphat Inphongphant)

Audit Committee Member



(Mrs. Supanut Pongserm)

Audit Committee Member



(Mr. Issarachai Decharit)

Director



Management Structure

The Board of Directors as of 31 December 2019 consists of

- | | | | |
|-----|-------------------------------|-------------------------|---|
| 1. | Mr. Pinit Wuthipand | Chairman of the Board | Independent Director
(Term of office from 28 April 2017 until the 2020 Annual General Meeting of Shareholders) |
| 2. | Mrs. Supanut Pongserm | Director | Independent Director
(Term of office from 28 April 2017 until the 2020 Annual General Meeting of Shareholders) |
| 3. | Mr. Piphat Inphongphant | Director | Independent Director
(Term of office from 30 April 2018 until the 2021 Annual General Meeting of Shareholders) |
| 4. | Mrs. Rachaneekorn Chintakanon | Director | Executive Director
(Term of office from 28 April 2017 until the 2020 Annual General Meeting of Shareholders) |
| 5. | Mr. Yanyong Siripun | Director | Independent Director
(Term of office from 30 April 2019 until the 2022 Annual General Meeting of Shareholders) |
| 6. | Mr.Issarachai Decharit | Director | Executive Director
(To be appointed since 19 December 2019 replaces Mr.Wisait Panutat, who passed away, Term of office is until the 2022 Annual General Meeting of Shareholders) |
| 7. | Mr.Kannanat Boonsunanondha | Chief Executive Officer | Executive Director
(To be appointed since 4 November 2019 replaces Mr.Vivat Vithoontien, Term of office is until the 2022 Annual General Meeting of Shareholders) |
| 8. | Mr. Jitkasem Sangsingkeo | Director | Director
(Resigned 1 July 2019) |
| 9. | Mr. Vivat Vithoontien | Chief Executive Officer | Executive Director
(Resigned 4 November 2019) |
| 10. | Mr. Wisait Panutat | Chairman of the Board | Executive Director
(Passed away 24 November 2019) |

Authorized Directors

As of 31 December 2019, Directors authorized to sign in binding the company consist of Mrs. Rachaneekorn Chintakanon, Mr.Kannanat Boonsunanondha and Mr.Issarachai Decharit. Any two out of these three Directors shall commonly sign and affix the company common seal.

Board of Directors' Meetings

According to the Company's regulations requires that the Board meeting must consist of directors not less than a half of all. In the past year, all meeting constitute a quorum every time. The Board of Directors' meeting is held not less than 4 times a year in accordance with the Public Limited Companies Act.

All the Board meeting of the Company, directors will receive meeting documents in advance which they have the opportunity to study various information before the meeting. The documents will presented in a clear format and content. Senior management, non-director, which related to the matter, will be invited to attend the meeting to provide more detailed information. In order to prevent the conflict of interest and to ensure transparency for all parties, director who has an interest in any matter will be no voting in that matter.

In 2019, ended 31 December 2019, The Company had 24 total meeting, detail as follows:

Director's Name	Position	Attend / Total Meeting (Times)				
		Board of Director	Executive Committee	Audit Committee	Risk Management Committee	Nomination & Remuneration Committee
1. Mr. Pinit Wuthipand	Chairman of the Board / Chairman of Audit Committee / Independent Director	14 / 14	-	5 / 5	1 / 1	-
2. Mrs. Supanut Pongserm	Audit Committee member / Independent Director	14 / 14	-	5 / 5	-	-
3. Mr. Piphat Inphongphant	Audit Committee member / Independent Director	14 / 14	-	5 / 5	-	-
4. Mrs. Rachaneekorn Chintakanon	Director	14 / 14	2 / 2	-	1 / 1	2 / 2
5. Mr. Yanyong Siripun	Independent Director	12 / 14	-	-	-	1 / 1
6. Mr. Issarachai Decharit (appointed 19 December 2019)	Director	-	-	-	-	-
7. Mr. Kannanat Boonsunanondha	Chief Executive Officer	7 / 7	1 / 1	-	-	-
8. Mr. Jitkasem Sangsingkeo (resigned 1 July 2019)	Director	7 / 7	-	-	-	-
9. Mr. Vivat Vithoontien (resigned 4 November 2019)	Chief Executive Officer	8 / 11	1 / 1	-	-	1 / 2
10. Mr. Wisait Panutat (passed away 24 November 2019)	Chairman of the Board	10 / 12	1 / 1	-	-	2 / 2

For all meetings, minutes will be taken and kept, after approved by the directors, for future reference by the directors and relevant parties.

Executive as of 31 December 2019 consists of

No.	Name of executive	Position
1	Mr. Kannanat Boonsunanondha (appointed 4 November 2019)	Chief Executive Officer / Acting Chief Finance Officer (Last Position is Managing Director)
2	Ms. Apinya Borivachanon	Senior Vice President, Supporting (Finance Dept., HR Dept. and Admin Dept.)
3	Mr. Pornsak Kiranasopon	Senior Vice President, Debt management Dept.
4	Mr. Kajohnpong Wiwidhawon	Senior Vice President, Legal Dept.
5	Mr. Visarut Angpairoj	Vice President, Accounting Dept.

Remarks ! Executive definition by the Office of the Securities and Exchange Commission.

Company Secretary, who bears the highest responsibility for accounting and financial work and monitors and supervises accounting preparation

1. Company Secretary

The Board of Directors appointed Ms. Apinya Borivachanon to be the company secretary. The duties and responsibilities as identified on the Securities and Exchange Act (no.4) B.E.2551 section 89/1, to oversee the Board of Directors' meeting, shareholders meeting, and various activities of the Board, provide recommendation to the directors regarding the rules and regulations of the Company, and monitor the compliance according to such requirements.

Ms. Apinya Borivachanon has certificate DAP from IOD in 2004, CSP No.17/2006, EMT No.11/2008 (details of her profile appear on Attachment 1)

2. Highest responsibility for accounting

In 2019, Head of accounting is Ms. Rossukon Yamkasikorn, Senior Vice President, Accounting Department, who passed away on 26 November 2019. During recruitment, Mr. Kannanat Boonsunanondha, Chief Executive Officer acting Senior Vice President, accounting department since 27 November 2019 with the duties and responsibilities as follows:

1. Planning financial strategies to encourage internal and external growth as well as financing to accommodate growth linking with the Company's business expansion.
2. Controlling and managing infrastructure in terms of financial information and financial management of the Company to ensure that the Company's work operations are driven to achieve tasks and goals as planned.
3. Developing and managing financial tools to contribute to the analysis of the efficiency of work operations and analysis of business value.
4. Communicating the organization's significant financial information to enhance the understanding and trust of investors relating to stability and opportunities of the Company.

3. Supervises accounting preparation

Per the organization chart of the Company, there was appointment in the position of Assistant Vice President, Accounting Dept, Ms.Patchara Tipphawes, who has knowledge and understanding of the accounting system of the Company, with duties and responsibilities as follow:

1. Drawing up policies and plans on accounting and finance as well as determining the accounting and financial systems in line with the guidelines for the Company's work operations.
2. Overseeing preparation of accounts and inspecting close of accounts of the Company in each period to ensure that they are made properly and in accordance with the specified practices.
3. Overseeing and inspecting preparation of financial statements, balance sheet, income statement, and accounting reports.
4. Overseeing and inspecting income-expenditure of the Company.
5. Overseeing the Company's budgeting and inspecting to ensure that the budget is utilized properly and in accordance with the budget plan as specified.
6. Overseeing the preparation of relevant tax reports for submission to relevant government authorities.

Remuneration of Directors and Executive

The Company has the policy to pay remuneration for directors and executives, by taking into account appropriate remuneration in accordance with criteria on remuneration determination as follow:

Remuneration for Directors and Chief Executive officer

1. Remuneration shall be appropriate for and in line with the scope of duties and responsibilities of each director.
2. Remuneration for the directors and Chief Executive Officer is at the level which is appropriate and sufficient to attract as well as retaining knowledgeable and qualified directors to perform

- duties for the Company efficiently in order to lead the organization to accomplish the short-term and long-term goals
3. The elements of remuneration are clear, transparent and easy to understand.
 4. The remuneration shall be considered by the Nomination and Remuneration Committee to ensure that the remuneration is at the appropriate and competitive level and stays at the same level as that in the same sector which is adequate to retain the directors and the Chief Executive Officer who possess the qualifications in line with the goals in the business operations of the Company.

The 2019 Annual General Meeting of shareholders has the resolution to fix the remuneration of director not exceed than 3.0 million baht, and the Board of Directors has the resolution to fix the director's remuneration as proposed by the Nomination and Remuneration Committee detail as following:

	Chairman	Director
Remuneration (Per month)	15,000	10,000
Meeting Allowance (Per time)		
- The Board of Directors	14,000	8,000
- Executive Committee	14,000	10,000
- Audit Committee	24,000	18,000
- Remuneration and Compensation Committee	12,000	10,000
- Risk Management Committee	12,000	10,000

All of directors will receive the remuneration per month as above, meeting allowance will pay only for attendance director.

The directors' remuneration in 2019 is as following

Name	2018				2019			
	Remuneration	Meeting Allowance	Director Bonus	Total (baht)	Remuneration	Meeting Allowance	Director Bonus	Total (baht)
1. Mr. Pinit Wuthipand	120,000	194,000	-	314,000	125,000	248,000	-	373,000
2. Mrs. Supanut Pongserm	120,000	168,000	-	288,000	120,000	202,000	-	322,000
3. Mr. Piphat Inphongphant	120,000	152,000	-	272,000	120,000	202,000	-	322,000
4. Mrs. Rachaneekorn Chintakanon	120,000	126,000	-	246,000	120,000	166,000	-	286,000
5. Mr. Yanyong Siripun	120,000	88,000	-	208,000	120,000	106,000	-	226,000
6. Mr. Issarachai Decharit	-	-	-	-	5,000	-	-	5,000
7. Mr. Kannanat Boonsunanondha	-	-	-	-	60,000	66,000	-	126,000
8. Mr. Jitkasem Sangsingkeo ¹	45,000	32,000	-	77,000	60,000	56,000	-	116,000
9. Mr. Vivat Vithoontien ²	120,000	106,000	-	226,000	100,000	84,000	-	184,000
10. Mr. Wisait Panutat ³	142,500	145,000	-	287,500	165,000	178,000	-	343,000
11. Mr. Vijit Supinit	15,000	-	-	15,000	-	-	-	-
12. Mr. Chawalit Saleepol	70,000	64,000	-	134,000	-	-	-	-

Remark : 1. Mr. Jitkasem Sangsingkeo resigned on 1 July 2019

2. Mr. Vivat Vithoontien resigned on 4 November 2019

3. Mr. Wisait Panutat passed away on 24 November 2019

Remuneration for Executives

Remuneration for executives, excluding the Chief Executive Officer, shall be considered in accordance with the criteria and policy specified by the Board, corresponding to the Company's operational results and each executive's performance.

The remuneration of Company's executives as defined by the SEC in the form of salary, bonus, social security, provident fund and others benefit as following:

	2018	2019
Management (persons)	6 (one of them resigned)	4 (two of them resigned, one pass away and increase one)
Total Salary and Bonus (Baht)	17,091,328.00	11,146,060.00
Provident fund	482,565.00	360,891.00
Total remuneration	17,573,893.00	11,506,951.00

* Report of changes in securities holding of directors and executives as of 31 December 2019

No	Name	Position	No. of shares held as of 31 st Dec. 2019	No. of shares held as of 31 st Dec. 2018	Change in No. of shares held Increase (decrease)	% of shares held in the Company (%)
1	Mr. Pinit Wuthipand Spouse and minor child	Chairman /Chairman of Audit Committee	- -	- -	- -	- -
2	Mrs. Supanut Pongserm Spouse and minor child	Audit Committee Member	- -	- -	- -	- -
3	Mr. Piphat Inphongphant Spouse and minor child	Audit Committee Member	- -	- -	- -	- -
4	Mrs. Rachaneekorn Chintakanon Spouse and minor child	Chairman of the Executive Board	29,165,000 -	29,165,000 -	- -	2.23 -
5	Mr. Yanyong Siripun Spouse and minor child	Chairman of the Nomination and Remuneration Committee	- -	- -	- -	- -
6	Mr. Issarachai Decharit Spouse and minor child	Director	100 -	- -	- -	0.00 -
7	Mr. Kannanat Boonsunanondha Spouse and minor child	Chief Executive Officer	- -	- -	- -	- -
8	Mr. Jitkasem Sangsingkeo ¹ Spouse and minor child	Director	- -	- -	- -	- -
9	Mr. Vivat Vithoontien ² Spouse and minor child	Chief Executive Officer	62,363,300 -	62,363,300 -	- -	4.76 -
10	Mr. Wisait Panutat ³ Spouse and minor child	Chairman of the Board	- -	- -	- -	- -
11	Ms. Apinya Borivachanon Spouse and minor child	Chief Financial Officer, Senior Vice President / Company Secretary	- -	- -	- -	- -
12	Mr. Pornsak Kiranasopon Spouse and minor child	Senior Vice President, Debt Management Dept.	- -	- -	- -	- -
13	Mr. Kajohnpong Wiwidhawon Spouse and minor child	Senior Vice President, Law Dept.	- -	- -	- -	- -
14	Mr. Visarut Angpairoj Spouse and minor child	Vice President, Accounting Dept.	- -	- -	- -	- -

Remark : 1. Mr. Jitkasem Sangsingkeo resigned on 1 July 2019

2. Mr. Vivat Vithoontien resigned on 4 November 2019

3. Mr. Wisait Panutat passed away on 24 November 2019

In addition, the Company also report the changes in securities holding of directors and executives in the Board of Directors meeting every quarter.

Personnel

As of 31 December 2018, and 2019 there were 326 and 280 employees working with the Company respectively (not include 6, and 4 executive officers defined by the SEC respectively).

Department	Employees (Persons)	
	31 Dec 2018	31 Dec 2019
1.Wholesale Credit	2	2
2.Retail Credit / Personal Loan	9	10
3.Appraisal	5	5
4.Marketing and Branch Support	5	4
5.Law	6	5
6.Operation	12	11
7.Debt Management	28	27
8.Accounting	8	8
9.Finance	5	6
10.Admin	8	7
11.Human Resource	1	1
12.IT.	5	7
13.Internal Audit	1	-
14.Branch employees	231	187
Total	326	280

The Company paid remuneration for employees, such as salaries, overtime, bonus, social security and provident fund etc. Detail are as following:

	2018	2019
Salaries, overtime, bonus and others benefit.	94,837,864.00 baht	95,058,416.00 baht

Human resource development policy

The Company is committed to developing knowledge and skills of personnel continuously in order to improve the levels of productivity and office efficiency as well as ensuring that the employees would apply their potential, knowledge, and ability to the maximum effectiveness. The Company therefore recognizes the importance of human resource development which is considered a valuable resource and is the main factor driving the organization to achieve the objectives successfully. As a consequence, the Company has supported the internal training and external training with various institutions annually, covering all groups of employees in order to enhancing their skills and increasing the value of employees, aiming to retain existing knowledgeable and competent employees.

Compensation and Welfare Management

The Company has established a fair compensation policy with consideration of knowledge, ability, experience, potential and roles, responsibilities of employees. The types and amount of compensation would be comparable with those offered by peer companies in the same industry. The Company's compensation structure must, therefore, be equitable and consistent with the individual jobs or job elements, demand and supply of the labor market. The compensation includes salaries, bonuses, and

incentives, both fixed and variable. Moreover, the Company also has recognized the significance of providing various welfare benefits which are appropriate for employees, their living to ensure that employees work happily.

In furtherance of determining appropriate compensation levels, the Company has established clear and transparent process and applied the Performance Management method for analyzing and evaluating job performance of an employee to ensure the equity for all employees. The Company has evaluated the performance of the personnel once a year.

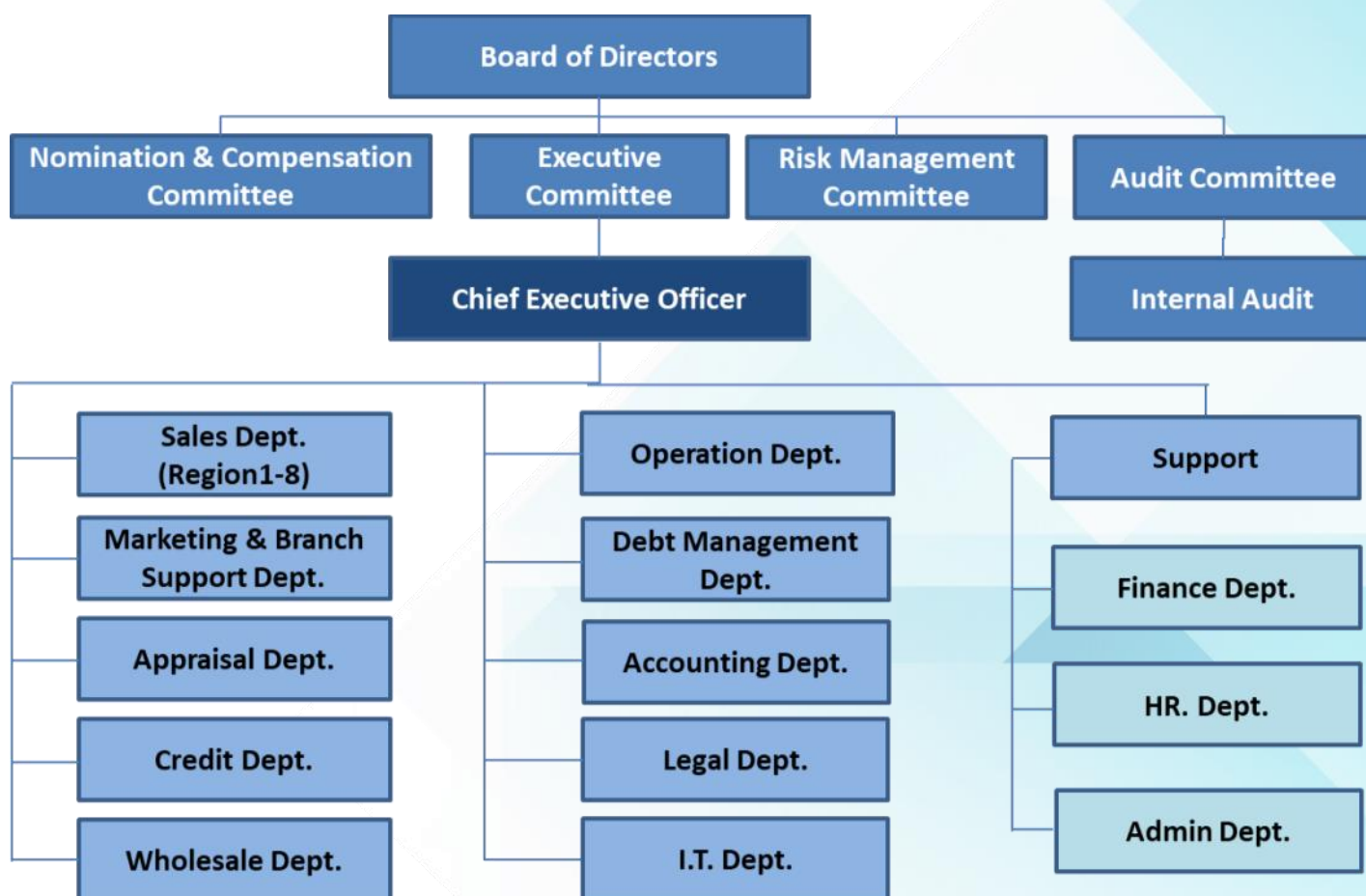
Employee Welfare

The Company has acknowledged the significance of enhancing and improving employees' quality of life, therefore the Company has provided various welfare benefits in the interest of bringing a sense of satisfaction and building morale, reaching the stability level in the organization together with the growing of the Company. As a consequence, the Company has then provided welfare benefits and basic benefits according to the law as well as other benefits provided for assisting the employees to minimize their cost of living as well as promoting the well-being of employees beneficial to the performance and the lives of employees. The Company also has publicized various benefits to all employees know their rights through employee handbook and internal online systems with the purpose of informing the employees their rights. The samples of welfare and benefits are as follows:

- Employment-based group life insurance. The Company has provided employment-based group life insurance for all employees in favor of helping to support employees' financial wellness, building resources and maximizing stability of the employees' lives. Moreover, the aforementioned life insurance can be counted as a guarantee for the employees' lives which can minimize any impact might affect their families if something were to happen.
- Annual health check-ups. The Company has provided annual health check-ups which is a preventive measure in accordance with health care allowing the employees to examine risk factors or abnormalities for preventative planning and behavioral adjustment and minimizing the chance of health problems they might face in the future.
- Provident fund. The Company has established a provident fund which is an investment fund that is jointly established by the employer and employee to serve as a long term savings to support an employee upon retirement. It also represents job welfare benefits offered to the employee, the provident fund provided by the Company registered under the name of the Principal Life Cycle Provident Fund. Sources of money invested in the provident fund come from two sources, first, employee's contribution (portion by employee/member): the amount of money that the member contributes into the fund will be deducted from the monthly salary more than portion by employer but not exceed 15% of the salary each month, second, employer's contribution (portion by employer): the amount of money contributed by the employer each month at a rate 3% of the monthly salary.
- Employee welfare schemes for unexpected contingencies such as financial aid for the death of an employee or family member.
- Medical care program as outpatient. The employees pay for medical expenses then claiming for reimbursement by submitting the medical bills to the Company in order to get reimbursed. Terms depend on the fund scheme set by the Company.



Organization Chart





Board of Directors and Executive Officers

Mr. Pinit Wuthipand

Position	: Chairman of the Board / Chairman of Audit Committee / Independent Director
Age	: 73 years
Appointed Date	: 24 March 2004
Education	: B.A. in Account, Thammasat University Certified Public Accountant Certificate : DAP, DCP from Thai Institute of Directors (IOD)
% of shareholding	: - None -
Experiences	: 2013 – Present Chairman of Audit Committee / Independent director, News Network Corporation Plc. 2020 – Present Chairman of the Board / Independent director, SGF Capital Plc. 2011 – Present Chairman of Audit Committee / Independent director, SGF Capital Plc. 2003 – 2018 Internal Audit, Rungsit University. 2010 – 2011 Chairman of Audit Committee / Independent director, Paolo Medic Co.,Ltd. 2009 – 2011 Chairman of Audit Committee / Independent director, Health Network Co.,Ltd. 2004 – 2011 Audit Committee member / Independent director, Siam General Factoring Plc. 2009 – 2010 Examine and Evaluation Subcommittee, Software Industry Promotion Agency

Mr. Piphat Inphongphant

Position	: Audit Committee Member / Independent Director
Age	: 62 years
Appointed Date	: 6 September 2010
Education	: Barrister-at-law, The Thai Barrister in 1981 LLB. in 1980. Certificate : DAP from Thai Institute of Directors (IOD)
% of shareholding	: - None -
Experiences	: 2011 – Present Audit Committee Member, SGF Capital Plc. 2005 – 2011 Director, Didomon Group Plc. 2005 – 2011 Director, Thai Doctor Center Plc. 2010 – 2011 Director, Siam General Factoring Plc.

Mrs. Supanut Pongserm

Position	: Audit Committee Member / Independent Director
Age	: 59 years
Appointed Date	: 24 March 2004
Education	: Barrister-at-law, The Thai Barrister LLB., Thammasat University Certificate : DAP, DCP, CSP, FND from Thai Institute of Directors (IOD)
% of shareholding	: - None -
Experiences	: 2004 – Present Director, Office of the CEO and legal Department, Prasit Pattana Plc., Phyathai Hospital Group. 2004 – Present Audit Committee Member, SGF Capital Plc. 2007 – 2009 Director, Sriracha-nakorn Hospital Co.,Ltd.. 2005 – 2007 Director, Paolo Medic Co.,Ltd. 2003 – 2004 Director, Big Development Planner Co.,Ltd.

Mrs. Rachaneekorn Chintakanon

Position	: Chairman of the Executive Board / Director
Age	: 49 years
Appointed Date	: 3 August 2015
Education	: Master's degree in Business Administration (MBA) with a major in Finance San Francisco State University, CA, U.S.A Bachelor of Education with Specialization in Business (2nd Class Honors), Chulalongkorn University Certificate : DAP from Thai Institute of Directors (IOD)
% of shareholding	: 29,165,000 shares
Experiences	: 2019 – Present Chairman of the Executive Board, SGF Capital Plc. 2015 – 2019 Director, SGF Capital Plc. 2014 – 2015 Independent Director /Audit Committee Member, RPCG Plc. 2011 – 2013 Director, Solution Corner (1998) Plc. 2002 – 2003 Senior Assistant Vice President for Investment and Business Development Department, Asset Plus Securities Public Co.,Ltd. 2001 – 2002 Senior Assistant Vice President and MD Assistant Business Development Department, Bualuang Securities Co.,Ltd.

Mr. Yanyong Siripun

Position	: Chairman of the Nomination and Remuneration Committee / Independent Director
Age	: 74 years
Appointed Date	: 28 April 2016
Education	: Master of Law (LLM), Kieo University, Tokyo, Japan. Bachelor of Laws, Thammasat University Diploma of English Language and Administration Management of Canberra University, Australia.
% of shareholding	: - None -
Experiences	: 2019 – Present Chairman of the Nomination and Remuneration Committee / Independent Director, SGF Capital Plc. 2016 – 2019 Director / Independent Director, SGF Capital Plc. 2011 – 2012 Director, Paolo Medic Co., Ltd.

Mr. Issarachai Decharit

Position	: Director
Age	: 60 years
Appointed Date	: 19 December 2019
Education	: Bachelor Degree of Laws, Chulalongkorn University Thai bar Association, The Thai Bar under The Royal Patronage Certificate : DAP, AACP, RNG, ELP from Thai Institute of Directors (IOD)
% of shareholding	: 100 shares
Experiences	: 2019 – Present Director, SGF Capital Plc. 2013 – Present Director, Ichitan Group Plc. 2010 – 2015 Director, Global Service Center Co., Ltd. 2010 – 2013 Director, ACAP Asset Management Co., Ltd. 2006– 2015 Director, ACAP Consulting Co., Ltd. 2003– 2015 Director, ACAP Advisory Pcl. 2003– 2015 Director, ACAP Corporate Services Co., Ltd.

Mr. Kannanat Boonsunanondha

Position	: Chief Executive Officer / Director
Age	: 50 years
Appointed Date	: 4 November 2019
Education	: Master of Science in Administration, Boston, Massachusetts, U.S.A. B.A. in Business Administration, International Business and Management, the University of the Thai Chamber of Commerce, Bangkok
% of shareholding	: - None -
Experiences	: 2019 – Present Chief Executive Officer / Director , SGF Capital Plc. 2016 – 2019 Managing Director SGF Capital Plc. 2015 – 2016 Managing Director, Capital OK Co.,Ltd. and Global Service Center Co.,Ltd. 2004 – 2015 Head of Marketing & Sale Department, Capital OK Co.,Ltd. and Global Service Center Co.,Ltd.

Ms. Apinya Borivachanon

Position	: Chief Financial Officer, Senior Vice President, HR-Admin Dept. / Company Secretary
Age	: 50 years
Education	: B.B.A. Commerce (Hon.), Chulalongkorn University Certificate : DAP, CSP, EMT from Thai Institute of Directors (IOD)
% of shareholding	: - None -
Experiences	: 2020 – Present Chief Financial Officer SGF Capital Plc. 2008 – Present Company Secretary, SGF Capital Plc. 2017 – Present Senior Vice President HR Dept. and Admin Dept., SGF Capital Pl 2018 – 2020 Senior Vice President Finance Dept. 2008 – 2017 Senior Manager, M.I.S Dept, Admin Dept., Siam General Factoring Plc. 2004 – 2010 Director, Siam General Factoring Plc. 1997 – 2008 Manager, M.I.S. Department, Siam General Factoring Plc.

Mr. Pornsak Kiranasopon

Position	: Senior Vice President, Debt Management Department.
Age	: 60 years
Education	: Bachelor Degree of Law, Ramkhamhaeng University
% of shareholding	: - None -
Experiences	: 2017 – Present Senior Vice President, Debt Management Dept., SGF Capital Plc 2014 – 2017 Manager, Special Liabilities management 1 Dept., Thitikorn Plc. 2013 – 2014 Manager, Operation 1 Dept., Thitikorn Plc. 2010 – 2013 Manager, Region Special Liabilities management Dept., Thitikorn Plc. 2008 – 2010 Manager, Central Special Liabilities management Dept., Thitikorn Plc.

Mr. Kajohnpong Wiwidhawon

Position	: Senior Vice President, Law Department
Age	: 62 years
Education	: Bachelor Degree of Law, Ramkhamhaeng University
% of shareholding	: - None -
Experiences	: 2019 – Present Senior Vice President, Law Dept., SGF Capital Plc. 2017 – 2019 Assistant Vice President , Law Dept., SGF Capital Plc. 2004 – 2017 Manager and Lawyer., Somporn&Associates Co., Ltd. 1998 – 2004 Lawyer and Legal Consultant., Thai Glass Industries Plc.

Mr. Visarut Angpairoj

Position	: Vice President, Accounting Dept., SGF Capital Plc.
Age	: 51 years
Education	: Master's Degree in Accounting, Chulalongkorn University
% of shareholding	: - None -
Experiences	: 2019 – Present Vice President, Accounting Dept., SGF Capital Plc. 2015 – 2019 Manager, Accounting Dept, Thai Global Import Export Co.,Ltd



Related Parties and Connected Transactions

Enterprises and individuals that, directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is held 18.08% of shares by Thongtang family who is the majority shareholder.

The followings are relationships of the Company and related parties.

Name of entities	Country of incorporation/ nationality	Business	Nature of relationships
SGF Asset Management Company Limited	Thailand	Purchase or transfer of loan receivables	Subsidiary
SGF Service Management Company Limited	Thailand	Providing financial advice service	Subsidiary
WTH Holdings Company Limited	Thailand	Providing services related to building and place	Same shareholder
Wichaithongtang Law Office Company Limited	Thailand	Providing legal counsel	Same shareholder

The following transactions were carried out with related parties

a) Outstanding balances

	Consolidated financial statements		Separate financial statements	
	31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht
<u>Subsidiaries</u>				
SGF Asset Management Company Limited				
<u>Assets</u>				
Advance payment for company establishment	-	-	-	140,197
Advance payment others	-	-	-	128,801
<u>Liabilities</u>				
Accrued interest expenses	-	-	151,002	84,657
SGF Service Management Company Limited				

	Consolidated financial statements		Separate financial statements	
	31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht
<u>Assets</u>				
Advance payment for company establishment	-	-	-	6,400
Advance payment others	-	-	15,100	15,100
<u>Liabilities</u>				
Accrued interest expenses	-	-	6,040	3,485
SGF Capital (Nakhon Ratchasima Company Limited)				
<u>Assets</u>				
Advance payment for company establishment	-	-	-	28,830
Advance payment others	-	-	-	20,719
<u>Liabilities</u>				
Accrued interest expenses	-	-	-	17,425
SGF Capital (Chiangmai) Company Limited				
<u>Assets</u>				
Advance payment for company establishment	-	-	-	29,005
Advance payment others	-	-	-	21,158
<u>Liabilities</u>				
Accrued interest expenses	-	-	-	17,918
SGF Capital (Chonburi) Company Limited				
<u>Assets</u>				
Advance payment for company establishment	-	-	-	29,005
Advance payment others	-	-	-	20,719
<u>Liabilities</u>				
Accrued interest expenses	-	-	-	18,082

b) Borrowings from subsidiaries

	Consolidated financial statements		Separate financial statements	
	31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht
<u>Borrowing from:</u>				
SGF Asset Management Company Limited	-	-	25,000,000	25,000,000
SGF Service Management Company Limited	-	-	1,000,000	1,000,000
SGF Capital (Nakhon Ratchasima) Company Limited	-	-	-	5,000,000
SGF Capital (Chiangmai) Company Limited	-	-	-	5,000,000
SGF Capital (Chonburi) Company Limited	-	-	-	5,000,000
Total	-	-	26,000,000	41,000,000

The loans from subsidiaries were provided interest rate 1.2% annually, and there were repayment at call.

c) Expenses to related parties

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<u>Interest expenses to:</u>				
SGF Asset Management Company Limited	-	-	299,769	84,657
SGF Service Management Company Limited	-	-	11,990	3,485
SGF Capital (Nakhon Ratchasima) Company Limited	-	-	-	17,425
SGF Capital (Chiangmai) Company Limited	-	-	-	17,918
SGF Capital (Chonburi) Company Limited	-	-	-	18,082

For the year ended 31 December		Consolidated and Separate financial statements	
		2019 Baht	2018 Baht
Pricing policies			
<u>Same shareholder companies</u> Wichaithongtang law office Co., Ltd. Legal advisor fees			
	Agreed price, as discussed on the agreement	600,000	600,000
WTH Holding Limited Building rental and expenses			
	Agreed price, as discussed on the agreement	1,767,000	1,701,000
Service expenses			
	Agreed price, as discussed on the agreement	1,210,800	1,184,400

d) Remuneration of Directors and Executives

Remuneration of Directors and Executives for the Group for the year ended 31 December 2019 and 2018 are as follows:

For the year ended 31 December		Consolidated and Separate financial statements	
		2019 Baht	2018 Baht
Short-term benefits			
- Directors remuneration		2,303,000	2,067,500
- Management remuneration		11,506,951	17,573,893
Post-employment benefits		200,671	1,175,166
Total		14,010,622	20,816,559

Necessities and reasons of transactions

For transactions between the company and related companies, we apply the criteria of credit line, interest rate and important conditions accordance with the credit standards approval which are also applied to other customers in general by presenting a process to determine the size of credit line, the related person had to declare the fact to the meeting and did not involve in consideration of such matter.

The audit committee was of the opinion regarding the above transaction that it was a normal credit approval, like for other customers. The legal advisor expenses are less than the others company legal advisor, therefore, the audit committee had no observations in this matter.

Future transaction measures

We developed the criteria for related transactions in the future. The related transactions shall require the approval from the credit committee, board of management or board of directors, as the case may be, and the audit committee shall express the opinion on such related transactions.



Management Discussion and Analysis

Y2019 Executive Summary: Statement of Comprehensive Income

- Total revenue amount 342.3 million baht, 29% decreased YoY from 483.8 million baht (2018). Change in revenue arises from
 - Growth in interest received from retail finance business: interest received 303.6 million baht or 82% growth from hire purchase business and car for cash.
 - Fee and service income is 14.6 million baht or 8% growth.
 - Revenue from SME business, total revenue of 20.7 million baht (-93%). Mainly from credit policy that do not provide credit for SME loans in 2019 and NPL debt repayment of 230.4 million baht in 2018.

However, if excluding special items from NPL debt collection in 2018, the company had total revenue increased by 88.9 million baht, representing an increase of 35%

- Retail Hire Purchase new loan booking in 2019 is 904.2 million baht, decreased from 2018 which is 973.3 million baht (-7%) since the company is strict in screening quality customers and controlling its NPL in the same time.
- Total Revenue is as following:

Unit : Thousand baht	Y 2018	Y 2019	change	change %
SME Business				
Factoring	237,398.4	476.8	(236,921.6)	-100%
Loan (SME)	48,072.1	20,228.5	(27,843.6)	-58%
Total	285,470.5	20,705.3	(264,765.2)	-93%
Retail Business				
Personal loan	1,232.3	703.1	(529.2)	-43%
Purchase of Receivables	7,167.1	1,077.8	(6,089.3)	-85%
Hire Purchase	158,397.7	301,747.4	143,349.7	90%
Car for cash	-	127.6	127.6	n.a.
Total	166,797.0	303,655.9	136,858.9	82%
Credit Interest income	452,267.6	324,361.2	(127,906.4)	-28%
Fee and Service Income (mostly from retail business)	13,471.8	14,569.5	1,097.7	8%
Other interest income	220.1	531.2	311.1	141%
Other income	17,823.1	2,837.1	(14,986.0)	-84%

- SG&A 182.8 million baht, decreased 6% from 195.6 million baht (2018) due to 1) the number of employees decreased from 332 employees in 2018 to 284 employees in 2019 and 2) Tax expenses that decreased from special items from debt collection in 2018. SG&A in 2019 began stable because the company has policy to continuously control costs.
- Directors and management remuneration amounting to 13.8 million baht, decrease 5.8 million baht or 30% from 2018 which amounted to 19.6 million baht.
- Bad debts and doubtful account 50.1 million baht, increased 1.6% from 2018 which equal 49.3 million baht, details as follow:
 - The Company booked reversal of allowance for doubtful accounts for loans in the amount of 83 million baht in Q2/2019 but the company has to set up additional allowance of 29.3 million baht after the court has dismissed the case because the loan agreement is not yet due including not allowing interest to be charged to the debtor. Therefore, the company has set up full allowance for

doubtful debt for this receivable. However, the court does not exclude the right of the company to sue when it is due.

- The Company booked allowance for doubtful accounts for retail business of 52.1 million baht, increased 8.9 million baht from 2018.
- Finance cost 40.5 million baht, increased 478% from 2018 which equal 7 million baht because the Company apply loan and debenture to expand credit.
- The Company booked income tax 1.0 million baht, decreased from 2018 which equal 18.9 million baht.
- The Company had net profit before tax 56.6 million baht, decreased 72% from 2018 which amounted to 205.5 million baht due to special NPL debt repayment 230.4 million baht in 2018. The Company had net profit 55.6 million baht, decreased 70% from 2018 which amounted to 186.6 million baht.

2019 Executive Summary: Statement of Financial Position

Unit : Million baht	Q 1/2019	% Asset	Q 2/2019	% Asset	Q 3/2019	% Asset	Q 4/2019	% Asset
Cash/Short term investment	140.8	6.5%	367.1	15.3%	283.2	11.9%	191.8	8.2%
Receivable	1,909.7	87.6%	1,920.7	80.1%	1,953.3	82.0%	2,012.4	85.7%
Loan (SME)	625.0	28.7%	467.6	19.5%	444.1	18.6%	395.2	16.8%
Hire Purchase (Retail)	1,278.5	58.7%	1,446.5	60.3%	1,502.2	63.0%	1,599.1	68.1%
Purchase of receivable (Retail)	0.3	0.0%	0.9	0.0%	0.1	0.0%	0.1	0.0%
Car for cash	-	0.0%	-	0.0%	1.6	0.1%	2.7	0.1%
Factoring	3.2	0.1%	3.2	0.1%	3.2	0.1%	13.2	0.6%
Personal loan	2.8	0.1%	2.6	0.1%	2.2	0.1%	2.2	0.1%
PP&E	37.2	1.7%	36.2	1.5%	34.4	1.4%	32.1	1.4%
Deferred Tax asset	30.7	1.4%	10.4	0.4%	23.9	1.0%	28.1	1.2%
Others	61.4	2.8%	64.4	2.7%	87.7	3.7%	83.0	3.5%
Total Assets	2,179.8		2,398.8		2,382.6		2,347.4	
Total Liabilities	453.1	20.8%	597.5	24.9%	573.7	24.1%	568.4	24.2%
Total shareholder equity	1,726.7	79.2%	1,800.5	75.1%	1,808.9	75.9%	1,779.0	75.8%

- Hire Purchase (retail) receivable is 1,599.1 million baht, 40% growth from 454.7 million baht (2018) due to the retail business expansion and increased in agents.
- Car for cash loan is a new business that started in Q3/2019. The receivable amount is 2.7 million baht, which the company will continue to extend this type of loans.
- Loan (SME) receivable amounted to 395.2 million decreased 233.8 million baht from 2018, due to repayment
- Cash and short term investment 191.8 million baht slightly decreased from 2018 due to the company had cash from repayment and cash from debenture for retail finance business expansion.
- Total Liabilities 568.4 million baht (D/E ratio 0.32), mostly debt prepared for expanding retail finance business. Equity is 1,779.0 million baht increased by 55.7 million baht.

Retail Business

- The hire purchase business of the company has grown continuously. Currently, the company has 41 official branches and has more than 600 agents who support the company more consistently. The Company has policy to increase sales efficiency and debt collection in order to control NPL debt.
- In 2019 the company has employees 284 persons decreased from 332 persons in 2018, with 200 employees operated at our branches around Thailand and more than 1,100 agents (agent is not included in our payroll).
- Loan quality: The company focus on maintaining loan quality to have the lowest level of NPL, at the end of 2019 the company has loan pass due over 3 months equal to 4.1% of the portfolio (retail hire purchase only) and has current or less than 1 month overdue equal to 74.4% which is still considered the criteria set by the company.

Aging	Million bah	%
Current or less than 1 month over due	1,209.5	74.4%
1 to 3 month overdue	349.2	21.5%
3 to 6 month overdue	50.4	3.1%
6 to 12 month overdue	14.0	0.9%
More than 12 month overdue	1.5	0.1%
	1,624.6	

Financial Ratio

Financial Ratio	Unit	Yearly		
		31 Dec 2016	31 Dec 2017	31 Dec 2018
Liquidity Ratio				
Liquidity Ratio	Times	9.44	4.98	1.49
Profitability Ratio				
Gross Profit Margin	%	99.52%	98.50%	88.08%
Net Profit Margin	%	16.86%	40.05%	16.39%
Return on equity	%	2.14%	11.45%	3.18%
Return on Asset	%	2.06%	9.95%	2.48%
Financial Policy Analysis Ratio				
Debt to Equity Ratio	Times	0.05	0.24	0.32
Interest Coverage Ratio	Times	55.02	30.34	2.40
Asset Quality Ratio				
Allowance for doubtful account to total loan Ratio	%	33.73%	21.80%	11.13%
Bad debt to total loan Ratio	%	1.69%	2.17%	2.22%

The financial Statement ended 31 December 2019, the company has the gross profit margin and net profit margin as 88.08% and 16.39% orderly, which is less than 2018. The gross profit margin decreased because in 2019 the Company started to have loans from financial institution and issued debenture causing financial costs increased. The liquidity ratio is 1.49 times decrease from 2018 which equal 4.98 times, because in 2019, current liabilities increases from loan. Debt to equity ratio in 2019 is 0.32 times increase from 2018 which equal 0.24 times.

Unit : Million Baht

Activities	2016	2017	2018	2019
Cash and cash equivalents at beginning of year	57.37	23.86	28.36	62.79
Net cash provided by (used in) operating activities	(293.98)	(330.41)	(331.81)	(197.46)
Net cash provided by (used in) investing activities	267.11	340.35	34.66	3.84
Net cash provided by (used in) financing activities	(6.65)	(5.43)	331.57	170.29
Cash and cash equivalents at end of year	23.86	28.36	62.80	39.46

In 2019, there is a cash flow spent in operation activities 197.46 million baht due to credit expansion, and there is a cash flow from financing activities because the Company has issued the debenture for funding.

Share Capital

At 31 December 2019, the Company total equity is 1,779.02 million baht, increased 55.76 million baht from net profit. The company had retaining earning 129.48 million baht, increased 52.85 million baht from 2018, and legal reserve 12.09 million baht, increased 2.77 million baht from 2018.



Responsibilities of the Board of Directors for Financial Report

The Board recognizes its duties and responsibility for directing a listed company, particularly the responsibility for financial statements of the Company and its subsidiaries – including financial information that appears in the annual report of 2019. Such statements have been prepared under generally accepted accounting standards, which regularly complies with a suitable accounting policies. There are accounting information that is accurate, complete, sufficiently transparent, adequate significant information has been disclosed in the disclosed in the notes to these financial statements, audited and unqualified opinion from independent auditor. The financial statements therefore reflect the financial status, income and expenses, true cash flow of the Company.

The Audit Committee, acting on behalf of the Board, has been assigned responsibility for the quality of financial report and internal control system, and its opinion duty appear in its own report found in the publication.

It is our view that the Company's overall internal control system is satisfactory and can reasonably ensure that the financial statements of the Company and its subsidiaries for the year ended 31 December 2019, showed accurate financial report, accordance with financial reporting standards, law and regulations.

Mr. Pinit Wuthipand
Chairman of the Board

Mr. Kannanat Boonsunanondha
Chief Executive Officer



Audit Committee's Report

The Audit Committee of SGF Capital Public Company Limited has been appointed from Board of Directors. The Audit Committee has comprised 3 independent directors as follow:

Audit Committee Member	Position
Mr. Pinit Wuthipand	Chairman of Audit Committee
Mrs. Supanut Pongserm	Audit Committee Member
Mr. Piphat Inphongphant	Audit Committee Member

Ms. Nattiya Saiting, Assistant Vice President, Internal Audit Department be secretary of the meeting, and notes meeting report.

The Audit Committee has performed the duties which delegated by the Board of Directors in accordance with Securities and Exchange Act, announcement of the Stock Exchange of Thailand which specified in the charter of the company's committee.

In 2019, the Audit Committee held the meeting; 5 times totally, with management team, internal control team, and auditor on the agenda. There is the summary meeting report which proposed to Board of Directors for acknowledgement in every time of meeting. One of the meetings was held exclusively for auditor, without management team. We can summarize substantial affair during the past year as follow:

1. Financial Reports

The Audit Committee has reviewed preparation of quarterly financial statements and the company's annual financial statements, the company's consolidated financial statement, and the company's subsidiary with auditor, management team, and internal control team. Auditor gives unqualified opinion to the company's financial report because of adequate information disclosure, timeliness, advantage for user of the company's financial report. Auditor also provides the suggestion, and the helpful opinion for accurate; and reliable of the company's financial statement, and ensures that financial information is in accordance with the law and accounting standards.

2. Internal Control System and Internal Audit

The Audit Committee has reviewed adequacy of the internal control system and the risk management of the company and the company's subsidiary by considering operations, property care, prevention of mistakes, damages or corruption, including compliance with laws and regulations, and review of reports of internal audit and the auditor, as well as results of critical issue improvement to assess appropriateness, effectiveness of the internal control system and the risk management of the company, the management department's compliance with policy and the authorized power defined.

3. Compliance

The Audit Committee has reviewed the company's operations in accordance with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and the law related to the business of the company; and acknowledged changes of the rules affecting the business of the company.

4. Risk Management

The Audit Committee has recognized the importance of risk management as it is considered an essential factor of business operations. Admittedly, changes of external factors, for example, economic slowdown, political uncertainty, and social chaos, can cause a direct impact to the Company. Hence, it is significant for the Company to develop effective policies to minimize risks and pave the way for sustainable growth.

5. Connected Transactions or Potential Conflict of Interest

In 2019, the Audit Committee had reviewed the connected transactions of the company. Normal business transactions or conditional transactions of the company have been formally approved by the Board of Directors. For other transactions, the Audit Committee has considered that the transactions were necessary and reasonably; and provided the maximum benefit to the company. The company has disclosed the information as prescribed in the note to financial statements.

6. Selection of Auditors and Remuneration

The Audit Committee has selected and considered remuneration of the auditor company in 2019, PricewaterhouseCoopers ABAS Co., Ltd., based on of the auditor's qualifications, knowledge, ability, experience, and independence as requiring by the SET, including each proposed audit fee.

Therefore, PricewaterhouseCoopers ABAS Co., Ltd. should be appointed as the company's auditor. It has been approved by the Board of Directors and by the shareholders meeting to appoint PricewaterhouseCoopers ABAS Co., Ltd. as the company's auditor at the Annual General Meeting of Shareholders of 2019 and determined the annual audit fee of 2,800,000.00 baht (Two million and eight hundred thousand baht only) in 2019.

List of auditors are as following:

Auditor Name	CPA No.	The person who audited the Company's financial statement
Mr. Boonlert Kamolchanokkul	5339	signature
Mr. Paiboon Tunkul	4298	-
Ms.Sakuna Yamsakul	4906	-

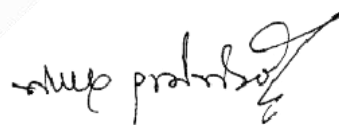
7. Corporate Governance

The Audit Committee has reviewed and evaluated corporate governance so that the company manages in accordance with the Principles of Good Corporate Governance of Listed Companies on the Stock Exchange of Thailand to build confidence and reliability to the stakeholders.

8. Self Assessment

The Audit Committee has self-assessed by comparing with good practices. Based on the results of the assessment in 2019, the Audit Committee performed its duties as specification in the Audit Committee Charter and performances consistent with the good practices of the Stock Exchange of Thailand. This has contributed to strengthen good corporate governance effectively.

The Audit Committee has performed its duty assigned from Board of Directors by using knowledge, ability, and carefulness for highest benefit of the company and all group of stakeholders. The Audit Committee expressed their opinion that in accounting period which ending at 31 December 2019, the company had fairness in preparing financial statement, abide by accounting standards, and disclose adequate information.



Mr. Pinit Wutipphan
Chairman of Audit Committee



Independent Auditor's Report

To the shareholders of SGF Capital Public Company Limited

My opinion

In my opinion, the consolidated financial statements of SGF Capital Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2019, and its consolidated and separate financial performance, and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: allowance for doubtful accounts of factoring, loans, hire purchase, and car for cash loan receivables. This matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Key audit matter	How my audit addressed the key audit matter
<p>Allowance for doubtful accounts of factoring, loans, hire purchase, and car for cash loan receivables</p> <p>Referring to Note 11 to the financial statements for factoring receivables, Note 12 to the financial statements for hire purchase receivables, Note 13 to financial statements for car for cash loan receivables, and Note 15 to the financial statements for loans receivables.</p> <p>1. Factoring receivables and loans contributed 0.13% and 17.69%, respectively, to the Group's total assets. These consisted of borrowers with high loan values.</p> <p>The Group set a full allowance for doubtful accounts after offsetting any collateral value when:</p> <ul style="list-style-type: none"> • receivables became overdue longer than the Group's policy period, or • when the Group determined borrowers couldn't repay their loans. <p>2. Hire purchase and car for cash loan receivables contributed 66.63% and 0.11%, respectively, to the Group's total assets and consisted of receivables with cars as collateral.</p> <p>The Group set an allowance for these doubtful accounts based on the outstanding receivables aging after netting off unearned interest income and the cars' value using the allowance rate of the Group's accounting policy.</p> <p>I focused on the allowance for doubtful accounts of factoring, loans, hire purchase, and car for cash loan receivables because they're material to the financial statements and required management's judgment and assumptions of collateral value which impacts to consideration for setting up allowance for doubtful accounts.</p>	<p>I understood the principle management used in considering the allowance and assessed the appropriateness of the principle against the business environment and against other companies in the same industry.</p> <p>I assessed the appropriateness of the collateral value:</p> <ul style="list-style-type: none"> • For the collateral values of loans and factoring receivables, I enquired and assessed the appropriateness of the independent valuer's method. I assessed the reliability of the independent valuers and sample tested to check the correctness of the collateral data against the supporting documents. • For the collateral values of hire purchase and car for cash loan receivables, I understood the management's method of collecting public data to represent the appraisal value of each car model. I also inspected samples of online offer prices to assess if the collateral values were reasonable. <p>I tested the accuracy of individual receivables aging against supporting documents, such as loan agreements, invoices and receipts.</p> <p>I recalculated the allowance for doubtful factoring receivables, loans, hire purchase receivables, and car for cash loan receivables.</p> <p>Overall, allowance for doubtful accounts on factoring receivables, loans, hire purchase receivables, and car for cash loan receivables was properly set up based on management's criteria and available evidences.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company'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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

PricewaterhouseCoopers ABAS Ltd.



Boonlert Kamolchanokkul

Certified Public Accountant (Thailand) No. 5339

Bangkok

24 February 2020

SGF Capital Public Company Limited
Statements of Financial Position
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	8	39,464,877	62,795,804	39,333,329	62,332,482
Current portion of restricted cash	9	10,000,000	-	10,000,000	-
Short term investments	10	152,343,293	160,550,788	152,343,293	160,550,788
Current portion of factoring receivables, net	11	-	-	-	-
Current portion of hire purchase receivables, net	12	289,591,019	199,408,531	289,591,019	199,408,531
Current portion of car for cash loans receivables, net	13	1,066,451	-	1,066,451	-
Current portion of personal loans receivables, net	14	1,293,289	3,033,777	1,293,289	3,033,777
Current portion of loans, net	15	10,995,461	267,127,653	10,995,461	267,127,653
Other current assets, net		17,591,569	12,751,992	17,605,085	13,191,911
Total Current assets		522,345,959	705,668,545	522,227,927	705,645,142

Director

Director

The accompanying notes on pages 15 to 56 are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Assets (Cont'd)					
Non-current assets					
Non-current portion of restricted cash	9	14,127,135	24,110,395	14,127,135	24,110,395
Factoring receivables, net	11	3,164,206	3,164,206	3,164,206	3,164,206
Hire purchase receivables, net	12	1,309,504,652	945,002,259	1,309,504,652	945,002,259
Car for cash receivables, net	13	1,610,365	-	1,610,365	-
Personal loans receivables, net	14	883,205	130,823	883,205	130,823
Loans, net	15	384,232,926	361,876,538	384,232,926	361,876,538
Investments in subsidiaries	16	-	-	25,999,200	40,997,700
Loan receivables from purchase of receivables, net		85,538	254,423	85,538	254,423
Investment property		118,500	118,500	118,500	118,500
Foreclosed assets, net	17	35,982,107	16,879,101	35,982,107	16,879,101
Property, plant and equipment, net	18	32,069,849	39,265,037	32,069,849	39,265,037
Intangible assets, net	19	9,677,614	6,393,816	9,677,614	6,393,816
Deferred tax asset	20	28,099,265	29,064,761	28,099,265	29,064,761
Other non-current assets		5,526,456	4,153,404	5,526,456	4,153,404
Total non-current assets		1,825,081,818	1,430,413,263	1,851,081,018	1,471,410,963
Total assets		2,347,427,777	2,136,081,808	2,373,308,945	2,177,056,105

The accompanying notes on pages 15 to 56 are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term borrowings	21	-	74,748,148	-	74,748,148
Current portion of long-term borrowing due within one year, net	21	309,864,194	-	309,864,194	-
Borrowings from subsidiaries	21	-	-	26,000,000	41,000,000
Current portion of finance lease liabilities due within one year, net		1,519,581	1,015,939	1,519,581	1,015,939
Deposit payables	22	1,169,803	16,853,918	1,169,803	16,853,918
Accrued interest expenses		5,514,856	4,380,082	5,671,898	4,521,649
Other current liabilities	23	31,554,176	44,814,166	31,469,096	44,702,296
Total current liabilities		349,622,610	141,812,253	375,694,572	182,841,950
Non-current liabilities					
Long-term borrowings	21	207,832,255	261,185,507	207,832,255	261,185,507
Finance lease liabilities, net		2,518,937	4,544,828	2,518,937	4,544,828
Employee benefit obligations	24	8,432,084	5,272,933	8,432,084	5,272,933
Total non-current liabilities		218,783,276	271,003,268	218,783,276	271,003,268
Total liabilities		568,405,886	412,815,521	594,477,848	453,845,218

The accompanying notes on pages 15 to 56 are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
Preference shares, 4 shares					
at par value of Baht 1.25 each		5	5	5	5
Ordinary shares, 1,310,000,000 shares					
at par value Baht 1.25 each		1,637,500,000	1,637,500,000	1,637,500,000	1,637,500,000
Issued and paid-up share capital					
Preference shares, 4 shares					
paid-up of Baht 1.25 each		5	5	5	5
Ordinary shares, 1,310,000,000 shares					
paid-up at Baht 1.25 each		1,637,500,000	1,637,500,000	1,637,500,000	1,637,500,000
Retained earnings					
Appropriated					
Legal reserve	25	12,094,206	9,319,724	12,094,206	9,319,724
Unappropriated		129,479,223	76,628,672	129,288,429	76,573,272
Other components of equity		(51,543)	(182,114)	(51,543)	(182,114)
Total equity		1,779,021,891	1,723,266,287	1,778,831,097	1,723,210,887
Total liabilities and equity		2,347,427,777	2,136,081,808	2,373,308,945	2,177,056,105

The accompanying notes on pages 15 to 56 are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2019

		Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Notes					
Revenues					
Interest income	26	324,892,347	452,487,615	324,891,282	452,486,160
Fees and services income		14,569,487	13,471,780	14,569,487	13,471,780
Other income	27	2,837,089	17,823,062	2,906,284	17,477,075
Total revenues		342,298,923	483,782,457	342,367,053	483,435,015
Expenses					
Administrative expenses	29	182,794,763	195,612,955	182,723,423	195,380,660
Bad debts and doubtful debts expenses		50,123,584	49,336,409	50,123,584	49,336,409
Directors remuneration		2,303,000	2,067,500	2,303,000	2,067,500
Management remuneration	29	11,506,951	17,573,893	11,506,951	17,573,893
(Reversal on) other expense		(1,515,308)	6,704,650	(1,515,308)	6,704,650
Total expenses		245,212,990	271,295,407	245,141,650	271,063,112
Profit before finance cost and income tax expense		97,085,933	212,487,050	97,225,403	212,371,903
Finance costs	28	40,479,317	7,004,322	40,802,911	7,145,889
Profit before income tax expense		56,606,616	205,482,728	56,422,492	205,226,014
Income tax	30	981,583	18,859,806	932,853	18,831,534
Profit for the year		55,625,033	186,622,922	55,489,639	186,394,480

The accompanying notes on pages 15 to 56 are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Comprehensive Income (Cont'd)
For the year ended 31 December 2019

		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
	Note	Baht	Baht	Baht	Baht
Other comprehensive income					
for the period, net of tax					
Items that will not be reclassified to profit or loss					
Remeasurements of employee benefit obligations	24	163,214	(354,946)	163,214	(354,946)
Income tax on items that will not be reclassified to profit or loss		(32,643)	70,989	(32,643)	70,989
Total items that will not be reclassified to profit or loss		130,571	(283,957)	130,571	(283,957)
Total comprehensive income for the year		55,755,604	186,338,965	55,620,210	186,110,523
Net profit attributable to:					
Equity of the parent		55,625,033	186,622,922	55,489,639	186,394,480
Non-controlling interests		-	-	-	-
		55,625,033	186,622,922	55,489,639	186,394,480
Total comprehensive income attributable to:					
Equity of the parent		55,755,604	186,338,965	55,620,210	186,110,523
Non-controlling interests		-	-	-	-
		55,755,604	186,338,965	55,620,210	186,110,523
Earnings per share					
Basic earnings per share (Baht)	31	0.0425	0.1425	0.0424	0.1423

The accompanying notes on pages 15 to 56 are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2019

Consolidated financial statements									
Attributable to owners of the parent									
Notes	Share capital Baht	Discount on paid-up capital of ordinary shares Baht	Retained earnings (Deficits)			Other components of equity Baht	Total owners of the parent Baht	Non-controlling interests Baht	Total equity Baht
			Expired warrants Baht	Appropriated - legal reserve Baht	Unappropriated Baht				
Balances at 1 January 2019	1,637,500,005	-	-	9,319,724	76,628,672	(182,114)	1,723,266,287	-	1,723,266,287
Total comprehensive income for the year	-	-	-	-	55,625,033	130,571	55,755,604	-	55,755,604
Transfer to Appropriated retained earnings - legal reserve	25	-	-	2,774,482	(2,774,482)	-	-	-	-
Balances at 31 December 2019	<u>1,637,500,005</u>	<u>-</u>	<u>-</u>	<u>12,094,206</u>	<u>129,479,223</u>	<u>(51,543)</u>	<u>1,779,021,891</u>	<u>-</u>	<u>1,779,021,891</u>

Consolidated financial statements									
Attributable to owners of the parent									
	Share capital Baht	Discount on paid-up capital of ordinary shares Baht	Retained earnings (Deficits)			Other components of equity Baht	Total owners of the parent Baht	Non-controlling interests Baht	Total equity Baht
			Expired warrants Baht	Appropriated - legal reserve Baht	Unappropriated Baht				
Balances at 1 January 2018	6,550,000,020	(4,647,066,423)	49,572,422	-	(415,680,540)	101,843	1,536,927,322	-	1,536,927,322
Changed in ordinary shares	(4,912,500,000)	4,647,066,423	-	-	265,433,577	-	-	-	-
Changed in preference shares	(15)	-	-	-	15	-	-	-	-
Total comprehensive income for the year	-	-	-	-	186,622,922	(283,957)	186,338,965	-	186,338,965
Transfer to retained earnings (deficits)	-	-	(49,572,422)	-	49,572,422	-	-	-	-
Transfer to Appropriated retained earnings - legal reserve	25	-	-	9,319,724	(9,319,724)	-	-	-	-
Balances at 31 December 2018	<u>1,637,500,005</u>	<u>-</u>	<u>-</u>	<u>9,319,724</u>	<u>76,628,672</u>	<u>(182,114)</u>	<u>1,723,266,287</u>	<u>-</u>	<u>1,723,266,287</u>

The accompanying notes on pages 15 to 56 are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Changes in Equity (Cont'd)
For the year ended 31 December 2019

Separate financial statements							
Notes	Share capital Baht	Discount on paid-up capital of ordinary shares Baht	Expired warrants Baht	Retained earnings (Deficits)		Other components of equity Baht	Total equity Baht
				Appropriated - legal reserve Baht	Unappropriated Baht		
Balances at 1 January 2019	1,637,500,005	-	-	9,319,724	76,573,272	(182,114)	1,732,530,611
Total comprehensive income for the year	-	-	-	-	55,489,639	130,571	55,620,210
Transfer to Appropriated retained earnings - legal reserve	25	-	-	2,774,482	(2,774,482)	-	-
Balances at 31 December 2019	<u>1,637,500,005</u>	<u>-</u>	<u>-</u>	<u>12,094,206</u>	<u>129,288,429</u>	<u>(51,543)</u>	<u>1,788,150,821</u>

Separate financial statements							
	Share capital Baht	Discount on paid-up capital of ordinary shares Baht	Expired warrants Baht	Retained earnings (Deficits)		Other components of equity Baht	Total equity Baht
				Appropriated - legal reserve Baht	Unappropriated Baht		
Balances at 1 January 2018	6,550,000,020	(4,647,066,423)	49,572,422	-	(415,507,498)	101,843	1,537,100,364
Changed in ordinary shares	(4,912,500,000)	4,647,066,423	-	-	265,433,577	-	-
Changed in preference shares	(15)	-	-	-	15	-	-
Total comprehensive income for the year	-	-	-	-	186,394,480	(283,957)	186,110,523
Transfer to retained earnings (deficits)	-	-	(49,572,422)	-	49,572,422	-	-
Transfer to Appropriated retained earnings - legal reserve	25	-	-	9,319,724	(9,319,724)	-	-
Balances at 31 December 2018	<u>1,637,500,005</u>	<u>-</u>	<u>-</u>	<u>9,319,724</u>	<u>76,573,272</u>	<u>(182,114)</u>	<u>1,723,210,887</u>

The accompanying notes on pages 15 to 56 are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash flows from operating activities					
Profit before income tax		56,606,616	205,482,728	56,422,492	205,226,014
Adjustments to reconcile profit to net cash generated from (used in) operating activities					
Depreciation and amortisation	18, 19	8,649,253	8,140,434	8,649,253	8,140,434
Bad debts and doubtful accounts		50,123,584	49,336,409	50,123,584	49,336,409
(Reversal) Allowance for impairment of foreclosed assets		(3,742,289)	2,984,076	(3,742,289)	2,984,076
Fair value gain on trading investments	10, 27	(2,710,198)	(2,490,802)	(2,710,198)	(2,144,815)
(Gains) Losses from disposals of foreclosed assets		(1,515,308)	3,884,187	(1,515,308)	3,884,187
Gains from investment in subsidiaries		-	-	(69,633)	-
Gains from disposals of investment property	27	-	(5,612,601)	-	(5,612,601)
Gains from disposals of equipment	27	(80,790)	(291,809)	(80,790)	(291,809)
Gains on debt restructuring	27	-	(9,333,575)	-	(9,333,575)
Employee benefit expenses		3,360,371	2,981,343	3,360,371	2,981,343
Interest income		(324,892,347)	(452,487,615)	(324,891,282)	(452,486,160)
Finance costs		40,479,317	7,004,322	40,802,911	7,145,889
Loss from operations before changes in operating assets and liabilities		(173,721,791)	(190,402,903)	(173,650,889)	(190,170,608)
Decrease/(Increase) in operating assets					
Factoring receivables		50,014	159,339,804	50,014	159,339,804
Hire purchase receivables		(549,715,112)	(814,152,362)	(549,715,112)	(814,152,362)
Car for cash loans receivables		(2,650,305)	-	(2,650,305)	-
Personal loans receivables		678,124	1,729,772	678,124	1,729,772
Loans		263,113,356	96,077,147	263,113,356	96,077,147
Finance lease receivables		1	-	1	-
Other current assets		(4,761,067)	(5,269,285)	(4,334,664)	(5,475,766)
Loan receivables from purchase of receivables		96,373	2,829,526	96,373	2,829,526
Foreclosed assets		(13,845,409)	(17,963,483)	(13,845,409)	(17,963,483)
Other non-current assets		(2,373,052)	(1,554,886)	(2,373,052)	(1,554,886)
Increase/(decrease) in operating liabilities					
Deposit payables		(15,684,115)	(4,888,854)	(15,684,115)	(4,888,854)
Other current liabilities		(3,089,481)	14,955,442	(3,038,411)	14,900,871
Employee benefit obligations		(38,006)	(3,845,050)	(38,006)	(3,845,050)
Cash flows used in operating activities		(501,940,470)	(763,145,132)	(501,392,095)	(763,173,889)
Interest received		340,688,900	450,711,253	340,687,835	450,709,798
Interest paid		(28,390,941)	(4,216,118)	(28,699,060)	(4,216,118)
Income tax paid		(7,816,181)	(15,158,402)	(7,791,731)	(15,130,130)
Net cash used in operating activities		(197,458,692)	(331,808,399)	(197,195,051)	(331,810,339)

The accompanying notes on pages 15 to 56 are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2019

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Cash flows from investing activities				
Proceeds from disposals of short-term investments	10,917,693	57,597,209	10,917,693	16,177,682
Cash paid for investing in restricted cash	(16,740)	(23,110,395)	(16,740)	(23,110,395)
Proceeds from disposals of investment property	-	7,130,500	-	7,130,500
Cash paid for purchase of plant, property and equipment	(3,962,549)	(6,536,697)	(3,962,549)	(6,536,697)
Cash received from investment in subsidiaries	-	-	15,068,133	-
Proceeds from disposals of equipment	1,013,991	1,645,738	1,013,991	1,645,738
Cash paid for purchase of intangible assets	(4,111,573)	(2,061,417)	(4,111,573)	(2,061,417)
Net cash generated from investing activities	3,840,822	34,664,938	18,908,955	(6,754,589)
Cash flows from financing activities				
Cash paid for bank overdrafts	-	(231)	-	(231)
Cash received from borrowings from subsidiaries	-	-	-	41,000,000
Cash paid to borrowings from subsidiaries	-	-	(15,000,000)	-
Cash paid to short-term borrowings from other company	(75,000,000)	-	(75,000,000)	-
Cash received from Short-term borrowings from other company	-	73,976,376	-	73,976,376
Cash received from long-term borrowings from other company	284,390,995	-	284,390,995	-
Cash paid to long-term borrowings from other company	(37,581,803)	-	(37,581,803)	-
Cash received from debentures	-	259,805,121	-	259,805,121
Cash paid for finance lease	(1,522,249)	(2,205,914)	(1,522,249)	(2,205,914)
Net cash generated from financing activities	170,286,943	331,575,352	155,286,943	372,575,352
Net (decrease) increase in cash and cash equivalents	(23,330,927)	34,431,891	(22,999,153)	34,010,424
Cash and cash equivalents at the beginning of the year	62,795,804	28,363,913	62,332,482	28,322,058
Cash and cash equivalents at the end of the year	39,464,877	62,795,804	39,333,329	62,332,482
Non-cash items				
Account payables from purchase of property, plant and equipment	-	2,403,058	-	2,403,058

The accompanying notes on pages 15 to 56 are an integral part of these consolidated and separate financial statements.

1 General information

SGF Capital Public Company is a public company and is incorporated and resident in Thailand. The address of the Company's registered office is as follows:

The Company's head office

121 4th floor WTH Building, Vibhavadi Rangsit Road, Sam sen Nai, Payathai District, Bangkok 10400

The principal business operations of the Company and its subsidiaries (together "the Group") are providing short-term funds in the forms of factoring, loans, personal loans, leasing, and the management of non-performing assets purchased or transferred, including the collateral for those assets, either for management or for further disposal.

These consolidated and separate financial statements were authorised by the board of directors on 24 February 2020.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

Revenue from contracts with customer (TRFS 15) which is effective on or after 1 January 2019. The Group has established a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue is recognised when a performance obligation is satisfied, which could either be at a point in time or when the obligation is satisfied over time.

b) Thai Accounting Standard no.28 (revised 2018), Investments in associates and joint ventures

The amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

c) Thai Accounting Standard no.40 (revised 2018), Investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group.

a) Financial instruments

The new financial standards relate to financial instruments are:

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

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follows:

Classification and measurement:

- The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the company's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
- Equity instrument financial assets shall be measured at fair value through profit or loss. The company can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
- Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.

The concept of interest recognition for factoring, finance lease, hire purchase, car for cash loan, loan and personal loan will be changed to recognise at effective interest rate. In which, for hire purchase, car for cash loan and personal loan, there will be no longer reversal concept for accrued interest income on loan when its principal or interest payment has become over 3 installments past due which recognise interest income on cash basis. For factoring, finance lease and loan, there will be no longer reversal concept for accrued interest income on loan when its principal or interest payment has become over 6 months past due which recognise interest income on cash basis.

The recognition interest income on factoring, finance lease, hire purchase, car for cash loan, personal loan, loan and loan from purchase of receivables when its principal or interest payment has become over 3 months past due or stage 3 loan account under TFRS 9 will be recognise at effective interest rate of the carrying amount after impairment.

Impairment of financial assets:

The impairment requirements relating to the accounting for the Group's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. The Group always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the group measures impairment losses and applies the effective interest rate method. In which the a three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.

- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

Under the three-stage expected credit loss impairment model except for significant exposures in loans to customer, the impairment will be assessed by using collective approach model with forward looking information adjustment. The impairment of some significant exposures in loans to customer will be assessed by using individual assessment approach.

For trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components, they are permitted to measure by simplified approach for credit impaired consideration.

As a consequence, the method of impairment loss calculation will be changed from calculation in accordance to Group accounting policy to calculation by the Group's impairment model with taking effect of forward looking adjustment.

Transitional impact:

On 1 January 2020, the Group will apply modified retrospective approach. From the preliminary assessment, management expect that the major adjustment of opening balance of retained earnings will be affected on the following items:

Change in calculation of allowance for impairment of financial assets under the new standard requirement.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, *Leases* will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

c) Other new/amended standards

The new and amended financial reporting standards that will have significant impact on the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TAS 28	Investments in associates and joint ventures
TFRS 9	Financial instruments
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, *Financial instruments* before applying the loss allocation and impairment requirements in TAS 28, *Investments in associates and joint ventures*.

Amendment to TFRS 9, Financial instruments (prepayment features with negative compensation) - enabling entities to measure certain prepayable financial assets with negative compensation at amortised cost instead of fair value through profit or loss. These assets include some loan and debt securities. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

2.3 Group accounting - investments in subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost.

2.4 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (or the date of revaluation where items are re-measured).

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

2.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

2.6 Investments

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

Trading and available-for-sale investments

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

Held-to-maturity investments

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment.

General investments

General investments are carried at cost less impairment.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

2.7 Factoring receivables, finance lease receivables, hire purchase receivables, car for cash loan receivables, personal loan receivables, and loans

Factoring receivables, finance lease receivables, hire purchase receivables, car for cash loan receivables, personal loan receivables and loans would initially be recognised at an amount equal to the net investment in the contract. Subsequently, they are stated at net realisable value from the contract value net of unearned interest income and allowance for doubtful accounts.

Factoring receivables, finance lease receivables and loans, the Group sets up fully allowance for doubtful accounts from outstanding receivables, after netting unearned interest income and collateral value (if any) when the aging period of outstanding receivables are overdue more than 6 months or the Group recognise that there is no chance of debt collectability.

Personal loan receivables, the Group sets up fully allowance for doubtful accounts from outstanding receivables, after netting unearned interest income and collateral value (if any) when the aging period of outstanding receivables are overdue more than 3 months or the Group recognise that there is no chance of debt collectability.

Hire purchase receivables and car for cash loan receivables, the Group sets up fully allowance for doubtful accounts from outstanding receivables, after netting unearned interest income and collateral value (if any). The basis of allowance for doubtful is as follows:

Aging months	Percentage of allowance for doubtful accounts (%)
Current or overdue less than 30 days	1
Overdue between 31 days and 60 days	1
Overdue between 61 days and 90 days	2
Overdue between 91 days and 120 days	80
Overdue more than 121 days	100

Based on past experience, management made judgement to set additional allowance for doubtful accounts for uncollectible receivables.

2.8 Loan receivables from purchase of receivables

The Group acquired secured assets from credit facility companies. The Group has no rights to claim the repayment from the seller when the debts cannot be collected.

The loan receivables from purchase of receivables are classified as non-current assets unless management has expressed the intention of holding the loans for less than 12 months from the statement of financial position date, in which case they are included in current assets, except management has intention to sell the loans for financing cash in the operation, in which case they are included in current assets.

The loan receivables from purchase of receivables are presented at their acquisition cost less amortised costs using the effective interest rate less allowance for impairment (if any).

The Group recognised loss on impairment of loan receivables from purchase of receivables are when it anticipates discounted cash flows to the present values of receivables are lower than carrying value.

2.9 Investment property

Investment properties, principally freehold land, are held for long-term rental yields or for capital appreciation or both - amend as appropriate and are not occupied by the Group.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	20 years
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2.10 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group, capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20 years
Building improvement	10 years
Furniture, fixture and equipment	5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Intangible assets

Research expenditure is recognised as an expense as incurred.

Development expenditure is recognised as an asset when the Group can demonstrate all of the following:

- the expenditure attributable to its development can be measured reliably;
- the Group can demonstrate that it is technically, financially, commercially, and resourcefully feasible; and
- the Group intends to and has the ability to complete the development for the purpose of using or selling.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are amortised when the asset is ready to use by applying a straight-line - amend as appropriate method over the period of its expected benefit, not exceeding 10 years.

2.12 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

2.13 Leases

Leases - where the Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.14 Troubled debt restructuring where the Group/company is the creditor

The Group records assets or equities received in settlement of debts at the lower of the fair values of the assets or equities, less estimated selling expenses (if any), and the amount of investment in receivables (including accrued interest income).

Where the debt restructuring involves modification of the terms of receivables, the fair value of investment in receivables after restructuring is based on the net present value of the expected future cash flows, discounted by effective interest rate prevailing at the restructuring date.

Losses arising from restructuring, less recorded allowance for doubtful accounts, are recognised in profit or loss when incurred.

Legal fees and other direct costs incurred to affect the debt restructuring are expensed off.

2.15 Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.17 Employee benefits

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity / presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.19 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.20 Revenue recognition

The Group recognises revenues and expenses on an accrual basis.

a) Interest income from factoring, personal loan, loan, finance lease, hire purchase, and car for cash loan.

The Group records unearned interest income from factoring, personal loan, loan, finance lease hire purchase, and car for cash loan, and recognises interest income using the effective interest rate method.

Hire purchase, car for cash loan, and personal loan, recognition of interest income is discontinued hire purchase is overdue by more than 3 installments except when there is an indicator that the debtor may not be able to repay, the Group has to stop recognising interest income.

Factoring, loan and finance lease, recognition of interest income is discontinued when factoring, loan and finance lease are more than 6 months past due except when there is an indicator that the debtor may not be able to repay, the Group has to stop recognising interest income.

On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease for accounts receivable which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. Thus, recognition of interest income for personal loan, hire purchase and car for cash loan is discontinued when hire purchase, car for cash and loan receivables are more than 3 months past due except when there is an indicator that the debtor may not be able to repay, the Group has to stop recognising interest income.

b) Interest income from purchase of receivables

Interest income from purchase of receivables is recognised using effective interest rates method which is based on the expected future cash flows from collateral disposal or expected debt collection from receivables. When the receivables from purchase of receivables has already made full payment but the Group still has right to demand performance by debtor according to agreement, the Group will recognise such difference when payment is made by debtor as interest income in statement of comprehensive income

c) **Fee and service income**

Fee and service income are recognised when services have been rendered on an accrual basis.

d) **Other income**

Dividend income is recognised when the right to receive payment is established. Other income are recognised on an accrual basis.

2.21 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors those make strategic decisions.

3 Financial risk management

Financial risk factors

The Group exposes to a variety of financial risks: market risk (currency risk, fair value risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Operation risk management is carried out by management by identifying, evaluating and hedging the overall financial risks that is described in Note 32 to the financial statements.

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Allowance for doubtful accounts of factoring receivables, finance lease receivables, hire purchase receivables, car for cash loan receivables, personal loan receivables, and loan receivables.

The Group maintains an allowance for doubtful accounts to reflect impairment of factoring receivables, finance lease receivables, hire purchase receivables, car for cash loan receivables, personal loan receivables, and loan receivables. Management uses judgment in estimating the allowance for doubtful accounts by considering overdue period of receivables and type of collateral. The assessment is based on historical debt collection experiences, historical default, and future market trends.

Allowance for impairment of foreclosed assets and investment property

The Group assesses allowance for impairment of foreclosed assets and investment property when net realisable value falls below the book value. The management uses judgment to estimate impairment losses, taking into consideration the latest appraised value of assets, the type and nature of the assets, and the latest sales price of assets (if any). However, the use of different estimates and assumptions could affect the amounts of the allowance for impairment. Therefore, allowance for impairment may be adjusted in the future.

Useful life of intangible asset

The Group estimates the useful life of internally developed software to be at least 10 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than the determined life, depending on technical innovations.

Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 24.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

6 Fair value estimation

The following table presents the financial assets that are measured at fair value at 31 December 2019 and 2018.

		Consolidated and Separate financial statements			
		31 December 2019			
		Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Financial assets					
Trading securities (Note 10)		-	152,343,293	-	152,343,293
Total		-	152,343,293	-	152,343,293
		Consolidated and Separate financial statements			
		31 December 2018			
		Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Financial assets					
Trading securities (Note 10)		-	160,550,788	-	160,550,788
Total		-	160,550,788	-	160,550,788

The following table presents fair value of the Group's financial assets and liabilities that are not measured at fair value as at 31 December 2019 and 2018.

		Consolidated financial statements			
		31 December 2019			
		Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Assets					
Cash and cash equivalents		39,464,877	-	-	39,464,877
Factoring receivables, net		-	902,536	-	902,536
Hire purchase receivables, net		-	1,642,103,317	-	1,642,103,317
Car for cash receivables		-	1,974,297	-	1,974,297
Personal loans receivables, net		-	1,771,698	-	1,771,698
Loans, net		-	267,859,602	-	267,859,602
Restricted cash		24,127,135	-	-	24,127,135
Loan receivables from purchase of receivables, net		-	-	166,813	166,813
Total assets		63,592,012	1,914,611,450	166,813	1,978,370,275
Liabilities					
Finance lease liabilities, net		-	4,234,982	-	4,234,982
Deposit payables		-	1,169,803	-	1,169,803
Accrued interest expenses		-	5,514,856	-	5,514,856
Long-term borrowings		-	527,055,339	-	527,055,339
Total liabilities		-	537,974,980	-	537,974,980

Consolidated financial statements				
31 December 2018				
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Assets				
Cash and cash equivalents	62,795,804	-	-	62,795,804
Factoring receivables, net	-	1,529,920	-	1,529,920
Hire purchase receivables, net	-	1,215,451,073	-	1,215,451,073
Personal loans receivables, net	-	3,055,890	-	3,055,890
Loans, net	-	623,648,325	-	623,648,325
Restricted cash	24,110,395	-	-	24,110,395
Loan receivables from purchase of receivables, net	-	-	3,291,528	3,291,528
Total assets	86,906,199	1,843,685,208	3,291,528	1,933,882,935
Liabilities				
Short-term borrowings	-	75,183,750	-	75,183,750
Long-term borrowings	-	273,267,435	-	273,267,435
Finance lease liabilities, net	-	5,560,767	-	5,560,767
Deposit payables	-	16,853,918	-	16,853,918
Accrued interest expenses	-	4,380,082	-	4,380,082
Long-term borrowings	-	273,267,435	-	273,267,435
Total liabilities	-	375,245,952	-	375,245,952
Separate financial statements				
31 December 2019				
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Assets				
Cash and cash equivalents	39,333,329	-	-	39,333,329
Factoring receivables, net	-	902,536	-	902,536
Hire purchase receivables, net	-	1,642,103,317	-	1,642,103,317
Car for cash receivables, net	-	1,974,297	-	1,974,297
Personal loans receivables, net	-	1,771,698	-	1,771,698
Loans, net	-	267,859,602	-	267,859,602
Restricted cash	24,127,135	-	-	24,127,135
Loan receivables from purchase of receivables, net	-	-	166,813	166,813
Total assets	63,460,464	1,914,611,450	166,813	1,978,238,727
Liabilities				
Borrowings from subsidiaries	-	26,000,000	-	26,000,000
Finance lease liabilities, net	-	4,234,982	-	4,234,982
Deposit payables	-	1,169,803	-	1,169,803
Accrued interest expenses	-	5,671,898	-	5,671,898
Long-term borrowings from others	-	4,234,982	-	527,055,339
Total liabilities	-	564,132,022	-	564,132,022

Separate financial statements				
31 December 2018				
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Assets				
Cash and cash equivalents	62,332,482	-	-	62,332,482
Factoring receivables, net	-	1,529,920	-	1,529,920
Hire purchase receivables, net	-	1,215,451,073	-	1,215,451,073
Personal loans receivables, net	-	3,055,890	-	3,055,890
Loans, net	-	623,648,325	-	623,648,325
Restricted cash	24,110,395	-	-	24,110,395
Loan receivables from purchase of receivables, net	-	-	3,291,528	3,291,528
Total assets	86,442,877	1,843,685,208	3,291,528	1,933,419,613
Liabilities				
Short-term borrowings from others	-	75,183,750	-	75,183,750
Borrowings from subsidiaries	-	41,000,000	-	41,000,000
Long-term borrowings from others	-	273,267,435	-	273,267,435
Finance lease liabilities, net	-	5,560,767	-	5,560,767
Deposit payables	-	16,853,918	-	16,853,918
Accrued interest expenses	-	4,521,649	-	4,521,649
Long-term borrowings	-	273,267,435	-	273,267,435
Total liabilities	-	416,387,519	-	416,387,519

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the current bid price by reference to the Stock Exchange of Thailand.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

There were no transfers between levels 1 and 2 during the year.

a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include the following:

- The fair value of short-term investments is net assets value per share which was quoted by the Asset Management Company at the last business day of financial position date.
- The fair value of factoring receivables, hire purchase receivables, car for cash receivables, personal loan receivables, loans, and loan receivables from purchase of receivable are estimated future cash flows under agreements discounted by using the default market interest rate of 5 largest commercial banks as at financial statement date or estimated future cash flows from disposal of collateral in order that the recoverable amount is from disposal of collateral discounted by using the default market interest rate of 5 largest commercial banks.
- The fair value of financial assets and liabilities with short-term maturity and high liquidity, including short-term borrowings from subsidiaries, deposit payables and accrued interest expenses is their carrying amounts in the statements of financial position.
- The fair value of finance lease liabilities and borrowings are calculated by discounting cash outflows by using the market interest rate of MLR per annum from five 5 big commercial banks as at financial statement date.

c) Financial instruments in level 3

The fair value of loans to non-performing assets is calculated by estimating cash flows to be received from debtors or disposal of collateral in the future discounted at the default rate. The estimated cash flows to be received from debtors used significant unobservable inputs such that the Company classified the fair value measurement as Level 3 of fair value hierarchy

Group's valuation processes

The Group's finance department includes a team that performs the valuations of financial assets required for financial reporting purposes, including fair values. This team reports directly to the Managing Director of Retail Customers. Discussions of valuation processes and results are held between a team at least three times per quarter, in line with the Group's quarterly reporting dates.

The main level input used by the Group pertains to estimated future cash flow discounted by average default rate of 5 largest commercial banks and values of collateral discounted by market interest rate.

7 Segment information

The Group presents segment information by presenting business segment as the primary reporting format based on the type of business in determining business segment.

The main operation of the Group are financial service specifically purchase of account receivable, leasing and hire purchase and loan segment.

Income from business segment operation is from domestic customers.

The consolidated financial statement by segments for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements			
	Purchase of accounts receivable segment Baht'000	Leasing and hire purchase segment Baht'000	Loan segment Baht'000	Total Baht'000
As at 31 December 2019				
Asset				
Factoring receivables, net	-	-	3,164	3,164
Hire purchase receivable, net	-	1,599,096	-	1,599,096
Car for cash receivables, net	-	-	2,677	2,677
Personal loans receivables, net	-	-	2,176	2,176
Loans, net	-	-	395,228	395,228
Loan receivables from purchase of receivables, net	86	-	-	86
Foreclosed assets, net	-	27,670	8,312	35,982
Deferred tax asset	112	11,716	14,553	26,381
Other current assets	-	7,872	209	8,081
Other non-current assets	-	1,700	-	1,700
Non correlated assets allocation				272,857
Total assets				2,347,428
Liabilities				
Deposit payables	-	-	1,170	1,170
Accrued interest expenses	-	5,515	-	5,515
Long-term borrowings from others	-	517,696	-	517,696
Other current liabilities	2	11,609	206	11,817
Non correlated liabilities allocation				32,208
Total liabilities				568,406

Consolidated financial statements				
	Purchase of accounts receivable segment Baht'000	Leasing and hire purchase segment Baht'000	Loan segment Baht'000	Total Baht'000
As at 31 December 2018				
Asset				
Factoring receivables, net	-	-	3,164	3,164
Hire purchase receivable, net	-	1,144,411	-	1,144,411
Personal loans receivables, net	-	-	3,165	3,165
Loans, net	-	-	629,004	629,004
Loan receivables from purchase of receivables, net	254	-	-	254
Foreclosed assets, net	-	15,921	958	16,879
Deferred tax asset	85	4,356	23,524	27,965
Other current assets	101	5,554	149	5,804
Other non-current assets	-	1,000	-	1,000
Non correlated assets allocation				304,436
Total assets				2,136,082
Liabilities				
Short-term borrowings	-	74,748	-	74,748
Deposit payables	-	-	16,854	16,854
Accrued interest expenses	-	4,380	-	4,380
Long-term borrowings	-	261,186	-	261,186
Other current liabilities	15	12,433	1,376	13,824
Non correlated liabilities allocation				41,824
Total liabilities				412,816
Consolidated financial statements				
	Purchase of account receivable segment Baht'000	Leasing and hire purchase segment Baht'000	Loan segment Baht'000	Total Baht'000
As at 31 December 2019				
Revenues				
Interest income	1,078	301,747	21,536	324,361
Fees and services income	-	14,570	-	14,570
	1,078	316,317	21,536	338,931
Expenses				
Reversal on (Expense on) bad debts and doubtful accounts	(73)	(96,769)	46,718	(50,124)
Other expenses	-	1,516	-	1,516
Finance costs	-	(40,263)	-	(40,263)
	(73)	(135,516)	46,718	(88,871)
Unallocated income and expenses:				
Other interest income				531
Other income				2,837
Administrative expenses				(182,795)
Directors remuneration				(2,303)
Management remuneration				(11,507)
Finance costs				(216)
Profit before corporate income tax				56,607
Income tax				(982)
Profit for the year				55,625
Timing of revenue recognition under TFRS 15				
Point in time				17,407
Over time				324,892

	Consolidated financial statements			
	Purchase of account receivable segment Baht'000	Leasing and hire purchase segment Baht'000	Loan segment Baht'000	Total Baht'000
As at 31 December 2018				
Revenues				
Interest income	7,167	158,398	286,703	452,268
Fees and services income	-	13,472	-	13,472
	7,167	171,870	286,703	465,740
Expenses				
(Reversal on) bad debts and doubtful accounts	(5,453)	(43,181)	(702)	(49,336)
Other expenses	-	(6,705)	-	(6,705)
Finance costs	-	(6,674)	-	(6,674)
	(5,453)	(56,560)	(702)	(62,715)
Unallocated income and expenses:				
Other interest income				220
Other income				17,823
Administrative expenses				(195,613)
Directors remuneration				(2,068)
Management remuneration				(17,574)
Finance costs				(330)
Profit before corporate income tax				205,483
Income tax				(18,860)
Profit for the year				186,623
Timing of revenue recognition under TFRS 15				
Point in time				31,168
Over time				452,614

8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	144,567	278,790	144,567	278,790
Current accounts	9,461,911	11,546,105	9,461,911	11,546,105
Saving accounts	29,629,461	50,970,909	29,497,913	50,507,587
Fix deposits	228,938	-	228,938	-
Total cash and cash equivalents	39,464,877	62,795,804	39,333,329	62,332,482

As at 31 December 2019, the effective interest rate on saving accounts was 0.10% - 1.00% (2018 : 0.10% - 1.75%).

As at 31 December 2019, the effective interest rate on fixed deposits was 1.70% - 1.80% (2018 : 1.70% - 1.85%).

9 Restricted cash

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Current		
Saving accounts	10,000,000	-
Non-current		
Saving accounts	-	10,000,000
Fixed deposits	14,127,135	14,110,395
Total restricted cash	24,127,135	24,110,395

As at 31 December 2019, the effective interest rate on saving accounts was 0.22% - 0.30% (2018 : 0.37%).

As at 31 December 2019, the effective interest rate on fixed deposits was 1.05% - 1.80% (2018 : 1.05% - 1.85%).

Saving account of Baht 10 million and fixed deposit of Baht 12.5 million (31 December 2018: nil) are pledged as collaterals to secure long-term borrowings from financial institutions, while fixed deposit of Baht 1.6 million (31 December 2018: Baht 24 million) is pledged as a collateral to a bank for bank facilities.

10 Short-term investments

Movement in short-term investments during the years is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	160,550,788	215,657,195	160,550,788	174,583,655
Additions	285,000,000	680,000,000	285,000,000	680,000,000
Disposals	(295,917,693)	(737,597,209)	(295,917,693)	(696,177,682)
Gains on fair value measurement during the year (Note 27)	2,710,198	2,490,802	2,710,198	2,144,815
At 31 December	152,343,293	160,550,788	152,343,293	160,550,788

As of 31 December 2019 and 2018, information related to short-term investments is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trading securities - unit trust	150,000,000	160,000,000	150,000,000	160,000,000
Add Gains on fair value adjustment	2,343,293	550,788	2,343,293	550,788
Fair value	152,343,293	160,550,788	152,343,293	160,550,788

11 Factoring receivables, net

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Factoring receivables	111,597,920	205,736,862
<u>Less</u> Unearned discount income	(36,215)	(36,215)
Accrued interest	25,431,918	40,023,509
Factoring receivables	136,993,623	245,724,156
<u>Less</u> Allowance for doubtful accounts	(133,829,417)	(242,559,950)
Factoring receivables, net	3,164,206	3,164,206

Outstanding factoring receivables as at 31 December 2019 and 2018 can be analysed as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Not overdue and overdue less than 1 month	-	-
Overdue over 1 month - 3 months	-	-
Overdue over 3 months - 6 months	-	-
Overdue over 6 months - 12 months	-	-
Overdue over 12 months	136,993,623	245,724,156
Total	136,993,623	245,724,156
<u>Less</u> Allowance for doubtful debt	(133,829,417)	(242,559,950)
Factoring receivables, net	3,164,206	3,164,206

For the year ended 31 December 2019, the Company sold factoring receivables to other companies of 14 contracts with total book value before net allowance for doubtful accounts amount of Baht 108,680,533. These receivables have been already recorded with full allowance.

12 Hire purchase receivables, net

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Hire purchase receivables	1,624,570,721	1,168,795,643
<u>Less</u> Allowance for doubtful debt	(25,475,050)	(24,384,853)
Hire purchase receivables, net	1,599,095,671	1,144,410,790

Outstanding hire purchase receivables as at 31 December 2019 and 2018 can be analysed as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Not overdue and overdue less than 1 month	1,209,463,903	976,496,351
Overdue over 1 month - 3 months	349,194,437	159,772,446
Overdue over 3 months - 6 months	50,365,541	22,335,151
Overdue over 6 months - 12 months	14,016,486	7,944,097
Overdue over 12 months	1,530,354	2,247,598
Total	1,624,570,721	1,168,795,643
Less Allowance for doubtful debt	(25,475,050)	(24,384,853)
Hire purchase receivables, net	1,599,095,671	1,144,410,790

On 22 April 2019, the Company was alleged as a joint defendant in the act of forgery. The plaintiff filed a complaint stating that the defendant had fabricated a false document to transfer car ownership before pledged the vehicle title as a collateral with the Company in exchange for car title loan. The case relates to 2 hire-purchase receivables with book values amounting Baht 731,520. Although the trial is still ongoing, the Company's lawyer considers that a civil court will hold in favor of the Company. Moreover, both parties have already settled the case out of court by agreeing to make full repayment of vehicle, so the plaintiff will abandon the complaints. As a result, management agrees not to set up any provision for doubtful account of related receivables.

During the year ended 31 December 2019, the Company sold the hire purchase receivables to other company 194 contracts with total book value before net allowance for doubtful accounts amounting Baht 64,850,034. These hire purchase receivables were already recorded fully allowance.

As at 31 December 2019, hire purchase receivables 418 contracts with total book value amounting Baht 55,866,441 have been pledged as collateral for borrowings from financial institutions and hire purchase receivables 841 contracts with total book value amounting Baht 301,373,130 have been pledged as collateral for debentures (31 December 2018: nil).

13 Car for cash receivables, net

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Car for cash receivables	2,650,305	-
Accrued interest	26,511	-
	2,676,816	-
Less Allowance for doubtful debt	-	-
Car for cash receivables, net	2,676,816	-

Outstanding car for cash receivables as at 31 December 2019 and 2018 can be analysed as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Not overdue and overdue less than 1 month	2,676,816	-
Overdue over 1 month - 3 months	-	-
Overdue over 3 months - 6 months	-	-
Overdue over 6 months - 12 months	-	-
Overdue over 12 months	-	-
Total	2,676,816	-
<u>Less</u> Allowance for doubtful debt	-	-
Car for cash receivables, net	2,676,816	-

14 Personal loan receivables, net

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Personal loan receivables	3,269,380	3,947,504
Accrued interest	53,491	68,304
	3,322,871	4,015,808
<u>Less</u> Allowance for doubtful debt	(1,146,377)	(851,208)
Personal loan receivables, net	2,176,494	3,164,600

Outstanding personal loan receivables as at 31 December 2019 and 2018 can be analysed as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Not overdue and overdue less than 1 month	2,076,883	1,862,097
Overdue over 1 month - 3 months	99,611	1,302,503
Overdue over 3 months - 6 months	71,161	211,018
Overdue over 6 months - 12 months	137,337	553,666
Overdue over 12 months	937,879	86,524
Total	3,322,871	4,015,808
<u>Less</u> Allowance for doubtful debt	(1,146,377)	(851,208)
Personal loans receivables, net	2,176,494	3,164,600

15 Loans receivables, net

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Loan receivables	417,175,135	752,765,727
Accrued interest	50,221,019	67,768,429
	467,396,154	820,534,156
<u>Less</u> Allowance for doubtful debt	(72,167,767)	(191,529,965)
Personal loan receivables, net	395,228,387	629,004,191

Outstanding loans as at 31 December 2019 and 2018 can be analysed as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Not overdue and overdue less than 1 month	10,995,461	267,127,653
Overdue over 1 month - 3 months	-	-
Overdue over 3 months - 6 months	-	-
Overdue over 6 months - 12 months	-	-
Overdue over 12 months	456,400,693	553,406,503
Total	467,396,154	820,534,156
<u>Less</u> Allowance for doubtful debt	(72,167,767)	(191,529,965)
Loans, net	395,228,387	629,004,191

Loans will be classified as non-current assets except management expecting that this loan will be repay within 12 months, which will be classified as current assets.

The Company was sued as the 4th defendant in a lawsuit in which other person sued a customer of the Company regarding a claim on commission fees from sale of lands. Subsequently, the customer mortgaged such lands as collaterals with the Company. The plaintiff filed a lawsuit which would result to void the ownership of that customer to the lands and resulted the mortgage with the Company was also void. On 26 August 2016, the Company filed a petition to defend the case and also refused all allegations. On 4 July 2017, the Civil court sentenced to revoke the customer's land purchasing juristic acts that resulted to void the customer's ownership on land and mortgage. The Company set up full allowance amounting to Baht 109 million for loan net value of other collaterals, the Company filed an appeal and the petition to stay of execution. On 6 June 2018, the Appeal Court has the judgment to amend the judgement of the first court, refuse to void the mortgage. As a result, the mortgage has been affected with the lands. While the revocation of the ownership of the lands among the other defendants has been the same as the judgement of the first court. The plaintiff has submitted the petition to the Supreme Court asking for the permission to submit this case for the consideration of the Supreme Court. On 11 April 2019, the Supreme Court issued an order prohibiting and this case was finally reached judgement. As a result, there is reversal of allowance for doubtful account with amount of Baht 109 million.

On 30 October 2018, the Company sued a loan receivable along with 2 third parties in Phrakhanong Civil court for default in loan repayment. The loan amount is 189,108,619 THB with 15% interest rate on principle amount of 107,587,721 THB. On 20 November 2019, the Civil court dismissed the case on reasons that outstanding balance was not yet due, and contractual interest rate was overcharged. Since the law prohibited the collection of interest at an excessive rate prescribed, the Company recorded allowance for doubtful account on total accrued interest receivable with amount of 29,321,184 THB. However, the court does not disqualify for initiation of the new lawsuit when repayment is due.

For the year ended 31 December 2019, the Company sold the loan to other company 9 contracts with total book value before net allowance for doubtful accounts amounting to Baht 72,477,246. These loan receivables were already recorded full allowance.

16 Investments in subsidiaries

Subsidiary undertakings are included in consolidation financial statements. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held as at 31 December 2019 and 2018 as below:

Company name	Country of incorporation	Business	Ownership interest %	Registered capital		Paid-up capital		Shareholding percentage %	Cost	
				2019 Baht	2018 Baht	2019 Baht	2018 Baht		2019 Baht	2018 Baht
SGF Asset Management Company Limited	Thailand	Purchase or transfer of loan receivables	99.99	25,000	25,000	25,000	25,000	99.99	24,999	24,999
SGF Service Management Company Limited	Thailand	Providing financial advice service	99.99	1,000	1,000	1,000	1,000	99.99	1,000	1,000
SGF Capital (Nakhon Ratchasima) Company Limited	Thailand	Providing short-term loan in Nakhon Ratchasima	99.99	-	5,000	-	5,000	99.99	-	5,000
SGF Capital (Chiangmai) Company Limited	Thailand	Providing short-term loan in Chiangmai	99.99	-	5,000	-	5,000	99.99	-	5,000
SGF Capital (Chonburi) Company Limited	Thailand	Providing short-term loan in Chonburi	99.99	-	5,000	-	5,000	99.99	-	4,999
									25,999	40,998

On 11 December 2018, the Company's Extraordinary Shareholders' Meeting No.1/2018 of SGF Capital (Nakhon Ratchasima) Company Limited passed the resolution to dissolve the Company. SGF Capital (Nakhon Ratchasima) Company Limited registered for liquidation with the Department of Business and Development, Ministry of Commerce on 11 December 2018. The subsidiary is dissolved on 18 February 2019.

On 11 December 2018, the Company's Extraordinary Shareholders' Meeting No.1/2018 of SGF Capital (Chonburi) Company Limited passed the resolution to dissolve the Company. SGF Capital (Chonburi) Company Limited registered for liquidation with the Department of Business and Development, Ministry of Commerce on 21 December 2018. The subsidiary is dissolved on 18 February 2019.

On 12 December 2018, the Company's Extraordinary Shareholders' Meeting No.1/2018 of SGF Capital (Chiangmai) Company Limited passed the resolution to dissolve the Company. SGF Capital (Chiangmai) Company Limited with the Department of Business and Development, Ministry of Commerce on 13 December 2018. The subsidiary is dissolved on 18 February 2019.

17 Foreclosed assets, net

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Foreclosed assets	36,077,107	20,716,390
<u>Less</u> Allowance for impairment	(95,000)	(3,837,289)
Foreclosed assets, net	35,982,107	16,879,101

As at 31 December 2019, condominium which was foreclosed assets amount of Baht 500,000 has been mortgaged as collateral for borrowings from financial institutions (Note 21). (31 December 2018: Condominium which was foreclosed assets amount of Baht 500,000 has been mortgaged as collateral for bank overdrafts).

18 Land building and equipment, net

	Consolidated and Separate financial statements						
	Land Baht	Building Baht	Building improvement Baht	Furniture, fixtures and office equipment Baht	Vehicles Baht	Construction In progress Baht	Total Baht
At 1 January 2018							
Cost	4,880,000	8,557,264	10,168,628	20,422,765	14,449,399	2,407,931	60,885,987
<u>Less</u> Accumulated depreciation	-	(8,557,258)	(445,262)	(6,367,429)	(3,124,345)	-	(18,494,294)
Net book amount	4,880,000	6	9,723,366	14,055,336	11,325,054	2,407,931	42,391,693
For the year ended 31 December 2018							
Opening net book amount	4,880,000	6	9,723,366	14,055,336	11,325,054	2,407,931	42,391,693
Additions	-	-	77,534	2,401,341	-	3,357,199	5,836,074
Transferred in (out)	-	-	2,868,790	1,878,813	-	(4,747,603)	-
Disposals	-	-	(581,867)	(70,903)	(701,159)	-	(1,353,929)
Depreciation charge	-	-	(1,207,576)	(3,731,921)	(2,669,304)	-	(7,608,801)
Closing net book amount	4,880,000	6	10,880,247	14,532,666	7,954,591	1,017,527	39,265,037
At 31 December 2018							
Cost	4,880,000	8,557,264	12,469,223	24,208,134	12,373,423	1,017,527	63,505,571
<u>Less</u> Accumulated depreciation	-	(8,557,258)	(1,588,976)	(9,675,468)	(4,418,832)	-	(24,240,534)
Net book amount	4,880,000	6	10,880,247	14,532,666	7,954,591	1,017,527	39,265,037
For the year ended 31 December 2019							
Opening net book amount	4,880,000	6	10,880,247	14,532,666	7,954,591	1,017,527	39,265,037
Additions	-	-	8,280	1,551,211	-	-	1,559,491
Transferred in (out)	-	-	677,374	321,428	-	(998,802)	-
Disposals / Write-off	-	-	(640,917)	(43,443)	(230,116)	(18,725)	(933,201)
Depreciation charge	-	-	(1,244,092)	(4,256,743)	(2,320,643)	-	(7,821,478)
Closing net book amount	4,880,000	6	9,680,892	12,105,119	5,403,832	-	32,069,849
At 31 December 2019							
Cost	4,880,000	8,557,264	12,425,142	26,022,673	11,962,207	-	63,847,286
<u>Less</u> Accumulated depreciation	-	(8,557,258)	(2,744,250)	(13,917,554)	(6,558,375)	-	(31,777,437)
Net book amount	4,880,000	6	9,680,892	12,105,119	5,403,832	-	32,069,849

Leased assets included above, where the Group is a lessee under a finance lease, comprise vehicles

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Cost - capitalised finance leases	9,999,138	10,803,142
<u>Less</u> Accumulated depreciation	(4,846,315)	(3,404,542)
Net book amount	5,152,823	7,398,600

As at 31 December 2019, land and buildings amount of Baht 4,880,006 have been mortgaged as collateral for borrowings from financial institutions (Note 21). (31 December 2018: land and buildings amount of Baht 4,880,006 have been mortgaged as collateral for bank overdrafts.)

19 Intangible assets

	Consolidated and Separate financial statements		
	Software Baht	Software under installation Baht	Total Baht
At 1 January 2018			
Cost	3,940,549	1,108,955	5,049,504
<u>Less</u> Accumulated amortisation	(185,472)	-	(185,472)
Net book amount	3,755,077	1,108,955	4,864,032
For the year ended 31 December 2018			
Opening net book amount	3,755,077	1,108,955	4,864,032
Additions	689,511	1,371,906	2,061,417
Transferred in (out)	1,731,861	(1,731,861)	-
Amortisation charge	(531,633)	-	(531,633)
Closing net book amount	5,644,816	749,000	6,393,816
At 31 December 2018			
Cost	6,361,921	749,000	7,110,921
<u>Less</u> Accumulated amortisation	(717,105)	-	(717,105)
Net book amount	5,644,816	749,000	6,393,816
For the year ended 31 December 2019			
Opening net book amount	5,644,816	749,000	6,393,816
Additions	775,535	3,336,038	4,111,573
Transferred in (out)	3,712,892	(3,712,892)	-
Amortisation charge	(827,775)	-	(827,775)
Closing net book amount	9,305,468	372,146	9,677,614
At 31 December 2019			
Cost	10,850,348	372,146	11,222,494
<u>Less</u> Accumulated amortisation	(1,544,880)	-	(1,544,880)
Net book amount	9,305,468	372,146	9,677,614

20 Deferred income tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Deferred tax assets:		
Deferred tax asset to be recovered within 12 months	8,187,118	991,543
Deferred tax asset to be recovered after more than 12 months	22,176,497	30,086,487
	30,363,615	31,078,030
Deferred tax liabilities:		
Deferred tax liabilities to be settled within 12 months	(487,443)	(1,384,218)
Deferred tax liability to be settled after more than 12 months	(1,776,907)	(629,051)
	(2,264,350)	(2,013,269)
Deferred tax asset, net	28,099,265	29,064,761

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated and Separate financial statements				
	Allowance for doubtful accounts on non-performing loans & leasing Baht	Allowance for doubtful accounts on non-performing assets Baht	Employee benefit obligations Baht	Loan receivables from purchase of receivables Baht	Total Baht
Deferred tax assets					
At 1 January 2018	28,664,607	170,643	1,130,877	893,886	30,860,013
Charged (credited) to total comprehensive income	460,571	596,815	(101,752)	(808,606)	147,028
Charged directly to equity	-	-	70,989	-	70,989
At 31 December 2018	29,125,178	767,458	1,100,114	85,280	31,078,030
At 1 January 2019	29,125,178	767,458	1,100,114	85,280	31,078,030
Charged (credited) to total comprehensive income	(8,481,635)	7,121,533	651,588	26,742	(681,772)
Charged directly to equity	-	-	(32,643)	-	(32,643)
At 31 December 2019	20,643,543	7,888,991	1,719,059	112,022	30,363,615

	Consolidated and Separate financial statements	
	Prepaid arrange fee on borrowings Baht	Total Baht
Deferred tax liabilities		
At 1 January 2018	-	-
Charged (credited) to total comprehensive income	(2,013,269)	(2,013,269)
Charged directly to equity	-	-
At 31 December 2018	(2,013,269)	(2,013,269)
At 1 January 2019	(2,013,269)	(2,013,269)
Charged (credited) to total comprehensive income	(251,081)	(251,081)
Charged directly to equity	-	-
At 31 December 2019	(2,264,350)	(2,264,350)

21 Borrowings

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current				
Bills of exchange	-	74,748,148	-	74,748,148
Debentures	267,854,744	-	267,854,744	-
Borrowings from financial institutions	42,009,450	-	42,009,450	-
Borrowings from subsidiaries (Note 33)	-	-	26,000,000	41,000,000
Total current borrowings	309,864,194	74,748,148	335,864,194	115,748,148
Non - current				
Debentures	187,755,603	261,185,507	187,755,603	261,185,507
Borrowing from financial institutions	20,076,652	-	20,076,652	-
Total non - current borrowings	207,832,255	261,185,507	207,832,255	261,185,507
Total borrowings	517,696,449	335,933,655	543,696,449	376,933,655

The details of borrowings are as follows:

Consolidated financial information					
	Amount Baht	Prepaid arrange fee Baht	Maturity date	Interest rate %	Interest payment term
At 31 December 2019					
Debentures	464,900,000	(9,289,653)	21 April 2020, 26 April 2021	6.00%, 6.25%	Quarterly
Borrowings from financial institutions	62,418,197	(332,095)	Monthly 25 March 2019 - 22 February 2022	5.00% MLR-1.47%	Monthly

Consolidated financial information					
	Amount Baht'000	Prepaid arrange fee Baht'000	Maturity date	Interest rate %	Interest payment term
At 31 December 2018					
Bills of exchange	75,000,000	(251,852)	10 January 2019, 9 April 2019	5.70 %, 7.50%	At maturity date
Debentures	270,000,000	(8,814,493)	21 April 2020	6.00%	Quarterly

Separate financial information					
	Amount Baht	Prepaid arrange fee Baht	Maturity date	Interest rate %	Interest payment term
At 31 December 2019					
Borrowing from subsidiary companies (Notes 33)	26,000,000	-	At call	1.20%	At call
Debentures	464,900,000	(9,289,653)	21 April 2020, 26 April 2021	6.00%, 6.25%	Quarterly
Borrowings from financial institutions	62,418,197	(332,095)	Monthly 25 March 2019 - 22 February 2022	5.00% MLR-1.47%	Monthly

	Separate financial information				
	Prepaid front-end fee Baht'000	Prepaid arrange fee Baht'000	Maturity date	Interest rate %	Interest payment term
At 31 December 2018					
Bills of exchange	75,000,000	(251,852)	10 January 2019 - 9 April 2019	5.70 %, 7.50%	At maturity date
Borrowing from subsidiary companies (Notes 23)	41,000,000	-	At call	1.20%	At call
Debentures	270,000,000	(8,814,493)	21 April 2020	6.00%	Quarterly

Movement in borrowings are analysed as follows:

	Consolidated financial Statements Baht	Separate financial statements Baht
Opening amount as at 1 January 2019	335,933,655	376,933,655
Proceed from borrowings	294,900,000	294,900,000
Repayment of borrowings	(112,581,803)	(127,581,803)
Increase in prepaid arrange fee on borrowings	(11,509,005)	(11,509,005)
Amortisation of prepaid arrange fee on borrowings	10,953,602	10,953,602
Closing amount as at 31 December 2019	517,696,449	543,696,449

The interest rate exposure on the borrowings is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Borrowings:				
- at fixed rates	480,911,950	335,933,655	506,911,950	376,933,655
- at floating rates	36,784,499	-	36,784,499	-
Total borrowings	517,696,449	335,933,655	543,696,449	376,933,655

The effective interest rates at the statement of financial position date were as follows:

	Consolidated financial statements	
	2019	2018
Debentures	8.65% - 9.21%	8.65%
Long-term borrowings from a financial institution	6.91% - 7.22%	nil

The carrying amount and fair value of long-term borrowings are as follows:

	Consolidated financial statements			
	Carrying amounts		Fair values	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Borrowing	517,696,449	335,933,655	527,055,339	268,312,392
	517,696,449	335,933,655	527,055,339	268,312,392

The fair value of current borrowings approximates their carrying amount as the impact of discounting is not significant.

The fair values are based on discounted cash flows using a discount rate based upon the market interest rate of MLR per annum from five 5 big commercial banks as at financial statement date (2018: MLR per annum) and are within level 2 of the fair value hierarchy.

Maturity of long-term borrowings is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Within 1 year	309,864,194	74,748,148	335,864,194	115,748,148
Between 1 year but not over 2 years	207,832,255	261,185,507	207,832,255	261,185,507
Between 2 years but not over 5 years	-	-	-	-
	<u>517,696,449</u>	<u>335,933,655</u>	<u>543,696,449</u>	<u>376,933,655</u>

Debentures and borrowings from financial institutions require the Group and the Company to maintain financial ratios. The Group and the Company have ability to maintain certain minimum financial ratio which comply with agreements.

Debentures

As at 31 December 2019 and 2018, shareholders have pledged ordinary shares 180,000,000 shares with par value amounting to Baht 270,000,000 as collateral for debentures.

As at 31 December 2019, hire purchase receivables 841 contracts with book value amounting to Baht 301,373,130 (Note 12) in total have been pledged as collateral for debentures. (31 December 2018: nil)

Borrowings from financial institutions

As at 31 December 2019, saving accounts and fixed deposits (Note 9) and hire purchase receivables 349 contracts with book value amounting to Baht 54,406,670 (Note 12) in total have been pledged as collateral for borrowings from financial institutions. (31 December 2018: nil)

As at 20 September 2019, the Company has an agreement with a commercial bank to open loan limit amounting Baht 100 million which will be drawn within 180 days of the agreement date.

22 Deposit payables

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Deposit payables on factoring	1,169,803	1,317,179
Deposit payables on loans	-	15,536,739
Total deposit payables	<u>1,169,803</u>	<u>16,853,918</u>

23 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Accrued personnel expenses	13,000,458	13,222,366	13,000,458	13,222,366
Accrued expenses	5,208,052	8,570,774	5,148,052	8,570,774
Dividend payable	373,537	373,537	373,537	373,537
Income tax payable	24,280	7,791,731	-	7,791,731
Insurance premium waited for submitting to insurance companies	3,894,692	6,983,527	3,894,692	6,983,527
Commission waited for submitting to dealer	694,880	1,053,246	694,880	1,053,246
Specific business tax payable	8,970	115,391	8,970	115,391
Output vat payable	3,729,164	2,439,575	3,729,164	2,439,575
Withholding tax payable	429,993	444,200	429,993	444,200
Suspend account waited for repayment	156,070	330,815	156,070	330,815
Collection waited for repayment to asset management company	-	994,532	-	994,532
Others	4,034,080	2,494,472	4,033,280	2,382,602
Total	31,554,176	44,814,166	31,469,096	44,702,296

24 Employee benefit obligations

	Consolidated and Separate financial statement	
	2019 Baht	2018 Baht
Statement of financial position:		
Retirement benefits	8,432,084	5,272,933
Loss charge included in operating profit for:		
Retirement benefits	3,360,371	2,981,343
Remeasurement for:		
Retirement benefits	(163,214)	354,946

The movement in the defined benefit obligation over the year is as follows:

	Consolidated and Separate financial statement	
	2019 Baht	2018 Baht
At 1 January	5,272,933	5,781,694
Current service cost	2,681,885	2,716,313
Past service cost	418,901	-
Interest expense	259,585	265,030
Benefit payment during the year	(38,006)	(3,845,050)
Remeasurements:		
Gain from change in demographic assumptions	2,247,818	(1,217,982)
Loss from change in financial assumptions	41,450	(615,606)
	(2,452,482)	2,188,534
At 31 December	8,432,084	5,272,933

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The effects of the amendment were recognised as past service cost during the year.

Expense (Revenue) for employee benefits were recognised in the statements of comprehensive income as follows:

	Consolidated and Separate financial statement	
	2019 Baht	2018 Baht
Current service costs	2,681,885	2,716,313
Past service costs	418,901	-
Interest costs	259,585	265,030
Remeasurement for employee benefit obligations	(163,214)	354,946
	3,197,157	3,336,289

The principal actuarial assumptions used were as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Discount rate	1.71%	3.10%
Salary increase rate	6.00%	7.36%
Mortality rate	100% of TMO2017	100% of TMO2017
Turnover rate	7.64% - 45.84%	12%
Retirement age	Aged 60 year	Aged 60 year

Sensitivity analysis

	Increase (decrease) in provisions for post-employment benefits Consolidated and Separate financial statements	
	2019 %	2018 %
Financial Assumptions		
Discount rate		
Increase 1.00% (2018: 0.05%)	(7.29)	(2.64)
Decrease 1.00% (2018: 0.05%)	8.37	2.81
Salary increase rate		
Increase 1.00% (2018: 0.05%)	7.79	2.66
Decrease 1.00% (2018: 0.05%)	(6.95)	(2.53)
Demographic Assumptions		
Turnover rate		
Increase 20.00% (2018: 0.05%)	(12.51)	(3.05)
Decrease 20.00% (2018: 0.05%)	16.01	3.25

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation are 13 years (2018: 18 years).

Analysis of the maturity of the payment of retirement benefits is as follows:

	Consolidated and Separate financial statements			
	Less than 1 year Baht	Between 1-5 years Baht	More than 5 years Baht	Total Baht
At 31 December 2019				
Pension benefits	1,825,245	823,260	7,058,714	9,707,220
Total	1,825,245	823,260	7,058,714	9,707,220

25 Legal reserve

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
At 1 January	9,319,724	-
Appropriation during the year	2,774,482	9,319,724
At 31 December	12,094,206	9,319,724

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5 % of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is non-distributable.

26 Interest income

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Factoring interest income	476,763	237,398,433	476,763	237,398,433
Personal loans interest income	703,122	1,232,250	703,122	1,232,250
Loans interest income	20,228,470	48,072,082	20,228,470	48,072,082
Interest income from purchase of receivables	1,077,832	7,167,053	1,077,832	7,167,053
Hire purchase interest income	301,747,401	158,397,675	301,747,401	158,397,675
Car for cash interest income	127,574	-	127,574	-
Other interest income	531,185	220,122	530,120	218,667
Total interest income	324,892,347	452,487,615	324,891,282	452,486,160

27 Other income

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Fair value gain on trading investments (Note 10)	2,710,198	2,490,802	2,710,198	2,144,815
Gains from disposals of investment property	-	5,612,601	-	5,612,601
Gains from disposals of equipment	80,790	291,809	80,790	291,809
Gains on debt restructuring	-	9,333,575	-	9,333,575
Other income	46,101	94,275	115,296	94,275
Total other income	2,837,089	17,823,062	2,906,284	17,477,075

28 Finance costs

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Bank overdraft	-	24,055	-	24,055
Promissory notes	-	132,074	323,594	273,641
Bills of exchange	481,890	1,095,699	481,890	1,095,699
Debentures	24,509,949	3,284,384	24,509,949	3,284,384
Borrowing from financial institution	4,156,032	-	4,156,032	-
Arrangement fee for debenture and promissory note	11,114,671	2,152,158	11,114,671	2,152,158
Other finance costs	216,775	315,952	216,775	315,952
Total finance costs	40,479,317	7,004,322	40,802,911	7,145,889

29 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Marketing expenses	3,712,241	8,135,195	3,711,941	8,135,195
Marketing incentives	19,324,895	15,991,112	19,324,895	15,991,112
Advisory and professional fee	9,139,088	9,244,973	9,073,888	9,012,678
Personnel expenses	114,075,293	119,663,403	114,075,293	119,663,403
Depreciation and amortisation expenses	8,649,253	8,140,434	8,649,253	8,140,434
Rental and services expenses	15,143,534	15,395,333	15,143,534	15,395,333
Specific business tax and other taxes	3,044,202	12,913,973	3,044,202	12,913,973
Utilities expenses	9,326,263	7,629,616	9,326,263	7,629,616
Fuel expenses	7,465,911	11,113,126	7,465,911	11,113,126
Other expenses	4,421,034	4,959,683	4,415,194	4,959,683
Total expenses by nature	194,301,714	213,186,848	194,230,374	212,954,553

30 Income tax expenses

Income tax expense for the year comprises the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current tax	48,730	16,758,277	-	16,730,005
Adjustments in respect of prior year	-	235,288	-	235,288
Increase in deferred tax assets	932,853	1,866,241	932,853	1,866,241
Total	981,583	18,859,806	932,853	18,831,534

The income tax expenses on profit before tax differ from the theoretical amount that would arise using the basic tax rate of as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Profit before tax	56,606,616	205,482,728	56,422,492	205,226,014
Tax calculated at a tax rate of 20% (2018: 20%)	11,321,323	41,096,546	11,284,498	41,045,203
Tax effect of:				
Income not subject to tax	(173)	(23,165)	-	-
Addition income subject to tax	141,346	7,447,560	129,268	7,447,560
Expenses not deductible for tax purpose	11,084,216	8,842,289	11,084,216	8,842,289
Additional deductible expenses	(50,192,317)	(38,738,806)	(50,192,317)	(38,738,806)
Tax losses for which no deferred income tax asset was recognised	28,627,188	94	28,627,188	-
Adjustment in respect of prior year	-	235,288	-	235,288
Income tax expenses	981,583	18,859,806	932,853	18,831,534

The weighted average applicable tax rate was 1.65%- 1.73% : 9.18% (2018).

31 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2019	Revised 2018	2019	Revised 2018
Net profit attributable to shareholders (Baht)	55,625,033	186,622,922	55,489,639	186,394,480
Weighted average number of ordinary shares in issue (Shares)	1,310,000,000	1,310,000,000	1,310,000,000	1,310,000,000
Basic earnings per share (Baht)	0.0425	0.1425	0.0424	0.1423

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2019 and 2018.

32 Financial instruments

Financial instruments are any contracts that give rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Interest rate risk

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The major financial assets and liabilities which bear market interest rate and fixed interest rate that potentially subject the Group to the change of interest rate risk.

Credit risk

Financial assets that potentially subject the Group to credit risk consist principally of hire purchase and loan receivables.

Management manages the risk by adopting appropriate credit control policies and procedures and therefore, the Group does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of hire purchase and loan receivables as stated in the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to pay its debts and obligations when due because of an inability to convert assets into cash timely, or because of its failure to procure enough funds.

Management is responsible for liquidity management, including procurement of both short-term and long-term sources of funds.

SGF Capital Public Company Limited
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For the year ended 31 December 2019

Fair value

The Group estimated fair values of financial instruments as presentation in Note to Financial Statements no. 6 Fair value estimation.

Interest rate risk

Consolidated financial statements							
2019							
Floating Interest rate Baht 000'	Earlier of remaining maturity date or contractual repricing					No interest 000'	Total 000'
	At Call Baht 000'	< 1 year Baht 000'	1 - 5 years Baht 000'	> 5 years Baht 000'			
Financial assets							
Cash and cash equivalents	29,629	-	-	-	-	9,836	39,465
Short-term investments	-	-	-	-	-	152,343	152,343
Factoring receivables, net	-	-	-	111,598	-	-	111,598
Finance lease receivables, net	-	-	-	18,174	-	-	18,174
Hire purchase receivables, net	-	-	289,597	1,264,284	70,690	-	1,624,571
Car for cash receivables, net	-	-	1,066	1,611	-	-	2,677
Personal loans receivables, net	-	-	1,291	1,978	-	-	3,269
Loans, net	-	-	10,973	406,202	-	-	417,175
Restricted cash	10,000	-	14,127	-	-	-	24,127
Loan receivables from purchase of receivables, net	-	-	86	-	-	-	86
	39,629	-	317,140	1,803,847	70,690	162,179	2,393,485
Financial liabilities							
Long-term borrowings from others	36,784	-	293,156	187,756	-	-	517,696
Finance lease liabilities, net	-	-	1,520	2,519	-	-	4,039
	36,784	-	294,676	190,275	-	-	521,735
Consolidated financial statements							
2018							
Floating Interest rate Baht 000'	Earlier of remaining maturity date or contractual repricing					No interest 000'	Total 000'
	At Call Baht 000'	< 1 year Baht 000'	1 - 5 years Baht 000'	> 5 years Baht 000'			
Financial assets							
Cash and cash equivalents	50,971	-	-	-	-	11,825	62,796
Short-term investments	-	-	-	-	-	160,551	160,551
Factoring receivables, net	-	-	-	205,737	-	-	205,737
Finance lease receivables, net	-	-	-	36,848	-	-	36,848
Hire purchase receivables, net	-	-	199,410	887,720	81,665	-	1,168,795
Personal loans receivables, net	-	-	3,007	941	-	-	3,948
Loans, net	-	-	266,676	486,089	-	-	752,765
Restricted cash	10,000	-	14,110	-	-	-	24,110
Loan receivables from purchase of receivables, net	-	-	254	-	-	-	254
	60,971	-	483,457	1,617,335	81,665	172,376	2,415,804
Financial liabilities							
Short-term borrowings from others	-	-	74,748	-	-	-	74,748
Long-term borrowings from others	-	-	-	261,186	-	-	5,561
Finance lease liabilities, net	-	-	1,016	4,545	-	-	261,186
	-	-	75,764	265,731	-	-	341,495

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Separate financial statements							
2019							
Floating	Interest rate	Earlier of remaining maturity date or contractual repricing				No interest	Total
		At Call	< 1 year	1 - 5 years	> 5 years		
	Baht 000'	Baht 000'	Baht 000'	Baht 000'	Baht 000'	000'	000'
Financial assets							
Cash and cash equivalents	29,497	-	-	-	-	9,836	39,333
Short-term investment	-	-	-	-	-	152,343	152,343
Factoring receivables, net	-	-	-	111,598	-	-	111,598
Finance lease receivables, net	-	-	-	18,174	-	-	18,174
Hire purchase receivables, net	-	-	289,597	1,264,284	70,690	-	1,624,571
Car for cash receivables, net	-	-	1,066	1,611	-	-	2,677
Personal loans receivables, net	-	-	1,291	1,978	-	-	3,269
Loans, net	-	-	10,973	406,202	-	-	417,175
Restricted cash	10,000	-	14,127	-	-	-	24,127
Loan receivables from purchase of receivables, net	-	-	86	-	-	-	86
	39,497	-	317,140	1,803,847	70,690	162,179	2,393,353
Financial liabilities							
Borrowings from subsidiaries	-	26,000	-	-	-	-	26,000
Long-term borrowings	36,784	-	293,156	187,756	-	-	517,696
Finance lease liabilities, net	-	-	1,520	2,519	-	-	4,039
	36,784	26,000	294,676	190,275	-	-	547,735
Separate financial statements							
2018							
Floating	Interest rate	Earlier of remaining maturity date or contractual repricing				No interest	Total
		At Call	< 1 year	1 - 5 years	> 5 years		
	Baht 000'	Baht 000'	Baht 000'	Baht 000'	Baht 000'	000'	000'
Financial assets							
Cash and cash equivalents	50,507	-	-	-	-	11,825	62,332
Short-term investment	-	-	-	-	-	160,551	160,551
Factoring receivables, net	-	-	-	205,737	-	-	205,737
Finance lease receivables, net	-	-	-	36,848	-	-	36,848
Hire purchase receivables, net	-	-	199,410	887,720	81,665	-	1,168,795
Personal loans receivables, net	-	-	3,007	941	-	-	3,948
Loans, net	-	-	266,676	486,089	-	-	752,765
Restricted cash	10,000	-	14,110	-	-	-	24,110
Loan receivables from purchase of receivables, net	-	-	254	-	-	-	254
	60,507	-	483,457	1,617,335	81,665	172,376	2,415,340
Financial liabilities							
Short-term borrowings from others	-	-	74,748	-	-	-	74,748
Borrowings from subsidiaries	-	41,000	-	-	-	-	41,000
Long-term borrowings from others	-	-	-	261,186	-	-	261,186
Finance lease liabilities, net	-	-	1,016	4,545	-	-	5,561
	-	41,000	75,764	265,731	-	-	382,495

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Liquidity risk

Consolidated financial statements 2019						
	At call Baht 000'	Within 1 year Baht 000'	1 - 5 years Baht 000'	Over than 5 years Baht 000'	Unspecified Baht 000'	Total Baht 000'
Financial assets						
Cash and cash equivalents	39,465	-	-	-	-	39,465
Short-term investments	152,343	-	-	-	-	152,343
Factoring receivables, net	-	-	111,598	-	-	111,598
Finance lease receivables, net	-	-	18,174	-	-	18,174
Hire purchase receivables, net	-	289,597	1,264,284	70,690	-	1,624,571
Cars for cash receivables, net	-	1,066	1,611	-	-	2,677
Personal loans receivables, net	-	1,291	1,978	-	-	3,269
Loans, net	-	10,973	406,202	-	-	417,175
Restricted cash	10,000	14,127	-	-	-	24,127
Loan receivables from purchase of receivables, net	-	86	-	-	-	86
	201,808	317,140	1,803,847	70,690	-	2,393,485
Financial liabilities						
Long-term borrowings from others	-	309,864	207,832	-	-	517,696
Finance lease liabilities, net	-	1,520	2,519	-	-	4,039
Accrued interest expenses	-	5,672	-	-	-	5,672
	-	316,899	210,351	-	-	527,250
Consolidated financial statements 2018						
	At call Baht 000'	Within 1 year Baht 000'	1 - 5 years Baht 000'	Over than 5 years Baht 000'	Unspecified Baht 000'	Total Baht 000'
Financial assets						
Cash and cash equivalents	62,796	-	-	-	-	62,796
Short-term investments	160,551	-	-	-	-	160,551
Factoring receivables, net	-	-	205,737	-	-	205,737
Finance lease receivables, net	-	-	36,848	-	-	36,848
Hire purchase receivables, net	-	199,410	887,720	81,665	-	1,168,795
Cars for cash receivables, net	-	3,007	941	-	-	3,948
Personal loans receivables, net	-	266,676	486,089	-	-	752,765
Loans, net	10,000	14,110	-	-	-	24,110
Restricted cash	-	-	-	-	-	-
Loan receivables from purchase of receivables, net	-	254	-	-	-	254
	233,347	483,457	1,617,335	81,665	-	2,415,804
Financial liabilities						
Long-term borrowings from others	-	74,748	-	-	-	74,748
Finance lease liabilities, net	-	-	261,186	-	-	261,186
Accrued interest expenses	-	1,016	4,545	-	-	5,561
	-	4,380	-	-	-	4,380
	-	80,144	265,731	-	-	345,875

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Separate financial statements 2019						
	At call Baht 000'	Within 1 year Baht 000'	1 - 5 years Baht 000'	Over than 5 years Baht 000'	Unspecified Baht 000'	Total Baht 000'
Financial assets						
Cash and cash equivalents	39,333	-	-	-	-	39,333
Short-term investments	152,343	-	-	-	-	152,343
Factoring receivables, net	-	-	111,598	-	-	111,598
Finance lease receivables, net	-	-	18,174	-	-	18,174
Hire purchase receivables, net	-	289,597	1,264,284	70,690	-	1,624,571
Cars for cash receivables, net	-	1,066	1,611	-	-	2,677
Personal loans receivables, net	-	1,291	1,978	-	-	3,269
Loans, net	-	10,973	406,202	-	-	417,175
Restricted cash	10,000	14,127	-	-	-	24,127
Loan receivables from purchase of receivables, net	-	86	-	-	-	86
	201,676	317,140	1,803,847	70,690	-	2,393,353
Financial liabilities						
Borrowings from subsidiaries	-	26,000	-	-	-	26,000
Long-term borrowings from others	-	309,864	207,832	-	-	517,696
Finance lease liabilities, net	-	1,520	2,519	-	-	4,039
Accrued interest expenses	-	5,672	-	-	-	5,672
	-	343,056	210,351	-	-	553,407
Separate financial statements 2018						
	At call Baht 000'	Within 1 year Baht 000'	1 - 5 years Baht 000'	Over than 5 years Baht 000'	Unspecified Baht 000'	Total Baht 000'
Financial assets						
Cash and cash equivalents	62,332	-	-	-	-	62,332
Short-term investments	160,551	-	-	-	-	160,551
Factoring receivables, net	-	-	205,737	-	-	205,737
Finance lease receivables, net	-	-	36,848	-	-	36,848
Hire purchase receivables, net	-	199,410	887,720	81,665	-	1,168,795
Personal loans receivables, net	-	3,007	941	-	-	3,948
Loans, net	-	266,676	486,089	-	-	752,765
Restricted cash	10,000	14,110	-	-	-	24,110
Loan receivables from purchase of receivables, net	-	254	-	-	-	254
	232,883	483,457	1,617,335	81,665	-	2,415,340
Financial liabilities						
Short-term borrowings from others	-	74,748	-	-	-	74,748
Borrowings from subsidiaries	-	41,000	-	-	-	41,000
Long-term borrowings from others	-	-	261,186	-	-	261,186
Finance lease liabilities, net	-	1,016	4,545	-	-	5,561
Accrued interest expenses	-	4,522	-	-	-	4,522
	-	121,286	265,731	-	-	387,017

33 Related party transactions

Enterprises and individuals that, directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is held 18.08% of shares by Thongtang family who is the majority shareholder.

The followings are relationships of the Company and related parties.

Name of entities	Country of incorporation/ nationality	Business	Nature of relationships
SGF Asset Management Company Limited	Thailand	Purchase or transfer of loan receivables	Subsidiary
SGF Service Management Company Limited	Thailand	Providing financial advice service	Subsidiary
WTH Holdings Company Limited	Thailand	Providing services related to building and place	Same shareholder
Wichaitongtang Law Office Company Limited	Thailand	Providing legal counsel	Same shareholder

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The following transactions were carried out with related parties:

a) Outstanding balances

	Consolidated financial statements		Separate financial statements	
	31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht
<u>Subsidiaries</u>				
SGF Asset Management Company Limited				
<u>Assets</u>				
Advance payment for company establishment	-	-	-	140,197
Advance payment others	-	-	-	128,801
<u>Liabilities</u>				
Accrued interest expenses	-	-	151,002	84,657
SGF Service Management Company Limited				
<u>Assets</u>				
Advance payment for company establishment	-	-	-	6,400
Advance payment others	-	-	15,100	15,100
<u>Liabilities</u>				
Accrued interest expenses	-	-	6,040	3,485
SGF Capital (Nakhon Ratchasima) Company Limited				
<u>Assets</u>				
Advance payment for company establishment	-	-	-	28,830
Advance payment others	-	-	-	20,719
<u>Liabilities</u>				
Accrued interest expenses	-	-	-	17,425
SGF Capital (Chiangmai) Company Limited				
<u>Assets</u>				
Advance payment for company establishment	-	-	-	29,005
Advance payment others	-	-	-	21,158
<u>Liabilities</u>				
Accrued interest expenses	-	-	-	17,918
SGF Capital (Chonburi) Company Limited				
<u>Assets</u>				
Advance payment for company establishment	-	-	-	29,005
Advance payment others	-	-	-	20,719
<u>Liabilities</u>				
Accrued interest expenses	-	-	-	18,082

b) Borrowings from subsidiaries

	Consolidated financial statements		Separate financial statements	
	31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht
<u>Borrowing from:</u>				
SGF Asset Management Company Limited	-	-	25,000,000	25,000,000
SGF Service Management Company Limited	-	-	1,000,000	1,000,000
SGF Capital (Nakhon Ratchasima) Company Limited	-	-	-	5,000,000
SGF Capital (Chiangmai) Company Limited	-	-	-	5,000,000
SGF Capital (Chonburi) Company Limited	-	-	-	5,000,000
Total	-	-	26,000,000	41,000,000

The loans from subsidiaries were provided interest rate 1.2% annually, and there were repayment at call.

c) Expenses to related parties

	Consolidated financial statements		Separate financial statements	
For the year ended 31 December	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<u>Interest expenses to:</u>				
SGF Asset Management Company Limited	-	-	299,769	84,657
SGF Service Management Company Limited	-	-	11,990	3,485
SGF Capital (Nakhon Ratchasima) Company Limited	-	-	-	17,425
SGF Capital (Chiangmai) Company Limited	-	-	-	17,918
SGF Capital (Chonburi) Company Limited	-	-	-	18,082

		Consolidated and Separate financial statements	
For the year ended 31 December		2019 Baht	2018 Baht
	Pricing policies		
<u>Same shareholder companies</u>			
Wichaithongtang law office Co., Ltd.			
Legal advisor fees	Agreed price, as discussed on the agreement	600,000	600,000
WTH Holding Limited			
Building rental and expenses	Agreed price, as discussed on the agreement	1,767,000	1,701,000
Service expenses	Agreed price, as discussed on the agreement	1,210,800	1,184,400

d) Remuneration of Directors and Executives

Remuneration of Directors and Executives for the Group for the year ended 31 December 2019 and 2018 are as follows:

For the year ended 31 December	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Short-term benefits		
- Directors remuneration	2,303,000	2,067,500
- Management remuneration	11,506,951	17,573,893
Post-employment benefits	200,671	1,175,166
Total	14,010,622	20,816,559

34 Commitments

a) Capital commitments

Capital expenditure contracted as at the statement of financial position date but not recognised in the financial statements is as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Software installation contract	382,421	632,156
Total	382,421	632,156

34.2 Operating lease commitments - where the Company is the lessee

The future aggregate minimum lease payments under non-cancellable operating leases is as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Not later than 1 year	4,909,317	12,359,110
Later than 1 year but not later than 5 years	1,448,832	6,629,743
Total	6,358,149	18,988,853

35 Contingent liabilities

As at 31 December 2019, the Company has the following significant lawsuits;

- 35.1 On 12 October 2017, the Company has been sued by a third party to cancel the mortgage of land and building, which was executed between the Company and the client. The third party argued that it had entered into the agreement to buy a piece of land and building with the client. So, this third party is in the position to register his right first, but not yet registered. However, the client created the mortgage encumbrance with the Company. On 18 October 2018, the Court of First Instance has issued a judgment by ordering the Client and the Company to jointly registered to withdraw all such mortgages. As at 31 December 2019, This case is in the process of the Court of Appeal.
- 35.2 On 12 November 2018, the Company has been sued by 7 foreigners, third parties, on a juristic act to cancel the mortgages for land and buildings which was executed between the Company and the client. The plaintiffs argued that they had entered into a sale and purchase contract to buy a piece of land and building with the client; therefore, after the payment had already been made with the full amount, the ownership of assets must be transferred. However, since the client engaged in the mortgage encumbrance with the Company, such mortgage breached the announcement of the Land Development Central Committee. On 23 August 2019, the Court of First Instance has issued a judgment by ordering the Client and the Company to jointly registered to withdraw all such mortgages and the Client to register the transfer of title of the lands without mortgages to all 7 plaintiffs or their legal entities provided by the plaintiffs, while the plaintiff 3, 4 and 6 have to pay the outstanding amount to the client. As at 31 December 2019, This case is in the process of the Court of Appeal.
- 35.3 On 2 August 2019, the Company was sued by a third party to revoke the mortgage of land and building, which has been done between the Company and the Client. By claiming that he has entered into a contract to purchase and sell the said land and building with the Client. He has made full payment and have already received possession of the said land and buildings from the Client. However, the Client created more encumbrance to the land, by mortgage it with the Company. Therefore, it is a violation of Announcement of the Central Land Development Board. This is not a bona fide mortgage as the Company knew that it would cause the disadvantage to the other creditors. The mortgages were not bona fide. As at 31 December 2019, the case is under the hearing process of the Court of First Instance.
- 35.4 On 13 September 2019, the Company was sued by a third party to revoke the mortgage of land and building, which has been done between the Company and the Client by claiming that he has entered into a contract to purchase and sell the said land and building with the Client. He has made partial payment and already received possession of the said land and buildings from the Client. However, the Client created more encumbrance to the land, by mortgage it with the Company. Therefore, it is a violation of Announcement of the Central Land Development Board. This is not a bona fide mortgage as the Company knew that it would cause the disadvantage to the other creditors. As at 31 December 2019, the case is in the process of mediation or consideration of the Court of First Instance in which the case is possible to be settled.



Corporate Social Responsibility

The Company has progressively supported and promoted the social development while adhering to the good corporate governance policy along with instilling good awareness in operating its business with respect to social responsibility. Nevertheless, since the Company has not involved in activities that impact the surrounding environment, the Company has therefore concentrated on other aspects of social responsibility for example, treating employees, customers, competitors, etc. with fairness, utmost transparency and honesty, operating business in compliance with the Company's code of ethics and enhancing credibility in conducting business both inside and outside the organization in order to convince the investors and all stakeholders. The above-mentioned social responsibilities that the Company has undertaken have contributed to the growth of the Company which has grown sustainably along with the society and they have also raised the awareness in public participation resulting in the converting abstract strategy into concrete, measurable actions in business operation as well as developing the foundation of continuous and sustainable responsibility. The policies on social responsibility can be detailed as follows:

Fair Business Practices

The Company is determined to conduct business fairly and sincerely, adhering to ethical principles and refraining from unfair trade practices to contribute to the financial services with a clear focus on creating utmost benefits for the consumers through fair competition in the market. The Company does not tolerate any violation of applicable laws, social norms and refraining from unethical collaboration with competitors in order to gain personal benefit or benefit of its adherent which would deprive the consumers of their benefits. The Company admits in its codes of conduct that conflicts of interest are a threat to its efficiency, integrity and reputation so under no circumstances shall the Company have any relations with the circumstances where conflicts of interest exist. To ensure the fair treatment of consumers and competitor, the Company has treated customers and competitors with equality, without discrimination and resolutely refusing to carry out an unethical business assault, to execute competitor attacks, to provide false or misleading information in order to gain benefits without causes. The Company shall refuse to seek confidential information of competitors by means of dishonesty or impropriety that contrary to business ethics. The Company intends to be a leader in the retail hire purchase business by creating credibility for customers, investors and interested parties in business operations and adding value and promoting sustainable growth of the organization. The Company shall operate its business in accordance with the good corporate governance principles, social and environmental responsibility by establishing clear operational guidelines for executives and employees to abide by, in compliance with the good corporate governance, code of conducts, transparency and accountability.

Responsibility towards Customers

In conducting business, the Company adheres to customer responsibility on the basis of honesty and business ethics, which is the most essential to the business. Especially, since the Company is a financial service provider, building customer trust and confidence while enhancing sustainable growth is more than essential to the business, the Company therefore has established guideline on credit approval process in compliance with social responsibility as follows:

- Evaluating an individual's ability to pay installment payments when considering a loan application. The company will evaluate and introduce an appropriate credit model for each customer while considering the basic needs of customers and the ability to repay debt.
- Offering products and services along with details on conditions and fees with fairness, utmost transparency and honesty in consideration of maximizing customers' benefits.
- Helping customers experiencing uncontrollable crises such as natural disasters. The Company will consider and introduce the measures to minimize or offset its effects as the Company deems appropriate.
- Keeping customer confidentiality. The Company has had a privacy policy to properly secure and protect confidential business information by training employees in privacy issues intended to provide employees with an understanding of personal information and rights of privacy of the customers.

Corporate Social Responsibility –in Employee’s Perspective

The Company has designated an employ policy holding equal equality; stability; and professional advancement principles. Management and staff are obligated to comply with human rights principles and mustn’t support any violation of human right. The Company prohibits the use of child labor; and human trafficking, and discourages engaging in or accepting any form of bribery or corruption. Employees are treated fairly and appropriate welfare such as:

1. The company provides fair remunerations appropriate to the responsibilities and work performance of each employee. Various benefits are depend on performance, such as bonus, reward, commission etc. and other benefits which more than requirement in the law such as provident fund, and uniform etc.
2. The Company provides competency development continuously. The Company is confident that personnel development is important to encourage people with potential and performance to maximize their knowledge and skills that will strengthen the competitiveness of the organization.
3. The Company has a number of projects to enhance employees’ health and employees’ working stability. The Company provides health care project such as Annual medical check-up with check-up program that suitable for each staff. Medical assistance benefit to relieve employee’s financial burden which related to medical treatment fees for both cases of in-patients and out patients. Moreover, there are various employee wellness program to relief employees from work and join the activities together, such as employees’ sport activities, new year party etc.
4. The company has the project to enhance well-being of employees by setting up employees’ loan and motor cycle hire purchase welfare for the company’s employees etc.

Corporate Social Responsibility –in Business Partner’s Perspective and Shareholder’s Perspective

The company has operating policy under principle of ethics; transparency; and verifiable working process under good corporate governance so that the company is able to disclose entirely information to stockholders, and investors. However, the company has channel that stakeholders can inform in case of imperfect services or fraud trace by sending E-mail to “internal_audit@sgfcap.com” or “apinya.b@sgfcap.com”

The company has fair procedure of selection business partner and deals with business partner neutrally based on obtaining fair return in both the company and our partners.

The company holds policy that the company will act to the creditor according to condition or trading agreement. The company abides by loan condition, and doesn’t intend to conceal information which causing any damage to creditor or financial institution.

Corporate Social Responsibility –in Society’s Perspective

Since community engagement is one of the key pillars of corporate social responsibility, the Company then adheres to the significance of conducting their business in a way that is ethical, moral and beneficial to community along with jointly building sustainable Thai society. Therefore, the Company has participated in many activities detailed as follows:

1. Donating items to help flood victims in need in Ubon Ratchathani province on 17 September 2019.
2. Providing assistance whether in the form of noncash items or money to individuals and families affected by the disaster or disasters that occur to many people such as fires, storms, floods as well as other disasters which continuously causing damage to life and property of people.

Corporate Social Responsibility –in Environment’s Perspective

The company emphasizes on worthy usage of resource and energy. In the previous time, the company has a plenty of projects which maximize worthy usage of resource and energy as follows.

1. The company has the project to reduce paper usage. The company boosts the employees to file important documents in electronic format in order to reduce paper usage and conveniently use.
2. The company encourages reuse the paper which only used in one side in order to reduce paper usage.

3. The company has the campaign for using ladder instead of using lift in case of lift up or down only 1 stage so as to save the energy and exercise.
4. Turn off the power when unused or lunch break.

Policies and Practices for Non-Infringement of Intellectual Property

The Company is committed to conducting business policies in accordance with the laws relating to intellectual property rights, so the Company shall raise awareness to directors, executives, and all employees to honor and respect the Intellectual Property right of others. All employees of the Company are encouraged to perform their duties pursuant to laws or regulations relating to intellectual property rights, trademarks, patents, copyrights, trade secrets and other intellectual property rights. All employees of the Company are prohibited to infringe any Intellectual Property rights of others whether in a particular form of illegal copying or exploiting Intellectual Property rights of other without permission. The policies and practices concerning the non-infringement of Intellectual Property described as follows:

1. Every employee has a duty to protect and keep the confidentiality of the company's Intellectual Property. All employees must also be extremely careful to ensure the confidential information does not know to the third party. All employees must not use Intellectual Property of the Company whether for personal use or for other persons without permission.
2. All employees shall honor and respect the Intellectual Property right of others and shall not exploit Intellectual Property rights of other, in whole or in part, without permission.

Against Corruption and fraud

The company emphasizes on resisting any corruption and fraud in all methods. The company cultivates consciousness in management team and all level of employees, instructs right core value as mentioned below.

1. All employees mustn't propose returns, demands, agreements, or take a bribe from others in every form, both direct and indirect way, in order to sub serve benefit of each other or take an exploit of company's working.
2. Fraud employee will be punished in every cases, the company won't consider that how much value of the fraud has occurred.
3. If the company finds any fraud, the company won't consider that what the position of the fraud employee is being. Judgement; and punishment will be equal.
4. The company has repeatedly cultivated honesty working value, non-taking an exploit in the position value or non-sub serving the others value in all employees. The company allows employee to acknowledge punishment, as well as distress; and loss which the employee will be received from fraud.
5. All employees have to inspect circumstance in the company. If there is fraud event occurring in department, the employees have to report to the company immediately through commander or other channels which determined by the company or internal control department.



Branch and Reference

Head Office : 121 4th Floors, WTH Holding Building, Vibhavadi-Rangsit Road, Samsen – Nai, Phyathai, Bangkok 10400
Telephone : 0-2232-1789 Fax : 0-2232-1790

Now, the company had 41 branch offices, separate to region as follow:

North Region

Chiangmai : 38/7-8 Chaingmai-Lampang Rd., (Opposite Wat Jed Yod), Tambon Changpuek, Amphoe Muang, Chiangmai 50300
Telephone : 063-832-2908

Phitsanulok : 8/18 Moo 5, Tambon Samo Khae, Amphoe Muang, Phitsanulok 65000
Telephone : 064-585-3510

Petchaboon : 52/175 Thepha Phatthana Rd, Tambon Naimuang, Amphoe Muang, Petchaboon 67000
Telephone : 081-041-4114

Payao : 167/5 Moo 3, Tambon Tawangthong, Amphoe Muang, Payao 56000
Telephone : 098-543-3679

North-East Region

Nakhon Ratchasima : 143/8 Sapasit Rd., Tambon Naimuang, Amphoe Muang, Nakhon Ratchasima 30000
Telephone : 064-585-3543

Loei : 87/4-5 Maliwan Rd., Tambon Kudpong, Amphoe Muang, Loei 42000
Telephone : 064-585-3527

Mukdahan : 39/2 Muangmai Rd., Tambon Mukdahan, Amphoe Muang, Mukdahan 49000
Telephone : 064-585-3517

U-don Thani : 844/5 Tahan (Dongwat) Rd., Tambon Makkang, Amphoe Muang, U-don Thani 41000
Telephone : 064-585-3529

Khonkaen : 588/41-42 Moo 5, Tambon Muang kao, Amphoe Muang, Khonkaen 40000
Telephone : 064-585-3524

Sakon Nakorn : 85/33 Nitayo, Tambon That Choeng Chum, Amphoe Muang, Sakon Nakorn 47000
Telephone : 064-585-3519

Surin : 147 Moo 22, Tambon Nok Muang, Amphoe Muang, Surin 32000
Telephone : 064-585-3520

Buriram : 690/11 Moo 1, Tambon E-san, Amphoe Muang, Buriram 31000
Telephone : 064-585-3516

Ubon Ratchathani : 569 Moo 18, Chayangkul Rd., Tambon Kamyai, Amphoe Muang, Ubon Ratchathani 34000
Telephone : 064-585-3518

Srakaew : 47/3 Suwannasorn Rd., Tambon Srakaew, Amphoe Muang, Srakaew 27000
Telephone : 063-832-2049

Kalasin : 1/10 Kut Yang Samakkhi Rd., Tambon Kalasin, Amphoe Muang, Kalasin 46000
Telephone : 093-395-4396

Central Region**Mahachai**

Telephone

: 1240/3-4 Ekachai Rd., Tambon Mahachai, Amphoe Muang, Samutsakorn 74000
: 064-585-3548**Ayudhaya**

Telephone

: 199/354 Moo 3, Tambon Klongsuanpru, Amphoe Pranakorn Sriayudhaya, Ayudhaya 13000
: 064-585-3545**Chainat**

Telephone

: 88/7 Promprasert Rd., Tambon Ban Kluai, Amphoe Muang, Chainat 17000
: 063-832-2040**Suphanburi**

Telephone

: 36/14 Nang wankaew Rd., Tambon Ruayai, Amphoe Muang, Suphanburi 72000
: 063-832-2143**Pratumthani**

Telephone

: 56/3 Moo 7, Tambon Klong Sam, Amphoe Klong Luang, Pratumthani 12120
: 095-395-5121**East Region****Chachoengsao**

Telephone

: 93/4 Moo 13, Tambon Bang Tin Pet, Amphoe Muang, Chachoengsao 24000
: 064-585-3509**Rayong**

Telephone

: 327/15 Sukhumvit Rd., Tambon Noen Phra, Amphoe Muang, Rayong 21000
: 064-585-3515**Chonburi**

Telephone

: 111/29 Moo 6, Tambon Don Hua Lo, Amphoe Muang, Chonburi 20000
: 063-847-8424**West Region****Petchaburi**

Telephone

: 1/11 Moo 1, Tambon Raisom, Amphoe Muang, Petchaburi 76000
: 064-585-3562**Kanchanaburi**

Telephone

: 4/32, Saeng Chuto Rd., Tambon Bantai, Amphoe Muang, Kanchanaburi 71000
: 064-585-3560**Ratchaburi**

Telephone

: 3/11 Maen Ramluck Rd, Tambon Namuang, Amphoe Muang, Ratchaburi 70000
: 064-585-3561**South Region****Surat Thani**

Telephone

: 88/15 Moo 5 Kanchanavithi Rd., Tambon Bangkung, Amphoe Muang, Surat Thani 84000
: 064-585-3512**Nakorn Srithamarat**

Telephone

: 61/8-9 Nakorn-pakpanang Rd., Tambon Naimuang, Amphoe Muang, Nakorn Srithamarat 80000
: 064-585-3513**Chumporn**

Telephone

: 252/4 Moo 1, Chumporn-Ranong Rd., Tambon Wangpai, Amphoe Muang, Chumporn 86000
: 064-585-3514**Narathiwat**

Telephone

: 143/12 Suriyapradit Rd., Tambon Bangnak, Amphoe Muang, Narathiwat 96000
: 064-585-3508**Pattani**

Telephone

: 109/6 Moo 5, Tambon Rusamilac, Amphoe Muang, Pattani 94000
: 064-585-3506**Yala**

Telephone

: 102/6 Sirorot Rd., Tambon Sateng, Amphoe Muang, Yala 95000
: 064-585-3507**Hadyai**

: 84/49 Lopburi Ramet Rd., Tambon Khlong Hae, Amphoe Hadyai, Songkla 90110

Telephone	: 064-585-3505
Phatthalung Telephone	: 230 Moo 2, Tambon Khao Chiak, Amphoe Muang, Phatthalung 93000 : 064-585-3504
Surat Thani (Wiang Sra) Telephone	: 999/9 Moo 4, Tambon Bansong, Amphoe Wiang Sra, Surat Thani 84190 : 064-585-3521
Krabi Telephone	: 134/5 Moo 2, Sri trang Rd., Tambon Krabiyai, Amphoe Muang, Krabi 81000 : 064-585-3523
Satun Telephone	: 778 Moo 6, Tambon Khlong Khut, Amphoe Muang, Satun 91000 : 063-832-2047
Thung Song Telephone	: 170/1 Moo 2, Tambon Nong Hong, Amphoe Thung Song, Nakorn Srithamarat 80000 : 063-832-2671
Phuket Telephone	: 100/5 Moo 5, Tambon Ratsada, Amphoe Muang, Phuket 83000 : 063-832-2712
Trang Telephont	: 2/17 Wat Klong Nam 7 Rd., Tambon Tabtiang, Amphoe Muang, Trang 92000 : 063-832-2780

Other References

Shares Registrar

: Thailand Securities Depository Company Limited
93 Rachadapisek Road, Dindang, Dindang, 10400
Tel. 0-2009-9000 Fax. 0-2009-9991

Auditor

: Mr. Boonlert Kamolchanokkul No.5339
Pricewaterhouse Coopers ABAS Limited
179/74-80 15th Floor, Bangkok City Tower Building, South Sathorn Road,
Khwaeng Thung Maha Mek, Sathorn, Bangkok 10120
Tel. 0-2824-5000

Legal Advisor

: Wichai Thongtang Law Office
408/67 16th Floor, Phaholyothin Place Building, Phaholyothin Rd., Samsen-nai,
Phyathai, Bangkok 10400
Tel. 0-2619-0918 Fax. 0-2619-0111

Financial Advisor

: None



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