

ANNUAL REPORT | 2020

English Version

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Message from the Chairman

To Shareholders

The year 2020, the company generated revenue of Baht 890.82 million, net profit of Baht 61.68 million which was at a lesser growth rate than prior year as a result of economic slowdown, remaining depressed continuingly as adversely affected by the Corona Virus 19 pandemic. This resulted in consumers becoming more cautious on spending in particular for nature of expenses beyond daily needs. This also adversely affects the ability to repay debt outstanding. Since the year 2020, the Company initiated customer assistant for debt repayment project to be carried on until the year 2021. In light of the various adverse factors occurring, the Company has been prepared for investment fund, debt collection follow-up, receivable administration, and increasingly more cautious credit extension. The Company has modified its marketing strategy to be appropriate under the circumstances with emphasis on risk management for risk factors arising both internal and external to the Company. The Company has prepared its operating system on the personal data protection of consumer privacy in compliance with the law, fight against fraud and corruption practices to strengthen the Company's business for the long term.

As the Chairman of the Board, I would like to express my gratitude toward the Board of Directors, the management including all employees who have dedicated and performed their duties with their utmost capabilities all along, and my thanks to the shareholders, customers, trade alliances, financial institutions including all stakeholders who have provided supports, been confident in the Company's vision enabling the Company remaining achieved profitable operating results over the past years. The approaching year 2021 shall be another challenging year as a result of the sustained volatility of the economic, political, social, and pandemic factors. In any event, with the Company's potential, dedication, and intent, the Company shall adapt itself promptly in response to the changing economy and applying technology for the best interests of the company's business engagement. The Company is therefore confident that the year 2021, shall be another sound step forward, and hopefully to continue to have everyone's supports.



Mr. Preecha Veerapong
The Chairman of the Board

Audit Committee Report

To the Shareholders of Eastern Commercial Leasing PLC

The Audit Committee of Eastern Commercial Leasing PLC (ECL) consists of 3 independent directors with qualification per standard requirement, with experiences in accounting and finance, statistical economics, and administration namely:

- | | |
|---------------------------|---|
| 1. Mrs. Prapasri Permsub, | the Chairperson of the Audit Committee, |
| 2. Mr. Thailuck Leetavorn | a committee member |
| 3. Mr. Sorapat Suttienkul | a committee member |

The Audit Committee performed its duties independently as assigned by the Board of Directors as indicted in the Audit Committee Charter recognizing the importance of establishing a systematic work structure and processes. The Committee therefore reviews to ensure adherence to good governance principle, having an adequate risk management system, and an efficient and effective system of internal control and internal audit. During the year 2020, the Audit Committee performed its duties with responsibility as assigned by the Board of Directors. There were 6 Audit Committee meetings held during 2020, and once in 2021 up to the report date totaling 7 meetings, and also once without management participation with the essence of the meeting summarized below:

1. Review company financial reports to ensure accuracy and adequate

Review interim and fiscal annual financial statements for the year 2020 in cooperation with the auditor and management of the company by enquiries, listening to explanation, as well as providing advices and/or opinion in various issues related to financial report of the company prior to submission to the Board of Directors for disclosure approval consideration to the Securities Exchange of Thailand, and the Securities Exchange Commission.

Opinion: The Audit Committee was of the opinion that the financial reports for fiscal year 2020 were true and fair in all material respects in accordance with Generally Accepted Accounting Principles.

2. Review system of internal control and internal audit to ensure an appropriate system including review the independence of internal audit firm, and appointment of the internal auditor

Provide approval for the audit plan, consider audit results and follow-up with management for process improvement action regarding its operations in accordance with issues found by internal auditor.

Provide conclusive opinion on system of internal control of the company for the year 2020 in accordance with the adequacy of system of internal control assessment form provided by the Securities and Exchange Commission in conjunction with the self-assessment process results as performed by the Audit Committee and the Board of Directors in accordance with the good governance principle.

Consider selection of the outsourcing internal audit firm for the year 2021 including the assessment of results of internal audit activities performed by internal auditor during the year 2020.

Opinion: The Audit Committee was of the opinion that system of internal control and internal audit of the company has been sufficient and appropriate, and that the internal audit firm and internal auditor have been independent from the Company's business engagement. Internal audit results have been consistent with external auditor's opinion. The Company has engaged in improvement actions as per mutual consent regularly.

As for the approval consideration for internal auditor for the year 2021, the Audit Committee has appointed Mr. Chalat Lokitjariya of the firm - Improvis Co., Ltd. as internal auditor for the year 2021, with audit fee of Baht 500,000, the same as last year. The internal audit firm and the auditor have been independent in its operation and results have been satisfactory during the year 2020.

3. Review to ensure the company has been in compliance with the law related to securities and securities exchange of Thailand, the law related to the company' business including rules, regulations, announcement /order issued by authorities under those laws.

Review performance and supervision of the operations of the company correctly in compliance with system and work rules established including the business engagement of the affiliated entities.

Acknowledge report regarding compliance with the law related to securities and securities exchange, relevant business law, and follow-up on development of such matters

Acknowledge from auditor that no issues or observation needed to be reported to the Audit Committee in accordance with Article 89/25 of the Securities and Securities Exchange Act.

Opinion: The Audit Committee has been of the opinion that the Company has monitored law compliance as appropriate, and acknowledged law compliance report on a quarterly basis. For the year 2020, the Company has prepared and implemented policy and manual regarding personal information protection act consistent with the authority's Personal Data Protection Act BE 2562, to be effective from 1 JUNE 2021 which is a relevant law for the Company's business engagement.

4. Review company' s system of risk management

Review the efficiency and appropriateness of the risk management process as arising from internal and external factors including risk management policies, planning, and risk management guideline affecting company's operations

Review acknowledge risk management policies involved in the operations of the Company.

Review acknowledge conduct against risk of corruption in which the company was certified as a member of the 'Private Sector Collective Action Coalition against Corruption (CAC)' on 16 October 2015. The Company has received membership extension certification on 18 October 2019 maturing in 3 years from the date of certification.

Opinion: The Audit Committee was of the opinion that the company has arranged for the system of risk management comprising strategy risks, operational risks, financial risks, compliance risks, corruption risks, and implementation of measures to close or mitigate risks regularly both short and long terms corresponding with the risk management policies and having managed risks at the acceptable level including reviewing risks in line with current situation regularly. Concerning the Personal Data Protection Act effective from 1 June 2021, the Company is required to prepare additional risk assessment on personal information protection risk which may arise to ensure adequate and efficient system of control including policy and regulations of the Company. Furthermore, the Audit Committee shall monitor and ensure that the company complies with the requirement as a member of the CAC.

5. Consider selection, propose for appointment, and approval of audit fees for the company's external auditor

Considered selection and proposed to the Board for appointment consideration, and approval request at the Annual General Shareholders' Meeting for the year 2021 - Miss Somjintana Polhiranyarat, CPA# 5599 and/or or Mr. Viroj Sajathamnukul, CPA Registration # 5128, or Mr. Jumpot Prairatanakorn, Registration # 7645, or Mr. Nopaluek Pitsanuvong, CPA# 7764 and/or Miss Supaporn Mangchit, CPA# 8125 all from DIA International Audit Co., Ltd. as the Company's external auditor for the year 2021, for the 5th consecutive year with recommended audit fees for the year 2021 amounting to Baht 1,780,000 an increase of Baht 169,000 over prior year.

Opinion: The Audit Committee was of the opinion that the proposed audit firm has performed satisfactorily applying auditing standards in accordance with Generally Accepted Auditing Standards, has performed with professionalism to the utmost capabilities, and being independent in its audit works. It is therefore appropriate to submit to the Board of Directors for appointment consideration to be submitted to the shareholders' meeting.

6. Review related party transactions or transactions may have conflicting interests to ensure compliance with law related to securities and securities exchange and law related to business the company is engaged in including rules / regulation / announcement / order issued authorities of those laws.

Review related party transactions or transactions that may have conflicting interests and established rules and regulation for such future transaction that they comply with transactions in the normal course of business. Review compliance with practice guidance established by the Board of Directors as pertinent to basis and procedures for reporting vested interests of directors and executives of the company in accordance with announcement by the SEC for listed entities to perform.

Opinion: The Audit Committee was of the opinion that the company has performed in compliance with requirement and relevant laws with proper, complete and sufficient information disclosure.

7. Others

Follow-up on progress in adhering to resolution passed by the Audit Committee

Self-assessment performed by the Audit Committee for the year 2020 to be submitted to the Board of Directors

Reviewed information disclosure to the Securities Exchange of Thailand and the Securities Exchange Commission in the Annual Report 2020 (Form 56-2) and in the annual information disclosure form ended on 31 December 2020 of the company (Form 56-1)

Reported summary performance of the Audit Committee for the year 2020 to the Board of Directors quarterly

In summary, during the year 2020, the Audit Committee has performed its duties and responsibilities as indicted in the Audit Committee Charter applying its knowledges and competence, with due care and prudence, adequate independence including expressing constructive opinion and advice for the benefits of all stakeholders equally. The Audit Committee was of the opinion that the financial report and information of the company has been accurate and reliable in accordance with generally accepted accounting principles, with good governance practice system, adequate system of internal control for the company's businesses, and system of risk management to manage risk at the level acceptable, adequate disclosure of related party transactions or transactions which may have conflicting interest practices, including compliance completely with law, rules, and regulation relevant to the company's businesses corresponding with good governance principle, complete, sufficient, transparent, and reliable.



Mrs. Prapasri Permsub

The Chairperson of the Audit Committee

Date: 25 February 2021

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

To the Shareholders of the Eastern Commercial Leasing PLC

The Board of Directors of the Eastern Commercial Leasing PLC appointed the Nomination and Remuneration Committee comprising at least 3 directors one whom must be an independent director.

At present, the Nomination and Remuneration Committee comprises 3 directors having Mr. Sorapas Suttienkul, as independent director, and Chairman of the Nomination and Remuneration Committee, and Mrs. Prapasri Permsub, an independent director, and Mrs. Duangrat Jaengmongkol, a director, as members of the Committee.

During the year 2020, the Committee convened 3 meetings to perform its duties with material substances of the meetings summarized below:

1. Considered reduction of director and advisor compensation as a result of the Covid-19 Pandemic, the Company has been adversely affected as a result of customer repayment problem, and precautionary measure against liquidity impact in which the Company's expenses do not correspond with the revenue reduction, the Nomination and Remuneration Committee in consideration of executive and employee pay reduction, proposed downward adjustment by 20% for Company director, and advisor compensation effective from the month of April 2020 onward.

2. Considered selection and proposing individuals with appropriate qualification to be appointed directors replacing directors scheduled to be retired in accordance with the rotational procedure to be presented at the Board of Directors' Meeting, and subsequently to the shareholders' meeting for approval consideration.

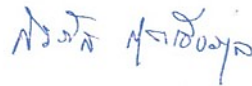
3. Considered the Board of Directors, and executive compensation at an appropriate rate in accordance with their duties and responsibilities, representing the rate comparable to entities in the same industry on the basis established by the company to be presented to the Board of Directors for approval consideration prior to submission to the general shareholders' meeting for approval.

4. Arranged for performance assessment of the Board of Directors, the sub-committees, the Chairman of the Executive Committee, and the Managing Director on an annual basis, and reporting to the Board of Directors for acknowledgement in order to utilize the results of the assessment for operational improvement to enhance efficiency and achieving company's objectives.

5. Performed the duties as consultant and provided guidance to the Human Resources Department in the preparation of succession plan commencing from the executive positions namely Deputy Managing Directors and Directors, because available information indicated that individuals in such positions having age group near retirement. To enable the Company engaging in business continuingly, the Human

Resources Department has been assigned the task of preparing human resources training and development process in support of knowledgeable individuals and with potential, to achieve job advancement, with the emphasis on HR development in the area of leadership skill, and readiness to assume the open position, or new advanced position.

The Nomination and Remuneration Committee has performed its duties as assigned and reported results of its meeting to the Board of Directors continuingly. During the year 2020, the Nomination and Remuneration Committee has performed its duties completely with due care, cautious, transparent, and independent for the best interest of shareholders, and stakeholders corresponding with good governance principles as established by the Securities Exchange of Thailand.



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Mr. Sorapas Suttienkul,
The Chairman of the Nomination and
Remuneration Committee
Date : 25 February 2021

1. Financial Highlights

Baht in thousand

	2563	2562	2561
Assets			
Total Assets	5,966,250.77	7,419,101.20	6,395,700.64
Hire Purchase Receivable	5,315,643.19	6,900,781.64	5,958,625.39
Temporary investment	0.00	0.00	0.00
Loans and sale with right of redemption agreement receivables	0.00	24,177.15	24,621.35
Short-term loans for joint venture	221,500.00	169,500.00	136,000.00
Investment in joint venture	63,435.39	53,065.67	40,955.87
Long-term loans for joint venture	30,000.00	62,000.00	64,000.00
Other non-current financial asset	2,022.84	2,694.29	0.00
Right-of-use assets	27,728.73	0.00	0.00
Deferred tax assets	108,358.86	52,721.04	34,287.63
Liabilities and Shareholders' Equity			
Total Liabilities	4,216,623.83	5,533,786.83	4,638,106.91
Bank overdrafts and loans	4,092,562.01	5,397,709.64	4,501,400.41
Lease liabilities	28,379.40	0.00	0.00
Deferred tax liabilities	18,508.22	22,696.62	20,245.26
Total shareholders' equity	1,749,626.94	1,885,314.38	1,757,593.73
Operating Results			
Total Revenue	890,824.71	914,849.62	700,344.31
Realized selling interest under hire purchase agreement	692,134.93	674,329.87	499,900.33
Interest income under sale with right of redemption agreement	1,430.46	3,035.82	2,673.15
Administrative expenses	449,217.26	392,356.68	281,850.51
Share of gain (loss) on investment in joint venture	10,369.72	7,496.43	(550.24)
Expected credit losses	158,919.35	0.00	0.00
Bad debt and doubtful accounts	0.00	141,538.03	84,258.94
Total comprehensive income for the year	61,679.35	130,089.14	142,263.69
Profitability Ratio			
Interest Income (%)	11.31%	10.50%	10.14%
Interest Expense (%)	4.55%	4.61%	4.84%
Net Interest Income (%)	6.76%	5.89%	5.30%
Net Income (Loss) (%)	6.92%	14.22%	20.31%
Net Profit per Share	0.0556	0.1173	0.1315
Return on Equity (%)	3.39%	7.14%	9.07%
Operating Efficiency Ratio			
Return on Total Asset (%)	0.92%	1.88%	2.72%

Total Asset Turnover (Times)	0.10	0.13	0.13
Book Value per Share	1.58	1.70	1.59
Financial Policy Ratio Analysis			
Total Liabilities to Equity (Times)	2.41	2.94	2.64
Loan to Borrowing (Times)	1.29	1.28	1.52
Dividend Payout Ratio (%)	0	0	0
Asset Quality Ratio			
Provision for Doubtful Debt over Total Receivables (%)	7.95%	2.80%	2.20%
Bad Debts over Total Receivables (%)	1.38%	1.08%	0.64%
Non Accrued Receivables over Total Receivables (%)	9.76%	4.63%	3.46%

Year 2015 – Dividend suspended

Year 2016 – Dividend suspended

Year 2017 – Dividend declared for operating results 2014 at the rate of Baht 0.02 per share

– Dividend declared for operating results 2015 at the rate of Baht 0.03 per share

Year 2018 – Dividend declared for operating results 2017 at the rate of Baht 0.04 per share

Year 2019 – Dividend suspended

Year 2020 – Dividend suspended

Revenue structure as reported in ECL's consolidated financial statements for the year ended on 31 December 2018, 2019, and 2020 was as follows:

Revenue	2020		2019		2018	
	Baht Million	Per cent	Baht Million	Per cent	Baht Million	Per cent
1. Hire Purchase Income realized	692.13	77.70	674.33	73.71	499.90	71.38
2. Income from Sale w/Right of Redemption*	1.43	0.16	3.03	0.33	2.67	0.38
Revenue from Credit Extension	693.56	77.86	677.36	74.04	502.57	71.76
3. Interest Income	16.63	1.87	13.47	1.47	6.43	0.92
4. Other Revenue						
- Fees and Service	76.42	8.58	76.82	8.40	65.36	9.33
- Default penalty income	16.15	1.81	13.44	1.47	9.70	1.39
- Insurance commission	39.13	4.39	88.31	9.65	70.11	10.01
- Other income	48.93	5.49	45.45	4.97	46.17	6.59
Other Revenue Total	180.63	20.27	224.02	24.49	191.34	28.24
Total Revenue	890.82	100.00	914.85	100.00	700.34	100.00

Note: *This is interest earned from Car Loan credit extension

2. Policies and Overview of Business Engagement

The company is engaged in providing used motor vehicle hire purchase finance, car loan for vehicle acquisition to vehicle dealers, renewal services for vehicle insurance as well as third party liability insurance. The company has commenced its business undertaking since 1984 and become a registered entity in the securities exchange on 1 March 2004.

The company provides vehicle registration, vehicle insurance, vehicle third party liability insurance, and life insurance renewal services which render customer conveniences and enable the company to earn supplementary income, and concurrently prevent possible risks against vehicles which are collateral of the company's credit extension, and hirers' life.

During the year 2020, the company extended hire purchase credit emphasizing used passenger vehicles, and big bikes, trucks and others comprising 46, 35, and 19 percent of the total credit extension respectively. Most of the customers reside in the Bangkok metropolitan area, and the Eastern provinces. Furthermore, the company has expanded increasingly credit extension for trucks toward the upcountry provinces, and planned to target credit extension for customers having hiring contracts with private entities or the government segment to mitigate risks of incurring NPL.

2.1 Vision, Commitment, and slogan

Vision

To be an expert in the used vehicle hire purchase finance, a fair trading partner, to provide excellent services, and to add long term value for the stakeholders

Commitment

- To create utmost potential for services to maintain competitive edge, perseverance with quality employee, state of the art technology, and uphold good governance principle in response to the highest customer satisfaction and optimum return to all stakeholders with fairness and responsibility toward the society
- To be an expert in the used vehicle hire purchase finance, with over 30 years of continuing and acquired business experiences
- To treat customers with fairness regarding merchandize and services without bias
- To engage in business with ethics and dedication toward excellences

Slogan

- Our service mind is your satisfaction
- Speed Car Speed Money
- ECL Auto Cash

Business Objective

Credit extension during the year 2020 amounted to Baht 1,491.85 million consisting of passenger vehicles, motorcycles, trucks, and others accounting for 46, 35, and 19 percent respectively. Credit extension decreased for passenger vehicle, and motorcycles by Baht 860.50 million or 55.66%, and Baht 718.13 million or 57.90% respectively. The latter included big bikes and motorcycles of engine sized from 220 to 650 CC, and average credit per vehicle of Baht 200,000. As for vehicles related to logistic services and other, credit extension decreased by Baht 294.62 million or 50.89 percent.

As for business target for the year 2021, the company has a goal of Baht 1,700 million credit extension, Baht 120-150 million on a monthly average basis, with proportionate adjustment for increasing truck credit segment emphasis. It is anticipated that the transport and communication segment should gradually return after experiencing the global Covid – 19 Pandemic during the year 2020 which resulted in the Thai and the global economic slowdown and remaining substantially depressed. Such an impact should continue for a period longer than 1-2 years. For the year 2021, the Company's marketing department shall arrange for customers with private or government sector hiring contracts to mitigate risk of becoming NPL. The Company shall emphasize more on credit quality, modification of work procedure for accelerated collection and follow-up to become more effective, reduction of costs related to litigation, and debt follow-up including other relevant cost control to enable achievement of greater profitability.

The company has established a subsidiary by the name of "Mighty Broker Co., Ltd" to engage in the insurance brokerage business on 20 November 2019 to support the insurance brokerage business in the areas of casualty and life insurance. Even though the decline in credit extension during the year 2020 resulted in the decline in insurance business as well. It is anticipated that insurance business should increase in the year 2021 because of the Company's large number of capable insurance sales employees, and Might Broker should commence full operations in the month of January 2021. Other than the vehicle insurance, health insurance, life insurance, and fire insurance, there are other products for example used vehicle warranty, and roadside assistance (travel emergency assistance). Mighty Broker has business plan to maintain ECL client base, and new client expansion with anticipated greater revenue contribution to the Company, and maintaining a sound growth prospect.

Company's objective and business direction over the next 5 years

The company has planned strategic management modification annually in its business engagement over the past years to be appropriate with the economic environment. Because of the increasing competition, the company has applied technology to assist in the communication process, and adapted in exploring new products coupled with company's credit extension to further business expansion, and searching joint venture participation to further business development.

The company has prepared business plan over the next 5 years as follows:

1. To locate more funding sources which shall provide long term fund, and at the fixed interests rates to reduce costs of credit extension, and correspond with customer ability to repay.
2. To expand customer base to up-country provinces nationwide for ECL to be better known, to enable more credit extension. The company has established targets for credit extension to various segments namely truck, contract vehicles, and direct contract with corporate customers.
3. Regarding the year by year growing Big Bike, and motor vehicle credit, the company plans to expand the customer base both in the Bangkok and metropolitan area, including the Eastern region.
4. The development of portfolio quality emphasizing credit quality analysis, risk assessment, compilation of statistical data for scoring, more refined customer risk level classification: If the company is able to control receivable portfolio quality, high NPL problem shall decrease. Loss and costs of credit extension, costs of monitoring and follow-up shall decrease.
5. To engage in insurance brokerage business as the company has achieved substantial amount of insurance sales and increasing every year, over the past years. The company has therefore established a subsidiary to engage in insurance brokerage businesses for casualty, and life insurances to further business and enhance earnings to the company. Furthermore, casualty or life insurance policies bought by company's credit applicants help mitigate NPL risks in the company's credit portfolio.
6. To further subsidiary company's business to enhance earnings for the company in the two products initiated during the year 2020 namely motor vehicle spare part warranty brokerage and roadside assistance emergency service.
7. To locate joint venture engaging in electric vehicle business in the Thai market to enable the company to provide electric vehicle financing.
8. To adopt and implement technology in the development of company's work process namely debt collection system, statistic computational system for doubtful debt provisioning per new standards, operational control system in the area of private information protection for example.

2.2 Important Changes and Development

Year 1982	- The formation of Eastern Commercial Leasing Co., Ltd. to engage in used vehicle hire purchase finance. Business has grown over the past 20 years and on 15 September 2003, the company has registered change in its status into a public company with core shareholders being the Veerapong, and the Tantraporn families.
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1 March 2004	- The company was listed in the securities exchange, with capital increase amounting to Baht 100 million resulted in total registered capital increased to Baht 410 million fully paid up.
9 December 2013	- Paid up capital increased from Baht 410,000,000 to Baht 594,776,000 through exercise of right under warrant ECL-W1 acquiring increased ordinary shares amounting to Baht 184,776,000.
January 2016	- Premium Financial Services Co., Ltd. (ref. PFS) (Japan) which engages in motor vehicle credit extension and used vehicle part warranty ranked the 4 th largest in the motor vehicle credit company in Japan, has expressed interest in entering into the Business Alliance Agreement with the company by holding up to 25.5 % of the company's paid up capital after capital increase totaling 203,582,000 shares or accounting for the newly issued ordinary shares of 203,582,000 shares. PFS dispatched one representative to act as director and two employees to manage and provide knowledge and skill relating to technology and marketing including assistance in improving work system and business expansion for the company.
26 April 2016	- The Annual General Shareholders' meeting for the year 2016, resolved to issue new ordinary shares totaling 203,582,000 shares offering to Premium Financial Services Co., Ltd. on a private placement basis at the offering price of Baht 1.54 per share resulted in the company being able to mobilize Baht 313.52 million new capital which including the company's own working capital fund enabling adequate funding for the company's business expansion.
11 May 2016	- The company's registered capital was increased to Baht 1,095,745,395 with Baht 798,358,500 being paid up. Mr.Yohichi Shibata was appointed company's director.
16 November 2016	- The formation of Eastern Premium Services Co., Ltd. (ref. EPS) as a joint venture company between ECL with Premium Group Co., Ltd. with the objective of engaging in full services motor vehicle maintenance center.
12 September 2017	- The company increased registered/paid up capital by Baht 125,261,091 from Baht 798,358,500 to Baht 923,619,591. The result of the exercise of right under warrant, the ECL-W2 (5 th times) on 31 August 2017, was 119,296,278 units were exercised for the acquisition of ordinary shares of 125,261,091 shares.
29 September 2017	- The extraordinary shareholders' meeting 1/2560 resolved to approve capital increase of Baht 14,869,345 from the existing registered capital of Bah 1,095,745,395 to the new registered capital of Baht 1,110,614,740 with the

	issuance of new ordinary shares totaling 14,869,345 shares at Baht 1 par, in providing increased ordinary shares sufficiently to support the exercise of right under warrant ECL-W2, having the last such date on 23 February 2018.
December 2017	Pataya Branch opening (5 th branch)
January 2018	- Kaset Nawamin branch was open as the 6 th branch
7 March 2018	- As a result of the last exercise of right under warrant, the company registered increase in capital by Baht 185,237,653 from Baht 923,619,591 to Baht 1,108,857,244 registered capital issued and paid up, with ordinary shares not yet issued amounting to 1,757,496 shares.
March 2018	- Srinakarin branch was open (7 th branch)
27 March 2018	- Formation of ECL Asset Co., Ltd. as a joint venture between ECL with Global Best Real Estate Loan Co., Ltd. at the holding proportion of 60:40 with the objective to engage in land for cash business namely to extend loan secured by land mortgage or land under sales with the right of redemption,
August 2018	- Sriracha branch was open as the 8 th branch.
5 October 2018	- The company issued and offered for sale debenture amounting to Baht 600 million from the approved limit of Baht 1,200 million with balance of Baht 600 million (EGM 1/2017, dated 29 September 2017). The debenture was a period of 2 years (matured on 5 October 2020) at the rate of 4.4% p.a. and interest payable quarterly starting from 5 January 2019.
8 January 2019	- The Extra-ordinary Shareholders' Meeting 1/2562 resolved to approved the followings: 1. Approval for the issuance and offering for sale, warrant with the right to acquire the increased ordinary shares, the 3rd lot, ECL-W3 with unit limit of 554,428,622 units, and increase in registered capital from Baht 1,108,857,244 to Baht 1,663,285,866, by issuance of 554,428,622 new ordinary shares at Baht 1 par per share, to support capital increase through exercise of right under warrant, the conversion to ordinary shares over the next 2 years. 2. Pursuant to the approval granted for the debenture issuance limit of Baht 1,200 million, and subsequent issuance of Baht 600 million on 5 October 2018, with limit balance of Baht 600 million, shareholders' meeting resolved to approve additional debenture issuance limit of Baht 1,800 million at this time, total debenture issuance limit becomes Baht 3,000 million, and balance remaining amounting to Baht 2,400 million.

- 16 January 2019 - The company appropriated warrant ECL-W3 for shareholders at the proportion of 2 original ordinary shares for 1 unit of warrant resulted in the issuance of 554,428,475 units of warrant which was less than the units requested of 554,428,622 units by 147 units as a result of rounding (details per section 5.3.1, the issuance of warrant)
- 7 February 2019 - The date for the issuance of warrant with tenor of 2 years from issuance date. The first such date for the exercise of right under warrant, shall be on 31 August 2019, and the last such date shall be on (deferred to be) 5 February 2021 (details per section 5.3.1, the issuance of warrant)
- 18 October 2019 - The company has been granted certification for the renewal of membership at the Collective Action Against Corruption or CAC for a period of 3 years (expiring on 18 October 2022)
- 20 November 2019 - The company established a subsidiary, Mighty Broker Co., Ltd. in which ECL invested 100% of its capital with the objective of engaging in the business of casualty insurance brokerage
- 31 December 2019 - The Sri Nakarin Branch was closed down.

Important changes during the year 2020

- April 2020 - Director, executive, and employees pay reduction corresponding with the adverse impact from the Covid – 19 Pandemic situation
- 14 May 2020
 - Referring to the Business Alliance agreement entered into between ECL, and Premium Financial Service Co., Ltd. (PFS, current name Premium Co., Ltd.) since 25 February 2016, joint discussion between parties concluded that the agreement be cancelled in whole on 14 May 2020 to enable each company operating flexibility. Premium Co., Ltd. would still hold 25.5% in ECL equity, and continues to participate in the ECL business operation.
 - Mr. Yoichi Shibata resigned from the position of company director because of other commitment in the management of the Premium Group in Japan.
 - The Board passed resolution appointing Mr. Masayuki Nozawa, currently holding the position of Deputy MD, as company director in place of Mr. Yoichi Shibata, to become effective from 15 May 2020.

	- Implementation of the policy guideline in accordance with the personal data protection Act 2019
30 June 2020	- Cancellation of Kaset-Navamin, Rayong, and Sri-Racha branches.
17 July 2020	- The date for the AGM for the year 2020 which has been deferred from 27 April 2020 in light of the Covid – 19 pandemic situation.
5 October 2020	- Due date for the debenture redemption in which investors have been repaid in full.
19 November 2020	- The company achieved the governance practice scoring for the year 2020 of 91 which is considered 'Excellent'. The scoring has been based on the governance survey project - Corporate Governance Report of Thai Listed Company: CGR, conducted by the Thai Institute of Director Association.
3 December 2020	- Notification of the close of the Warrant, ECL – W3 registry on 15 January 2021 with the last holder exercise of right to acquire ordinary shares on 5 February 2021.

2.3 Structure of Shareholders of the Group Companies

As at 31 December 2020, the company invested in 3 other companies namely:

2.3.1 Premium Service (Thailand) Co., Ltd. (PST), formerly Eastern Premium Service Co., Ltd. (EPS), is engaged in the vehicle repair service center founded since 16 November 2016 as a joint venture among 3 investors namely ECL, Premium Group Co., Ltd. (PG), and Rising Sun Traders Ltd. (RS) under joint venture agreement, with voting right entitlement, and authorized director appointment equally on each side, joint management, and profit (loss) sharing pro-rata to investment capital with initial registered capital of Baht 20 million, and subsequently on 6 September 2018, increased in registered and paid up capital to Baht 37.5 million.

On 31 December 2018, proportionate holding of ECL was 54.55% of the paid up capital of Baht 37.5 million or Baht 20.4 million.

As EPS continued to incurred operating loss during the year 2019, ECL at its Board of Directors' Meeting 2/2562, on 14 May 2019, resolved to reduce the investment capital to 15% through reduction of the EPS share value to absolve and reduce retained loss. ECL has disposed of part of its shares held to new investor. Subsequently, ECL investment in EPS classification was changed from investment in joint venture to investment in other company with proportion of shareholding of 15% holding the remaining 56,100 shares with value of investment amounting to Baht 5,610,000.

On 13 August 2019, the Board at its 3/2562 Meeting resolved to approve ECL increase in investment capital in PST of 33,760 shares amounted to Baht 1,851,300 to maintain its proportional

shareholding of 15% continuingly. ECL therefore held 89,760 shares with value of investment amounting to Baht 7,461,300, and entered into the joint venture termination agreement. ECL shall no longer appoint director to participate in the PST management (details were presented as part section 7.4.1, oversight of the operations of subsidiaries and affiliates)

On 31 December 2019, financial report presented 'investment in other company (PST) holding 89,760 shares for investment value of Baht 2,694,292.72 (book value approximately Baht 30.02 per share) and presented the initial costs of Baht 7,461,300 deducted by impairment provisioning of Baht 4,767,007.28, and net investment value of Baht 2,694,292.72

On 31 December 2020 Consolidated Financial Statement presented "Other non – current financial asset" 89,760 shares amounting to Baht 2.02 million.

2.3.2 ECL Asset Co., Ltd. is engaged in lending against land collateral - the land for cash business by registered mortgage or sale with right of redemption, with land title deeds retained at ECL. The company was established on 27 March 2018 with two investors i.e. ECL, and Global Best Real Estate Loan Co., Ltd. (GB) under joint venture agreement, with voting right, authorized director appointment, joint management, and profit (loss) sharing from operating results pro-rata to investment holding of 60: 40 respectively.

On 31 December 2020, ECL Asset reported registered capital of Baht 80 million of which Baht 60 million was paid up. ECL proportionate holding of 60% represented Baht 36 million investment. Consolidated financial report presented the investment on an equity basis of accounting reported investment in affiliate for value of Baht 63.44 million, Baht 27.44 million more than initial investment representing realization of the pro-rata gain in investment (details per part of section 7.4.2, oversight of subsidiary and affiliate)

2.3.3 Mighty Broker Co., Ltd. is engaged in the insurance brokerage business founded on 20 November 2019 with registered capital of Baht 5 million, Baht 5 million of which was paid up, held 100% by ECL, and the company classified as ECL subsidiary.

Mighty Broker has been granted casualty, and life insurance brokerage permits on 28 August 2020, and 16 December 2020 respectively, and commenced operation in the month of November 2020. The separate financial statement as of 31 December 2020 presented "Investment in subsidiaries" value of Baht 5.0 million. (details per part of section 7.4.3, oversight of subsidiary and affiliate).

2.4 Relationship with Major Shareholders' Business Group

Based on the nature of the company's main business, the company has not materially been in competition with nor having relationship or connected with major shareholders' business undertaking.

3. Risk Factors

Risk factors which may occur and affect the operations of the company consist of the following:

Financial Risks

3.1 Risk Arising from the Volatility of Interest Rate

Hire purchase business generates revenue from fixed interest rate throughout the life of the hire purchase contract while cost of fund is derived from borrowings both fixed and floating interest rates. Changes in the prevailing lending interest rate have a direct impact on cost of fund, and profit of the Company. With the current floating rate debt amounting to Baht 2,057.46 million, a rise in floating interest rate by 0.50% will result in an incremental rise in interest expense by Baht 10.29 million. The Company as a matter of policy shall mitigate risk arising from interest rate volatility by sourcing fixed rate funding with low rate of interest that will achieve a profitable interest margin, and concurrently with loan tenor close to the average life of the outstanding credit portfolio.

The proportion of fixed rate and floating rate loan of the Company as at 31 December 2018, 2019, and 2020 is as follows:

Type of Interest Rate	31 December 2020		31 December 2019		31 December 2018	
	Baht Million	Percent	Baht Million	Percent	Baht Million	Percent
-Fixed Rate*	2,035.10	49.73	2,631.99	48.76	2,494.53	55.42
-Floating Rate**	2,057.46	50.27	2,765.72	51.24	2,006.87	44.58
Total	4,092.56	100.00	5,397.71	100.00	4,501.40	100.00

Notes: * Fixed Rate loans consist of part of long term loan, and bill of exchange and debenture issued

** Floating Rate loans consist of bank overdraft, other short term borrowing, and part of long term loan and promissory notes

Year 2020 : - Bill of Exchange as debt instrument was arranged on a floating rate basis with BE renewed on a 3 or 6-month basis and interest rate subject to change at renewal.
 - Loan arrangement fees (Front-End Fee) prepaid was amortized along with costs of finance against loan balance at year end affected results for the year ended 31 December 2019.

3.2. Liquidity Risks

The company's source of fund comprises shareholders' equity, borrowings from financial institutions, and through debenture issuance as at the end of 31 December 2019, and 2020 in the following proportion:

	2020		2019	
	Baht million	Percent	Baht million	Percent
Shareholders' Equity	1,749.63	29.95	1,885.31	25.89
Borrowing				
- Short Term Loan*	2,281.69	39.05	2,892.39	39.71
- Long Term Loan**	1,810.87	31.00	2,505.32	34.40
Total Borrowing	4,092.56	70.05	5,397.71	74.11
Grand Total	5,842.19	100.00	7,283.02	100.00

Note: *Short Term Loan consists of overdraft, other short term borrowings, current portion of long term loan, and promissory notes including debenture and Bill of exchange

If financial institution calls for repayment of short term debt, the Company may encounter liquidity risks. As a matter of policy, the Company mitigates this risk by utilizing long term credit facilities with repayment term corresponding to the cash flow receipt from customer installment payment. The Company also controls receivable collection efficiently to mitigate risk of the disparity between source and use of fund. As at 31 December 2020, total liabilities due within one year (including overdraft and short-term loan) amounted to Baht 2,281.69 million, comparing with portfolio installment receivable due within 1 year amounted to Baht 2,360.59 million, which was more than Baht 78.90 million, the company should be able to arrange for repayment funding. As for the liabilities due over one year and up to two years amounted to Baht 1,234.84 million, comparing with installment due for collection within one year and up to two years of Baht 1,953.17 million, which amounted to more than 718.33 million baht, the Company has adequate funding sources to meet its debt obligation during the said periods. (Details of the relationship between the source and application of fund appears Item 12, Analysis and Explanation of Management)

3.3 Risks of Potential Increasing Future Debt Obligation

As at 31 December 2020, total liabilities stood at Baht 4,216.62 million, shareholders' equity Baht 1,749.63 million, debt to equity ratio of 2.41, increased from prior year of 2.94.

The company has been granted approval from 5 commercial banks to increase its DE ratio covenant from 3 to 4 (the ratio of liabilities to equity of 4). There are still risks of maintaining the ratio not to exceed the 3-4 range or to comply with lending conditions and covenants of all lenders. The company's financial position has been sound, the rate of debt creation has not been too high, and used motor vehicles remain customer necessities continuingly. The company may be required to borrow more in the future hence increase in its debt obligation. Nonetheless, the company shall look for low cost funding and improved lending conditions considering company's financial structure for the benefit of the company, and shareholders as a whole.

Business Risks

3.4 Market Risks and Competition

Competition in the hire purchase business stresses the reduction of rate of interest resulting in the continuing decline in the hire purchase rate or upward adjustment at a slower pace than the increase in the prevailing loan rate quoted by financial institution. This has been particularly true in the hire purchase finance provided by motor vehicle manufacturer captive hire purchase companies emphasizing its own new vehicles. This includes hire purchase finance companies which are commercial banks or companies affiliated with a number of financial institutions. They have altered their strategy from the original new vehicle finance to expansion increasingly into used vehicle finance in order to earn a higher rate of hire purchase comparing to new vehicles. There were also increasing number of new players entering the market. The company is therefore exposed to high risks resulted from increasing competition in the used vehicle finance as well. The Company's return has declined with used vehicle finance rates averaged 3.75%, 2.70% and 2.70% during the years 2018, 2019, and 2020 respectively.

Because of such competition, the Company does not have policy of competition through rate reduction. Instead the Company adapts itself through efficiency, flexible policy, and skills with acquired experiences from long years of business, the speedy and good quality service to customer, the maintenance of good relationship providing good benefits to motor vehicle dealers including the expanding relationship with more used vehicle dealers and increasing policy to provide other credit services.

3.5 Risks from Credit Extension for Used Motor Vehicle Finance

Although used vehicle finance provides greater return than new vehicles the risks are also higher in particular the risk of appraising the price and quality of used vehicle taken as collateral for hire purchase finance. The company attempts to reduce risk in this regard by recruiting experience and skillful appraisal staff to appraise vehicle price and quality, and marketing of used vehicle finance, and careful selection of high standard used vehicle dealers who are financially sound and offer to sell quality used vehicles with appropriate price. This will help reduce risk for the vehicle quality and build client confidence. The Company also maintains policy of lending the amount below market value of vehicle and increases down payment to mitigate risks. In any event, the Company has incurred minimal loss as a result of incorrect appraisal of vehicle price and quality used as collateral in the credit extension process.

3.6 Operating Risks Arising From Non-Performing Assets

The Company may be exposed to default risks. To mitigate such risk, the Company maintains stringent measures on every step of the credit process including the requirement for personal guarantee for hirer, the establishment of an appropriate level of down payments corresponding to the risk, credit check on all hirers referring to National Credit Bureau as consideration for credit approval, stringent and accelerated collection procedure, and the sufficient bad debt reserve in accordance with Company

standard. The Company also maintains system of audit, internal control, good and efficient reporting which help reduce the problem of non-performing credit, and prevention of fraud within the organization.

For the year 2019, the Company suspended recognition of revenue from receivables past due over 4 months, and for the year 2020, the Company suspended recognition of revenue for receivables past due exceeding 90-day corresponding with new accounting standards,

During the years 2019, and 2020, non-accrued customers overdue 4 months, and 90 days and litigation cases in process pending judgment amounted to Baht 330.01 million, and Baht 544.91 million accounting for 4.63% and 9.46% of total receivables respectively.

Customers overdue exceeding 90 days increased during the year 2020 because of decrease in debtor ability to repay resulted from the economic environment and the Covid-19 Pandemic. The company has increased measure assisting debtors with liquidity problem by suspending or extending debt repayment and in process of developing and improving its collection and monitoring system to become more efficient. Nonetheless, the Company recognizes such risks, and implemented all measures in accelerating collection for the highest amount and within the shortest time frame by hiring external collector in vehicle repossession, follow-up, and legal action.

3.7 Risks on Disposal of Repossessed Vehicles

The Company is also exposed to risks of loss through disposal of repossessed vehicles. Repossessed vehicles are disposed of through public auction or publicized sale. The company retains recourse to borrower or guarantor if proceed from sale remains inadequate to settle remaining outstanding with the Company. In the event such recourse is not possible, the company will incur loss from sale of repossessed vehicle. Selling price of such vehicles depends on their quality, age, and popularity of the make including market condition and demand at the time for examples changing gasoline price or reduction in new vehicle taxation structure. For credit approval, the Company attempts to control not to extend the amount of credit too high or allow too low the amount of down payment because the value of repossessed vehicle may be too low and inadequate to settle outstanding balance resulted in loss to the Company. Nonetheless the Company established reserve for impairment of asset at the level the Company felt to be adequate including arrangement for company which engaged in the business of auctioning of repossessed vehicles to reduce reliance on big companies.

During 2019, the company repossessed and disposed of 1,097 vehicles for value Baht 296.82 million accounting for 3.83% of all vehicles under hire purchase with the Company, comparing with 1,756 vehicles for value Baht 428.94 million accounting for 6.59% during the year 2020. The company incurred losses from disposal of repossessed vehicles amounting to Baht 109.34 and 183.43 million during 2019, and 2020 respectively.

(*Value of repossessed vehicle = debt balance – unearned interest + repossession costs)

Management Risks

3.8 Risk of Major Shareholder Management Influence

The Company's major shareholders comprise the Veerapong, the Tantraporn Families, and Premium Financial Services Co., Ltd. (PFS) taking up 25.5% of the company's shares through new share issuance during the year 2016. The three major shareholders have controlling interests at the Annual General Shareholders' Meeting except for matters where the law and company articles require voting of 3 quarters of the votes at the shareholders' meeting. Therefore, other shareholders may not be able to accumulate their votes sufficiently to provide a check and balance for issue the major shareholders propose at the meeting. Nonetheless the Company has implemented policy to treat all shareholders equally and recognize the right to participate in shareholders' meeting of minority shareholders. At the meeting, the Board Chairman provides opportunity and encourages shareholders to freely express their opinion or query on operating results of the Company, and equally participate in the voting on all agenda (Details included in the entity governance section, Item 7.7.1, right of shareholders, and 7.7.2 equal treatment for all shareholders).

3.9 Risk of Reliance on Specialists

The business of the company requires credit and marketing personnel who possess knowledge, skill, and experience in appraising vehicle, and knowledgeable about used vehicle market value including personnel who are capable of follow-up on collection. At present the company maintains 67 credit and marketing staff and 29 collection staff which are appropriate and adequate to support the present hire purchase portfolio. The Company provides incentive measures for these staff to retain them in the long term to mitigate staff loss. Such measures include development of a clear career path. Since the year 2019, the company has already arranged for the recruitment of successors for the positions of deputy directors, and directors (succession plan). An appropriate level of compensation and a good relationship, which is conducive to employee participation, make employee feel the sense of ownership of the company.

4. General and other important Information

4.1 General information

4.1.1 Company location

Name of the company	Eastern Commercial Leasing Public Company Limited
Address	976/1 Soi Praram 9 Hospital, Rimklongsamsen Road Bangkapi Sub-District, Huay Kwang District, Bangkok 10310 Telephone 02-641-5252, Facsimile 02-641-5994, 02-641-5995
Homepage	http://www.ecl.co.th
Type of business	Automobile hire purchase finance
Company registration Number	Registration Number 0107546000288
Type and number of shares	Registered capital, Baht 1,110,614,740 Ordinary share 1,663,285,866 shares, par value Baht 1 per share Paid up capital Baht 1,663,285,866 million (information as at 31 December 2020)
Cholburi branch address	728/10 Sukhumvit Road, Bangprasoi Sub-District, Muang District, Cholburi Province Telephone 038-27-8889, 038-27-8676-7, Facsimile 038-27-8669
Chantaburi branch address	307 Ta Chalab Road, Talad Sub-District, Muang Chantaburi District, Chantaburi Province Telephone 039-30-1919, Facsimile 039-30-1918
Rayong branch address (Branch closed on 20 June 20)	75 Rasbamroong Road, Nernpra Sub-District, Muang Rayong District, Rayong Province Telephone 038-61-4979, Facsimile 038-61-4978
Kanchanaphisek branch address	624/4 Kanchanaphisek Road, Bangphai Sub-District, Bangkhae District, Bangkok Telephone 0 2408 1996, Facsimile 0 2408 1998
Pattaya branch address	131/36 Moo 9 , Nongprue Sub-District, Bang Lamung District, Chonburi Province Telephone 038-19-9389, Facsimile 038-19-9389
Kasetnawamin branch address (Branch closed on 20 June 20)	25/177 Ratchada – Ramintra Road, Nuan Chan Sub-District, Bueng kum District, Bangkok Telephone 062 -801-8888

Srinakarin branch address	1 st and 4 th floor in Shophouse 987-989 Lasan Road, Bangna (Branch closed on 30 December 20) Sub-District, Bangna District, Bangkok Telephone 062-802-8888
Sriracha branch address	18/42 Moo 4 , Surasak Sub-District, Sriracha District, (Branch closed on 30 June 20) Choburi Province Telephone 062-904-8888
AIA branch address	89 AIA Capital Center Building , 12A Floor , Unit 12A04 , Ratchadapisek Rd., Dindaeng Sub-District, Dindaeng District, Bangkok Telephone 02-641-5252

4.1.2 Location of the legal entity held by the Company from 10% and above of its paid up shares

Premium Services (Thailand) Co., Ltd.
89 AIA Capital Center Building , 12A Floor , Unit 12A04 ,
Ratchadapisek Rd., Dindaeng Sub-District, Dindaeng District, Bangkok
Telephone 02-050-8862, 02-050-8861

ECL Asset Co.,Ltd.
89 AIA Capital Center Building , 12A Floor , Unit 12A04 ,
Ratchadapisek Rd., Dindaeng Sub-District, Dindaeng District, Bangkok
Telephone 02-641-5252

Mighty Broker Co., Ltd.
976/1 5th Floor, Soi Praram 9 Hospital, Rimklongsamsen Road
Bangkapi Sub-District, Huay Kwang District,
Bangkok 10310
Telephone 02-641-5252

4.1.3 Location of references

Share Registrar	The Securities Exchange of Thailand (adjacent the Embassy of the People's Republic of China) Mail room, first floor, C Building
Address (since 23 November 2015)	Number 93, Ratchadapisek Road, Dindaeng Sub-District, Dindaeng District, Bangkok 10400 Telephone 02-009-9380;

	Facsimile 02-009-1259-9476
Audit Firm	DIA International Audit Co., Ltd.
External Auditor	Miss Somjintana Polhiranyarat
	Certified Public Accountant # 5599
	Or Mr. Nopaluek Pitsanuvong ,
	Certified Public Accountant # 7764,
	Or Miss Supaporn Mangchit ,
	Certified Public Accountant # 8125,
	Telephone 02-259-5300-2
	Facsimile 02-260-1553, 02-259-8956

- 4.2 Other Important Information which may be beneficial or may materially affect investors' decision
 – None

5. Information on the share securities and shareholders

5.1 Registered and paid up share capital

As at 31 December 2017, the company's registered capital was Baht 1,110,614,740 with paid up capital of Baht 923,619,591 comprising ordinary shares of 923,619,591 shares of Baht 1.

On 31 December 2018 the company's registered capital was Baht 1,110,614,740 of which Baht 1,108,857,244 was paid up comprising 1,108,857,244 ordinary shares at Baht 1 par per share. There has been Baht 1,757,496 excess of registered over paid up capital comprising 1,757,496 ordinary shares to support ECL – W2 remaining unsubscribed.

On 8 January 2019, the Extra-ordinary Shareholders' Meeting 1/2562 resolved to approve the issuance and offering for sale of the 3rd lot warrant ECL-W3 with the right to acquire ordinary shares totaling 554,428,622 units, through the increase in registered capital totaling 554,428,622 shares at Baht 1 par value per share in support for capital increase over the next 2 years (details for the warrant issuance per section 5.3.1)

On 31 December 2019, company's registered capital was Baht 1,663,285,866 of which Baht 1,108,857,244 was paid up comprising 1,663,285,866 ordinary shares with par value of Baht 1 per share. Registered capital was higher than paid up capital by Baht 554,428,622 or 554,428,622 shares. These have been registered shares in support of the ECL-W3, with the total balance of 554,428,622 shares remaining unused, as at the first exercise date of 31 August 2019, there were no warrant holders exercised their right under warrant to acquire ordinary shares.

As at 31 December 2020, the Company's registered capital amounted to Baht 1,663,285,866 of which Baht 1,108,857,244 was paid up consisting of 1,663,285,866 ordinary shares, of Baht 1 par per share. Registered capital amount was Baht 554,428,622 greater than the amount paid up consisting of 554,428,622 ordinary shares which were registered ordinary shares to support the ECL-W3 totaling 554,428,622 shares remaining. This was a result of the lack of holders exercise their rights under ECL-W3, the 2nd exercise date on 28 February 2020, and 3rd exercise date on 31 August 2020 to subscribe to the ordinary shares.

The company compiled list of shareholders as at 6 January 2021 and found that there were retail shareholders (Free Float) totaling 4,809 shareholders accounting for 45.39% of the issued and paid-up shares.

5.2 Shareholders

Shareholding structure and the list of the first 10 largest shareholders as at the close of Share Registry on 6 January 2021:

Rank	Name List	Shares Held (Shares)	Percentage
1	The Veerapong Family	288,828,151	26.04
2	Premium Financial Services Co., Ltd.	281,646,350	25.40
3	The Tantraporn Family	32,571,750	2.94
4	Mr.Veerapong Lourvanij	18,000,005	1.62
5	Korat Industry Co., Ltd.	13,725,000	1.24
6	Mr.Narong Wangchareonwong	11,119,100	1.00
7	Mr.Pichai Aeksombat	10,147,400	0.92
8	Mr.Niwate Jirawichitchai	10,000,000	0.90
9	Mr.Rungtavee Sarnyagowit	7,940,000	0.72
10	Miss Retsara Tunthayanon	7,850,000	0.71
11	Others	427,029,488	38.51
Total		1,108,857,244	100.00

Par value Baht 1 / share

On 6 January 2021, the Veerapong family group shareholders comprised:

Shareholders	Shares Held (Shares)	Percentage
1. Mr. Preecha Veerapong and spouse	86,965,875	7.84
2. Miss Bangornsiri Veerapong	68,250,000	4.48
3. Mr. Danucha Veerapong	50,000,000	4.51
4. Mr. Prapakorn Veerapong and spouse	46,698,480	4.21
5. Prasartporn Junior Co., Ltd.	35,000,000	3.16
6. Eastern Estate Co., Ltd.	1,913,796	0.17
Total	288,828,151	26.04

On 6 January 2021, the Tantraporn family group shareholders comprised:

Shareholders	Shares Held (Shares)	Percentage
1. Mr. Vitaya Tantraporn	20,259,600	1.83
2. Miss Nawan Tantraporn	7,500,000	0.68
3. Mr. Banler Tantraporn	2,528,000	0.23
4. Miss Yajai Tantraporn	1,791,100	0.16
5. Miss Natiya Tantraporn	470,050	0.04
6. Mr. Artapilart Tantraporn	23,000	0.00
Total	32,571,750	2.94

5.3 Issuance of other types of securities

5.3.1 Warrant Issuance

During the year 2019, the Extra-ordinary Shareholders' Meeting 1/2562, on 8 January 2019, resolved unanimously to approve the issuance and offering for sale of 554,428,622 units of the 3rd lot, warrant ECL-W3, with right to acquire ordinary shares. The warrants were appropriated to existing shareholders pro-rata to shares held for no costs at the ratio of two ordinary shares for 1 unit of warrant (rounding out for fraction of share held if any), and establishing rate and price of 1 unit of warrant for 1 share at the price of Baht 1.85 per share. Warrant holders may exercise their right to acquire ordinary shares at a 6-month interval throughout a 2-year period at the last day of the months of August and February of each year (the first date for the exercise of right shall be 31 August 2019, and the last date shall be on 5 February 2021).

The company has proceeded to appropriate the warrants on 16 January 2019 with the results, on the basis of two ordinary shares for 1 unit of warrant, being issuance of 554,428,475 units of warrant to existing shareholders, 147 units less than the requested and approved issuance of 554,428,622 units through unit rounding.

7 February 2019 was the date of issuance and offering for sale of warrant ECL-W3 totaling 554,428,475 units (2 years tenor from the date of issuance and offering for sale, with the last date for the exercise of right under warrant to be 5 February 2021, and the expiry date of the warrant on 6 February 2021).

On 31 August 2019, the first date for the exercise of right under warrant to acquire ordinary shares, there was no shareholder exercise of right under warrant.

On 31 December 2019, there were warrants, ECL-W3 remaining outstanding with right not yet exercised totaling 554,428,475 units.

On 28 February 2020, 2nd date to exercise right under warrant to subscribe to ordinary shares, there were no warrant holders exercise their right on such date.

On 31 August 2020, 3rd date to exercise right under warrant to subscribe to ordinary shares, there were no warrant holders exercise their right on such date.

On 31 December 2020, the Company reported warrants, ECL-W3 remaining outstanding without exercising right to subscribe to ordinary shares totaling 554,428,475 units (details are partly presented under section 2.2, important changes and development during the year 2019)

5.3.2 Debenture Issuance

On 5 October 2018, the company issued Baht 600 million debenture from the amount limit of Baht 1,200 million as approved by the EGM 1/2560 with Baht 600 balance remaining.

On 8 January 2019, the Extra-ordinary Shareholders' Meeting 1/2562 resolved to approve the increase in debenture issuance limit by Baht 1,800 million combining with the existing approved limit of Baht

1,200 million, totaled Baht 3,000 million debenture issuance limit. The existing unissued limit of Baht 600 million, combining with the new limit of Baht 1,800 million totaled Baht 2,400 million, remaining balance for debenture issuance (details per part of section 2.2, importance change and development during the year 2019, 8 January 2019, approval for debenture issuance).

On 5 October 2020, due date for debenture redemption, the Company has repaid the whole amount as required to investors.

5.4 Dividend Policy

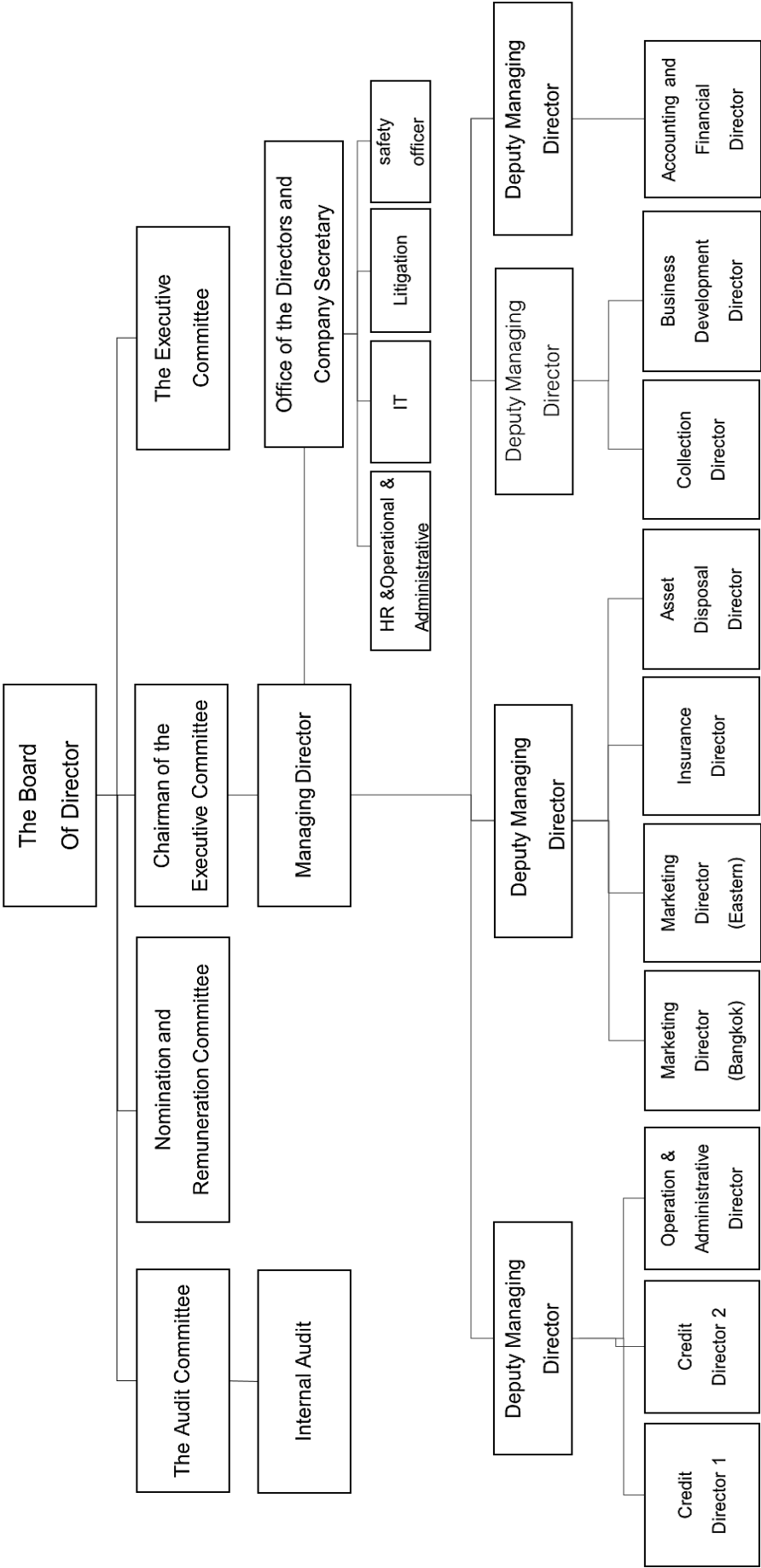
The Company maintains the policy of keeping dividend payout ratio approximately 50% of net profit after tax and appropriation for legal reserves each year depending on necessity and appropriateness in the future as approved by resolution passed at the shareholders' meeting. The Board is authorized to approve interim dividend for shareholders when it is found that the Company's profit is sufficient, and to report for acknowledgement at the subsequent shareholders' meeting.

Record of dividend paid during the past 5 years (entity only financial report)

Dividend paid per accounting year	Net profit / Baht million	Dividend rate per share, Baht	Dividend payout ratio over net profit (percent)	Paid from retained earnings
2015	50.89	0.03	47.06	-
2016	26.32	-	-	0.05
2017	124.17	0.04	35.72	-
2018	142.81	-	-	-
2019	110.32	-	-	-

Dividend suspended for the year 2019

Management Structure At 31 December 2020



6. Management Structure

6.1 The Board of Directors

As at 31 /December 2020, the Board of Directors consists of 9 directors who are knowledgeable in variety of fields in terms of skill, knowledge, and experiences beneficial to the operation in accordance with company strategy in business engagement and for the successful operation as follows:

- (1) Authorized directors: 4 individuals
- (2) Non-authorized directors: 5 individuals accounting for 55.55 percent of all directors within which 4 were independent directors accounting for more than one third or 44.44% of total directors (director's duties per section 7.7.5, the responsibility of the Board of Directors)

Each year one third of directors through rotation, must retire (per company articles). For the year 2020, there were 4 Board meetings with advance scheduling.

Rank	Name of Director	Position	Board Attendance	Years of Service
1	Mr. Preecha Veerapong	The Chairman of the Board	6/7	17 Y 3 MO
2	Mr. Danucha Veerapong	Member of the Executive Committee	7/7	17 Y 2 MO
3	Mr. Prapakorn Veerapong	Member of the Executive Committee	7/7	17 Y 3 MO
4	Mrs. Duangrat Jaengmongkol	Director, Member of the Executive Committee, Member of the Nomination and Remuneration Committee and Company Secretary	7/7	17 Y 3 MO
5	*Mr. Yohichi Shibata	Director	1/7	4 Y 3 D
	**Mr. Masayuki Nozawa	Director, Member of the Executive Committee	4/7	7 MO 15 D
6	Mrs. Prapasri Permsub	Independent Director , Chairperson of the Audit Committee and Member of the Nomination and Remuneration Committee	7/7	2 Y 8 MO
7	Mr. Sorapas Suttienkul	Independent Director, Audit Committee Member and Chairman of the Nomination and Remuneration	7/7	5 Y 10 MO
8	Mr. Thailuck Leetavorn	Independent Director and Audit Committee Member\	7/7	3 Y 4 MO
9	Mr. Wichai Maithong	Independent Director	7/7	2 Y 8 MO

Having Miss Apitsara Sriamorn acting as Board Secretary

หมายเหตุ *Mr. Yoichi Shiba resigned from the position of director as per BOD 3/2563 effective on 15 May 2020, years of Services, 4 (1 May 2016 to 15 May 2020)

**Mr. Masayuki Nozawa has been appointed the position of executive director as per BOD 3/2563 effective on 15 May 2020 replacing the resigning director, Mr. Yoichi Shiba

For each Board of Directors' meeting, company secretary shall forward invitation document indicating meeting agenda to the Board at least 7 days in advance which on the meeting date shall be recorded in meeting minute in written details and retained after certified by the Board completely and readily available for the Board, and relevant party verification.

In establishing the meeting date, company secretary shall perform the duty of establishing an appropriate date and time of the meeting in advance throughout the year, and inform the Board of Directors in advance to allow the Board attendance planning.

Authorized Directors

Authorized Directors consisted of Mr. Preecha Veerapong, Mr. Danucha Veerapong, Mr. Prapakorn Veerapong, and Mrs. Duangrat Jaengmongkol. Any two of the four authorized directors may sign jointly and affixed with company seal to bind the company.

Authority of The Board of Directors

In summary, important authority, duty, and responsibility of the Board are:

1. Appoint, remove, and assign authority to advisors to The Board of Directors, various committees, and The Managing Directors, to carry out the assigned duties.
2. Seek advices from specialists or company consultants (if any), or solicit the services of outside Specialists or consultants at the company's expenses.
3. Approve loan transaction to be used as the company's working capital, for such portion exceeding the authority of the Executive Board.
4. Approve or cancel credit facility, for such portion exceeding the authority of the Executive Board.
5. Approve loan extension to companies having business connection with the company, either as the Shareholder or the company engaging in business transaction, or other companies, for such an amount portion exceeding the authority of the Executive Board.
6. Approve the entering into guarantee for credit facility, for companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, for such portion exceeding the authority of the Executive Board.
7. Approve the set – up, merger, or dissolution of subsidiary company.
8. Approve the investment for the purchase or sales of common shares, and/or other securities, for an amount portion exceeding the authority of the Executive Board.
9. Approve the procurement and investment transactions of fixes asset, for such an amount portion exceeding the authority of the Executive Board.
10. Approve the sales and transfer transactions of fixed assets, for such an amount portion exceeding the authority of The Executive Board.
11. Approve the adjustment, disposal, and write-off for fixes assets, and/or intangible assets no longer in use, or being subject to damage, loss, destruction, deterioration, out-of-date, or no longer

- function able, for such accounting value (historical cost) exceeding the authority of The Executive Board.
12. Approve the settlement of conflicts by reconciliation or by the resolution through arbitration, petition, lawsuit, and/or court proceedings on the company's behalf, for such case not considered as normal business practice, and/or such case considered as normal business practice, for such portion exceeding the authority of The Executive Board.
 13. Approve the entering into such transaction not considered as normal business practice, for such portion exceeding the authority of The Executive Board.
 14. Propose the capital increase or capital decrease, or the change in par value, change or amendment to memorandum of association, articles of association, and/or objectives of the company to the shareholders for consideration.
 15. Approve The Executive Board to set up authority manual and other operating procedures as they deem appropriate.
 16. Authorize The Executive Board members, management members, managers or other persons, to act on their behalf.
 17. Authorize to summon management members or employees concerned to provide explanation or opinion, to join the meeting, and to submit those documents deemed necessary.
 18. Appoint and remove Company Secretary.
 19. The authority scope for The Board of Directors pertaining to the acquisition and disposal of assets and connected transactions, shall comply with the Notification of the Capital Market Supervisory Board.

Duty and Responsibility of the Board of Directors

The Board of Directors has authority, duty, and responsibility primarily toward shareholders in the business engagement of the company, in managing and supervising the management to ensure the operation in accordance with the objectives, and articles of the company including the relevant law, as well as legitimate resolution passed at the shareholders' meeting, conducted with integrity, honesty, and due care considering the best interest of the company and fairness toward shareholders and all stakeholders equally.

In summary, important authority, duty, and responsibility of the Board are:

1. To arrange for the Annual General Shareholders' Meeting within 4 months after the date of the close of the company's accounting period.
2. To arrange for the meeting of the Board of Directors at least once every 3 months.
3. In considering approval for any transactions for the company and its subsidiary which may have material impact on the financial position, liabilities, and capital structure of the company.
4. To arrange for the preparation of the statement of financial position as at the end of the fiscal year, and statement of comprehensive income for the year ended at the same date, the financial

statements of which have been audited, reliable, and presented for consideration and approval at the Annual General Shareholders' Meeting.

5. The approval consideration or providing consent in the related party transaction, and transactions which may have conflicting interest between the company or subsidiary with related party in accordance with rules regulations of the securities exchange commission, and the securities exchange of Thailand.
6. To delegate its authority to one or more directors or other individuals to perform any acts on behalf of the Board of Directors under the control of the Board or to delegate to such individuals with authority and within the duration as the Board sees fit. The Board may withdraw, cancel, or modify individuals being delegated or the authority delegated as appropriate.

The Board may delegate its authority to the Executive Committee empowering it to perform tasks with detailed delegated authority per scope of duty and authority of the Executive Committee. Such delegation must not be so delegated that will enable the Executive Committee consider approving transactions which the Executive Committee or individuals may have conflicting or vested interests or any other conflicting interests with the Company or subsidiaries except for transaction approval in accordance with policies and principles the Board of Directors has already considered and approved.

7. To establish vision, commitment, goal, guidance, policy, plan, and budget of the company, supervise, oversee the administration and management of the Executive Committee in accordance with assigned policies with the exception of such matters which the Board of Directors requires the approval via the resolution passed at the shareholders' meeting with vote count no less than three quarter of the attending and eligible shareholders prior to the execution namely matters by law require approval at the shareholders' meeting such as the increase, decrease of capital, the issuance of debenture, the sale or transfer of the business of the company in whole or in part with material substance to other individuals or the acquisition or being recipient of the transfer of the business of other company, the modification of the memorandum and articles of association of the company. In addition, duties of the Board also encompass the supervision of the company to perform in accordance with the law and regulation relevant to the securities, and securities exchange for example related party transaction and the purchase and sale of assets of material substance in accordance with regulation of the Securities Exchange of Thailand or other law relevant to the company's business.
8. To consider structure of management, to appoint the Executive Committee, the Chairman of the Executive Committee, and other committee as appropriate including the establishment, segregation of duties and responsibilities of the Board, sub-committees, and management by establish clear authorities in the delegation of authorities and company operations.
9. To continuously monitor the operating results in accordance with business plan, and budget

10. Arrange for the review and approval of the vision, commitment, ethical code manual, and business ethics of the company at least once every 3 years.
11. Directors must not engage in the same type of business and in competition with the company or being partner in an ordinary partnership, or being managing partner in a limited partnership, or being director of private companies or other companies engaging in similar business and in competition with the company regardless of whether such acts are for the individual directors' interests or others' except for prior appointment notification at the shareholders' meeting.
12. Directors must inform the company without delay in the event conflict of interests arises directly or indirectly within the contract the company enters into or increase, decrease in shares or debenture holding in the company or group companies.

Duty and Authority of the Chairman of the Board

1. The individual is responsible as the leader of the Board to chair the Board's, and the shareholders' meetings, and encourage all individual directors to participate in the meetings.
2. The individual has the role to control the meeting to be conducted with efficiency in accordance with company articles, support and provide opportunities for directors expressing their views freely.
3. The individual is to supervise the performance of duties of the Board with responsibility, honesty, and with efficiency enabling the achievement of the objectives and core targets of the entity.
4. The individual is to encourage and provide oversight to enable director participation to support achievement of a corporate culture of adherence to ethical values, and good governance principle.
5. The individual is to support good relationship enhancement between executive and non-executive directors, and the Board of Directors and management.

In order to achieve a clear segregation of duties between policy establishment for the entity governance, and routine administration, the company requires the Chairman of the Board, and the Chairman of Executive Committee to be two separate individuals.

6.2 The Management

As at 31 December 2020, there were 14 members of management consisting of the following:

Name	Position
1. Mr. Danucha Veerapong	The Chairman of the Executive Committee
2. Mr. Prapakorn Veerapong	Managing Director
3. Mrs. Duangrat Jaengmongkol	Member of the Executive Committee, and Company Secretary
4. Mrs. Walaiporn Panyatanya	Deputy Managing Director
5. Mrs. Charatsang Yuampai	Deputy Managing Director
6. Mr. Masayuki Nozawa	Deputy Managing Director
7.* Mr. Tiratee Patiparnvoharn	Deputy Managing Director
8. Mr. Sukkasem Titasaro	Director of Collection
9. Miss Kanchana Sophonpongpiat	Accounting and Finance Director
10. Miss Sunee Kultrawuth	Credit Director - 1
11. Miss Yuwadi Tongthai	Credit Director - 2

12. **Mr. Surawuth Chantasim	Marketing-1 Director
13. Mr. Teera Chunhacha	Marketing-3 Director (Eastern)
14. ***Mr. Toonpitak Wongsan	Marketing Director (Bangkok)
15. ****Mrs. Pimolwan Wangsinsuksom	Operational and Administrative Director
16. Mr. Mano Boonyasrisawasdi	Insurance Business Director

หมายเหตุ :* Mr. Tiratee Patiparnvoharn was appointed Deputy Managing Director on 1 October 2020

**Mr. Surawuth Chantasim, Maketing -1 Director resigned on 1 November 2020

*** Mr.Toonpitak Wongsan was appointed Marketing Director (Bangkok) on 1 October 2020

**** Mrs. Pimolwan Wangsinsuksom, Operational and Administrative Director resigned on 1 November 2020

Duty and Authority of the Chairman of the Executive Committee

1. To supervise the on-going operations and/or the daily administration of the company
2. To engage or perform duty in accordance with policy, plan, and budget as approved by the Board of Directors and/or the Executive Committee
3. The Chairman is authorized as delegated by the company to manage the business of the company in accordance with the objectives, the articles, policies, rules, regulations, orders, resolutions passed at the shareholders' meeting, and/or the Board of Directors and the Executive Committee.
4. The Chairman is authorized to appoint and manage the various sub-committees for the benefit, efficient and good management of the company, with transparency. The Chairman is also authorized to delegate and/or assign with such authority within the scope of this power of attorney and/or in accordance with rules, regulation, or order established by the Board of Directors and /or the Company.
5. To follow-up and assess the operation of the company regularly to prevent risks from various factors from within or outside the company.
6. To consider entering into contracts involving the business of the company and other contracts for the benefit of the company, including establishing procedures and process to prepare such contracts /agreements and submit for acknowledgement by the Executive Committee, and the Board of Directors.
7. To consider the profit and loss of the company. To propose interim dividend declared or annual dividend declared for Board of Directors approval.
8. To consider appropriation of retirement benefit, reward, or various compensation which have been approved by the Board of Directors for employees or any other individuals performing duties for the company
9. To perform any other duties as assigned by the Board of Directors from time to time.

Notwithstanding the delegation, the authority including further delegation to other individuals as appropriate does not include authority and/or power of attorney for transaction approval which the delegated individual or individual who may have conflicting interest, vested interest, or interest in any other forms in conflict with interest of the Company or subsidiary in accordance with regulation of the Securities Exchange

of Thailand. Approval for such transactions must be submitted to the Board of Directors and /or at the shareholders' meeting for consideration and approval in accordance with articles of the Company or relevant law.

Duty and Authority of the Managing Director

1. To establish mission, objectives, guidelines, policies of the company including command and supervision of the entire operations of the company.
2. The Managing Director is authorized to consider hiring, appointment, transfer across functional lines/departments/section or termination of employment, establish hiring rate, compensation, bonus including fringe benefit involving all employees of the company.
3. The Managing Director is authorized to issue order, rules, announcement, memoranda to enable operations in accordance with policies and interests of the company and to maintain order, discipline for the operations within the organization.
4. To engage in activities involving the general administration of the company.
5. To be authorized to delegate and/or assign other individuals to perform specific duties on behalf of the Managing Director such delegation to be within the scope of authority delegated in accordance with this power of attorney and/or rules, regulation or instruction issued by the Board of Directors and/or established by the company.

Notwithstanding the delegation, the authority including further delegation to other individuals as appropriate does not include authority and/or power of attorney for transaction approval which may involve the delegated individual or individual who may have conflicting interest, vested interest, or interest in any other forms in conflict with interest of the Company or subsidiary in accordance with regulation of the Securities Exchange of Thailand. Approval for such transactions must be submitted to the Board of Directors and /or at the shareholders' meeting for consideration and approval in accordance with articles of the company or relevant law.

Delegation of Authorities

Position	Acquisition / Disposal of Movable Properties	Acquisition / Disposal of Real Estate Properties	Borrowing from Financial Institutions
The Board of Directors	Unlimited	Unlimited	Unlimited
The Executive Committee	No more than Baht 50 million	No more than Baht 50 million	Unlimited
The Chairman of the Executive Committee	Joint signing no more than Baht 20 million	-	-
Managing Director	Joint signing no more than Baht 20 million	-	-

The Change of Company security holding by the Board of Directors and Management within the year 2020

Rank	Directors and Management	Position	Shares held as at 7 January 2020	Shares held as at 6 January 2021	Change in shares held, increase/ (decrease) during the year
1.	Mr. Preecha Veerapong	Chairman of the Board	ECL 150,865,800 ECL-W3 72,932,900	ECL 61,565,800 ECL-W3 22,000,000	(83,300,000) (50,932,900)
	Spouse		ECL 25,400,075 ECL-W3 12,700,037	ECL 25,400,075 ECL-W3 -	- (12,700,037)
2.	Mr. Danucha Veerapong	Director/ Chairman of the Executive Committee	ECL 4,000,000 ECL-W3 -	ECL 50,000,000 ECL-W3 -	46,000,000 -
3.	Mr. Prapakorn Veerapong	Director/ Managing Director	ECL 28,043,280 ECL-W3 13,621,640	ECL 44,348,480 ECL-W3 39	16,305,200 (13,621,601)
	Spouse		ECL 2,350,000 ECL-W3 575,000	ECL 2,350,000 ECL-W3 -	- (575,000)
4.	Mrs. Duangrat Jaengmongkol	Director/ Member of the Nomination and Remuneration Committee	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
	Spouse		ECL 2,460,000 ECL-W3 -	ECL 2,460,000 ECL-W3 -	- -
5.	Mr. Sorapas Suttienkul	Independent Director/ Member of the Audit Committee/ Chairman of the Nomination and Remuneration Committee	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
	Spouse		ECL - ECL-W3 -	ECL - ECL-W3 -	- -
6.	Mr. Yohichi Shibata	Director	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
7.	Mrs. Prapasri Permsub	Independent Director/ Chairperson of the Audit Committee /Member of the Nomination and Remuneration Committee	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
8.	Mr. Thailuck Leetavorn	Independent Director/ Member of the Audit Committee	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
9.	Mr. Wichai Maithong	Director	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
10.	Mrs. Walaiporn Panyatanya	Deputy Managing Director	ECL - ECL-W3 -	ECL - ECL-W3 -	- -

Rank	Directors and Management	Position	Shares held as at 7 January 2020	Shares held as at 6 January 2021	Change in shares held, increase/ (decrease) during the year
11.	Mrs. Charatsang Yuampai	Deputy Managing Director	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
12.	Mr. Masayuki Nozawa	Director, Deputy Managing Director	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
13.	Mr. Tiratee Patiparnvoharn	Deputy Managing Director	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
14.	Mr. Sukkasem Titasaro	Director of Collection	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
15.	Mr. Mano Boonyasrisawat	Director of Insurance Business	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
16.	Miss Kanchana Sophonpongpiat	Accounting and Finance Director	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
17.	Miss Sunee Kulthawuth	Credit Director 1	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
18.	Miss Yuwadee Thongthai	Credit Director 2	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
19.	*Mr. Surawuth Chantasim	Marketing-1 Director	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
20.	Mr. Toonpitak Wongsan	Marketing Director (Bangkok)	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
21.	Mr. Teera Chunhacha	Marketing-3 Director (Eastern)	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
22.	*Mrs. Pimolwan Wangsinsuksom	Operational and Administrative Director	ECL - ECL-W3 -	ECL - ECL-W3 -	- -

Remark - Securities held by spouse and / or children yet to reach legal age of directors and executives

*Mr. Surawuth Chantasim and *Mrs. Pimolwan Wangsinsuksom resigned on 1 November 2020

6.3 Company Secretary

The Board of Directors appointed Mrs. Duangrat Jaengmongkol, Director and Member of the Executive Committee as Company Secretary in accordance with good governance principles and to perform duties in accordance with the securities and the securities exchange act (4th version) 2008, effective from 31 August 2008. Mrs. Duangrat Jaengmongkol, graduated with Bachelor of Accountancy, and Bachelor of Law from University of Thammasart, is an individual with qualification, knowledgeable, competent, and experienced beneficial in the good performance of duties of company secretary having been trained via seminar curriculum necessary and relevant, able to support the conduct of the Board of Directors, and management in accordance with law and good governance principle.

The scope of duties of the company secretary:

1. To provide basic legal counseling, rules and regulations the Board should know
2. To oversee company oversight activities
3. To oversee various activities of the Board of Directors to be in compliance with the law and relevant regulations
4. To arrange for the Board meeting, preparation for shareholders' meeting, coordinating for an efficient conduct in accordance with law, articles, and regulations of the securities exchanges, accurately, and timely.
5. To follow-up for actions in accordance with resolution passes by the Board and at the shareholders' meeting.
6. To act as advisor, and coordinator with secretaries of the company's various sub-committees
7. To communicate, respond to queries of shareholders related to shareholders' right, and information about the company
8. To prepare and retain documents as follows:
 - (a) Director registry
 - (b) Board meeting invitation, minute of the Board, company Annual Report
 - (c) Shareholders' meeting invitation, and minute of the shareholders' meeting
9. Retention of report on conflicting interest reported by directors or management
10. Submission of copy of report on conflicting interest in accordance with Article 89/14 to the Chairman of the Board, and Chairman of the Audit Committee within 7 working days from the date of receipt of such reports. To ensure that the Company has system of document retention or evidence related to the disclosure of information, and ensure the accurate and complete safekeeping and verifiable for at least 5 years from the date of preparation of such document or information.
11. To perform any other duties as prescribed by the Capital Market Commission.

6.3.1 The Chief Financial Officer: CFO

The Executive Committee has appointed Mrs. Charatsaeng Yuampai to perform the duties of the Chief Financial Officer (CFO) for the accounting and finance function in accordance with the principles for appointment and qualifications of the chief financial officer who is in charge of accounting function as per the Securities Exchange of Thailand announcement to correspond with the Securities Exchange Commission guideline to promote quality preparation process for financial reports effective from 1 January 2019. Mrs. Charatsaeng Yuampai, graduated with the Bachelor's Degree in Business Administration, with major in Finance and Banking, Ramkamhaeng University, has been knowledgeable and competent, with practical experiences in charge of accounting and finance of the company since the year 2012. Mrs. Charatsaeng Yuampai has gone through training seminars in courses necessary relevant to the good performance of her duties and capable of

supporting the Board of Directors, and the Executive Committee in meeting their objectives and directly beneficial to the company's business engagement.

Scope and Duties of the Chief Financial Officer

1. Supervise and be responsible for the accounting and finance function, ensuring the system performs efficiently in the prevention of various risk exposure of the company.
2. Supervise and be responsible for all financial reporting of the company.
3. Plan and manage every section relevant to finance, company asset management, accounting and financial audit, budgetary planning, expense control, cash flow and liquidity management for example.
4. Supervise finance matter, sourcing of funding, investment planning to enhance company profitability or planning to avoid inappropriate payment of interests including investment with strategy.
5. Provide financial information and finance strategy advice to management of the company in particular the chief executives.

6.4 Directors and Management Compensation

Remuneration Policy

Director and Senior Executive Compensation

The Company considers guidance in the establishment of clear, fair and reasonable director and senior executive compensation policy, having been carefully screened in detail by the Board of Directors, and the Nomination and Remuneration Committee. The compensation shall be considered within the appropriateness in various forms including consistency with the operating results of the company, duties and responsibility of the Board, and management, with due consideration of the comparative information with reference to companies in the same industry of similar size. As for individual executive compensation, the Board shall perform the individual's annual performance appraisal with the results included in the establishment of compensation. The Board shall submit director compensation proposal at the Annual General Shareholders' Meeting for approval consideration annually.

6.4.1 Financial Compensation

Director compensation of the year 2020 was within a limit amounted to Baht 8.5 million as approved by resolution passed at the shareholders' meeting. The sum was appropriated as monthly compensation and meeting fees as follows:

January – March 2020

Company Chairman	Baht 325,000 / month	no meeting fees
Company Director	Baht 50,000 / month	Baht 7,000 / meeting
Audit Committee Chairman	Baht 20,000 / month	no meeting fees
Audit Committee member	Baht 10,000 / month	no meeting fees
Chairman of the Nomination and Remuneration Committee		Baht 5,000/month, no meeting fee

Nomination and Remuneration Committee member Baht 5,000/month, no meeting fee

April – December 2020

Company Chairman	Baht 260,000 / month	no meeting fees
Company Director	Baht 40,000 / month	Baht 7,000 / meeting
Audit Committee Chairman	Baht 16,000 / month	no meeting fees
Audit Committee member	Baht 8,000 / month	no meeting fees
Chairman of the Nomination and Remuneration Committee		Baht 4,000/month, no meeting fee
Nomination and Remuneration Committee member		Baht 4,000/month, no meeting fee

Remarks: The Nomination and Remuneration Committee, on its 1/2563 Meeting on 10 April 2020, and the Board of Directors on its 3/2563 Meeting on 14 May 2020, resolved to ratify decision to reduce director compensation by 20% from April to June 2020, and resolution of the Nomination and Remuneration Committee 2/2563 Meeting on 29 May 2020, and the Board of Directors' Meeting 4/2563 on 9 June 2020, resolved to ratify decision to continue with the reduction of director compensation by 20% until the Covid – 19 Pandemic situation improves.

Compensation in Baht	2020	2019	2018
Number of Individuals	6	6	8
Amounts	6,174,000	7,640,000	7,263,200

Remark: the exhibit depicts number of directors and compensation only for non-executive, and independent directors which the company paid for the whole year

During the year 2020, the Company paid compensation to directors in the forms of monthly compensation and director's meeting fee detailed as follow:

Names	Position	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Meeting allowance	Baht Total
1. Mr. Preecha Veerapong	Chairman of the Board	3,315,00	-	-	-	3,315,000
2. Mr. Yohichi Shibata	Director	190,000	-	-	7,000	197,000
3. Mrs. Prapasri Permsub (replacing Mr. Phiphat Phornsuan)	Director/Chairperson of the Audit Committee/Member of the Nomination and Remuneration Committee	510,000	204,000	51,000	28,000	793,000
4. Mr. Thailuck Leetavorn	Director/Audit Committee member	510,000	102,000	-	28,000	640,000
5. Mr. Sorapas Suttiengkul	Director/Audit Committee Member/ Chairman of the Nomination and Remuneration Committee member	510,000	102,000	51,000	28,000	691,000
6. Mr. Wichai Maithong	Director	510,000	-	-	28,000	538,000
Total		5,545,000	408,000	102,000	119,000	6,174,000

Remark * four other directors who are management staff received compensation in the form of salary and others detailed in the management section

6.4.2 Insurance coverage or other benefits

Life and accidental insurance coverage limit amount to no more than Baht 300,000. Health insurance coverage limit amounts to no more than Baht 100,000. Total insurance premium for the two individuals for the year 2020 equal Baht 12,736 (only for directors with Thai residency, and age less than 70 years old, without individual illness per insurance company requirements)

Executive Compensation

Compensation in Baht	Year 2020	Year 2019	Year 2018
Number of individuals	16	16	19
- Salary	31,695,730	34,400,400	30,057,582
- Bonus	140,000	2,232,897	2,640,200
- Contribution to Provident Fund*	2,379,632	3,567,600	3,123,037
- Others such as transportation, and costs of living	494,940	1,099,200	982,200
Total	34,710,302	41,300,097	36,803,019

Remark: * Company contribution at variable rates 3-10% of salary of each executive

6.5 Human Resources

The company foresees and emphasizes the importance of human resources continually. Value of employees is considered the highest value of the entity's resources. The company establishes human resource policy which treating employee in accordance with the labor protection act, and social welfare, considering respect to privacy right stringently. Furthermore, the company has improved system and administration policy regarding human resources corresponding with business strategy continually. As at 31 December 2020, the company has permanent employees both at head office and branch operations open for services in 4 branches namely Chonburi, Chantaburi, Pattaya and one branch in the Bangkok area namely Kanchanapisek totaling 225 employees consisting of 116 male, 109 females. Employee head counts for the year 2019, and 2018 were 315, and 297 respectively.

Total employees including management of the company as at 31 December 2020 stood at 225 individuals assigned to various departments as follows:

	Department	Number of Employees
1.	Chairman of the Executive Committee, Managing Director, Deputy Managing Director, Company Secretary, Department Director and Deputy Department Director	20
2	Office of the Directors, and Company Secretary, safety officer, HR, Central Administration, IT and Legal Section	3 18

3	Credit Department Credit Analysis Department, Head Office, and branches within the Bangkok metropolitan area, Credit Bureau Department Credit Analysis Section, Eastern Region	9 3
4	Head Office Marketing Department	37
5	Marketing Department, East Branch (Cholburi, Chantaburi, Pataya)	30
6	Registration and Credit Administration Department Registration Branch Administration, Bangkok branches and East branches	11 20
7	Collection Department Collection Section, Expedite Collection Section	29
8	Asset Disposal Department Asset Disposal Section and Tent's Kanchanapisak branch	8
9	Insurance Department (Vehicle Insurance Administration, Sales promotion Insurance)	7
10	Business Development Department	9
11	Accounting and Finance Department Purchasing, Accounting, Finance and Coordinator	18
12	Product Development and Sales Promotion, Sales Promotion Section , Marketing Section	3
	Total	225

Material changes in number of employees over the past 3 years

Over the past 3 years, the number of employees changed from 297 , to 315 , and 225 for the year 2018, 2019, and 2020 (as at 31 December 2020) respectively with 2019 increased by 45.59% from 2018, and 2020 decreased by 28.57% from 2019. The reduction in employees during 2020 was a result of the negative impact caused by the Covid – 19 Pandemic since the beginning of 2020. The Company closed down 4 branches namely Kaset-Navamin, Srinakarin, Rayong, and Sriracha to be appropriate and in line with current business environment. The Company has modified organizational structure to enable an efficient administration, and utilize available human resource potential to be able to perform in accordance with strategy and support Company established target for the year 2021 on ward.

Material labor dispute over the past 3 years year

- None

Establishment of compensation and welfare for employees

1. Compensation in the form of salary and bonus

The company has compensation policy for employees considering entity structure appropriately, fairly in accordance with knowledge and competence, and operating results. Compensation shall be consistent with average compensation for the same industry in line with results and entity growth.

Since the year 2018 HR has improved on the KPI system for compensation inclusive of annual bonus linked to KPI in which each unit shall establish for every employee, submit operational plan to be goal congruent, and subsequently submit through the chain of command.

2. Other compensation

Other compensation consists of provident fund with rate of employee contribution and company contribution at the same rate depending on years of services namely:

Years of services	Rate of contribution at employee discretion	Rate of employer contribution
Less than 4 Y	3% - 15%	3%
4 Y but less than 5 Y	3% - 15%	4%
5 Y but less than 6 Y	3% - 15%	5%
6 Y but less than 7 Y	3% - 15%	6%
7 Y but less than 8 Y	3% - 15%	7%
8 Y but less than 9 Y	3% - 15%	8%
9 Y but less than 10 Y	3% - 15%	9%
10 Y or more	3% - 15%	10%

Apart from compensation in the form of salary and bonus, and provident fund, the company also provides other welfare benefits summarized below:

1. Health/accidental insurance coverage / dental care
2. Annual physical check-up
3. Assistance welfare e.g. funeral assistance for family members of the employee as pertinent to decease, sickness/pregnancy
4. Social security fund
5. Employee uniforms welfare
6. Vehicle loan welfare (as necessary)
7. Multi-purpose loan (as necessary)
8. Sport welfare
9. Leave welfare for example sickness, business leave, pregnancy, training and development leave sterilization leave, military service, monkhood leave, funeral leave, wedding leave
10. Annual vacation leave

The company permitted formation of the Labor Welfare Committee within the business office in accordance with article 96 of the Labor Protection Act BE2541 to provide opportunities for employees performing their duties in safeguarding their interests, by participating in presenting opinion and various guidelines to management to jointly resolve possible problems and conflicts, to create good relationship, leading toward understanding, and joint efforts for eventual mutual benefits.

During the year 2019, as a result of the promulgation of the Labor Protection Act (Version 7) BE 2562, implemented from 6 May 2019, the company initiated detailed modification of the company's work

rule and regulation namely maternity leave (inclusive of pregnancy test date) for a total leave period of 98 days, from 90 days previously, the maintenance of information confidentiality, employment termination compensation in the event of continuing tenor of services 20 years or more, compensation at the last pay rate of 400 days, and the employment termination through special compensation as a result of business office relocation, and cease of entity operations, with announcement posted and communicated with all employees for acknowledgement via various company media. As for the protection of employee personal information, the Company has established human right policy contained within the business ethics policy in which the Company has complied with all along by safeguarding employee personal information for example employee biography, work history, health record etc., refraining from breach of private information or wrongful exploiting employee information, disclosure or transfer of information permitted only upon specific employee consent unless under Company regulation or in compliance with law.

As the announced Personal Data Protection Act BE 2019 becoming effective from 1 June 2021 onward, the Company recognizes the importance of personal information protection in effect covering customer information etc., and employee information as well. During the year 2020, the Company has been in process of preparing operating manual and devising administrative structure to protect personal information from information compilation, utilization, access, retention, modification, disclosure, and protection against loss inclusive of the distribution of such policy and notification to owner of information of such right for customers and employees to provide confidence that owners of information may apply for their right in accordance with policy and law.

Employee Compensation

Compensation in Baht	Year 2020	Year 2019	Year 2018
Number of Employees	316	337	278
- Salary	68,364,427	75,667,628	59,890,764
- Bonus	3,492,429	5,267,103	4,934,865
- Provident Fund Contribution	3,407,343	2,429,429	2,186,227
- others i.e. cost of living, transportation, and phone bill	13,118,000	17,673,580	12,417,608
Total	88,382,199	101,037,740	79,429,464

Remark: * Company contribution at variable rates 3-10% of salary of each employee

Employee Development Policies

The company recognizes the importance of employee development for individual potential at all levels upon joining the company, emphasizing corporate culture building commitment and good relationship with the employee, rendering work happiness, becoming an integral part within the department or across departments, the company therefore promotes and encourages employees to participate in training in various curriculums to enhance their knowledge, work efficiency, and service quality corresponding with the changing business needs, including knowledge about business ethics, and be prepared for higher future duties and responsibilities. Management has established operating procedures for each department and emphasized the active role of supervisor in closely providing training and development for employees

including promoting knowledge and potential development by dispatching them for training with outside training institutes appropriately in accordance with their duties and responsibilities at each level and department for example marketing and services for branch employees, legal, accounting, credit analysis, and collection.

During the year 2020, the company has arranged internal and external training totaling 35 curriculums in which employees and executives might participate internally and including new hires. For the latter, the company has prepared training curriculum to increase knowledge through the 3-hour orientation informing them of company origination, nature of business, labor welfare, safety policy, occupational health and work environment, good governance principle and the fight against fraud and corruption. The training has been organized regularly, annually to enhance skill and experiences in curriculum related to individual job responsibility at least 12 hours per individual per year. The emphasis has been on enhancing skill and communication including regulation, law, and act directly involved the company and employee, new accounting system for public companies for example

1. Executives

During the year 2020, internally arranged training course namely ICDL Personal Data Protection Certificate with total training hours of 6.

External training courses comprise tax law 2020 update, PDPA for accounting, personal data protection act for accounting, understanding TFRS relating to land, building, and equipment, and various non-current assets, TFRS 9 and the accounting relaxation measure as a result of Covid -19 (for non-financial institution entities), financial analysis strategy for executive, and professional accountants to assess strengths and weaknesses, and to apply the result to business administration, regulatory training requirement regarding of the Anti-Money Laundering Office, with training hours totaling 36.

2. Employees

During the year 2020, internally arranged training courses comprised ECL Credit and Health Insurance Product Plans, Thanachart Insurance Product, Motor & Non Motor Vehicles, branch operation administration procedure and new credit software, iLOAN, and tactful phone collection technique with total training hours of 40.

Externally arranged training courses comprised casualty brokerage license examination preparation, 2nd casualty brokerage license renewal, 2020 motor vehicle registration training financial institutions should be aware of, and electric vehicle registration, application for life insurance brokerage license (first time), renewal of life insurance brokerage license, 1st time, renewal of life insurance brokerage, 2nd time, renewal of life insurance brokerage, 3rd time, guideline for legal enforcement, efficient foreclosure, case studies on problem regarding careful application of certain expenses, non-deductible expenses, non-deductible input VAT, mandatory training required by the Anti-Money Laundering Office, In-depth study regarding to the Personal Data Protection Act BE 2019, and proper guidelines for hire purchasing and leasing businesses, Digital Transformation – Financial Sector, TFRS 9, Financial Instruments & TFRS 16,

Leasing and issues regarding to Deferred Tax, accounting operational guideline, and transfer pricing related taxation impact with total training hours of 156 hours

Safety, Occupational Health, and Work Environment

The company recognizes the importance of health and safety for all employees at all levels. The company arranges for and encourages activities such as annual employee health check including support for sport activities and exercises promoting the organization of color games, the participation in sport competition with trade partners. Furthermore, the company has policy regarding safety, occupational health, and work environment as follows:

1. The company stringently complied with requirement as pertinent to health, and occupational hazard law including application of other requirements
2. The company cooperates and provide resources in personnel, time, and budget including appropriate and sufficient training to ensure development in the area of safety, occupational health, and work environment continually.
3. The company has intent on employee participation under the company's control for activities regarding safety, occupational health, work environment.
4. The company develops human resources within the organization to be knowledgeable and recognition of safety, occupational health, and work environment.
5. The company supports and promotes the improvement in environment and safe work practices including equipment inspection and safety system appropriately for high rise building including the preservation of good health for all employees
6. The company considers all employees valuable human resources of the company. The safety, occupational health, and work environment are therefore important policy of the company.

As a result of the Covid – 19 Pandemic during the year 2020 both in Thailand, and overseas, The Committee for Occupational Safety, Health and Work Environment for business entities announced measures and regulation for directors, executives, and employees regarding work at HO, and branches as follows:

1. Self – monitoring measure for a period of 14-day: The Company implements strict measure for prevention and control of the infection of Covid – 19 as advised by the Department of Disease Control, the Ministry of Public Health with announcement of risky country group for example China, Japan, Hong Kong, South Korea, Taiwan, Singapore. There were company employees who traveled to these risky group counties, and were required to stop working, and stayed self-quarantined for a period 14 days from 27 February to 8 March 2020 without being counted as day leave, and the employees were allowed to reimburse costs of health care under insurance by submitting receipts up to Baht 1,000.

2. Prevention and monitoring of pandemic measure: The Company recognizes the danger, with due consideration for the health risk of company employees and external parties utilizing services at company's office building, and therefore implements prevention measures below:

Installing alcohol gel containers at all floors, employee and outsider temperature measurement prior to entering the building, providing hygienic mask, requiring all employees to wear hygienic masks at all time, and communicating self-prevention behavior for employees regularly for example social distancing, proper and frequent hand cleaning, eating with dish spoon, staying away from congested social gathering.

The company is considered a business entity with low-risk environment comparing with industrial plant, nonetheless the company recognizes the importance of compliance with safety law. During the year 2020, occupational accidental statistics for Head Office and all four branches was nil and no employees infected with Covid -19 for altogether 225 employees, no employee injuries, suspension, or loss of lives during office hours.

7. Entity Governance Process

7.1 Governance Policies

The Board arranges for the establishment of oversight policies covering business ethics, vision, commitment, and code of conducts for directors, executives and employees, various operating procedures, policies toward all stakeholders, including social responsibility policies, and Board charter, Audit Committee charter, Nomination and Remuneration committee charter etc. During the year 2016, the company has established policies and guidelines in the fight against fraud and corruption practices, by participating in the activities against fraud and corruption internally and externally. For the year 2017, the company has prepared policies and guidelines regarding legislatures comprising prevention and suppression of money laundering act, prevention and suppression of funding support for terrorist act, and the subsequently modified to include the proliferation of weapon of high destructive potential. These laws require that the company, engaging in trading or vehicle hire purchasing, establishes policies and prepares written operating procedures and performs in accordance with policies stringently to prevent criminals or terrorists utilizing service products or engaging in various transactions of the company as a channel for money laundering, providing financial support to terrorism, and the proliferation of weapons with high destructive potential.

For the year 2019, the Company has been certified regarding its application for membership renewal of the Private Sector Collective Action Coalition Against Corruption (CAC), with membership extension for another 3 years from 18 October 2019.

For the year 2019, the Company had prepared regulation and announcement regarding 1. Computer-Related Crime Act B.E 2550 (2007), and 2nd version, B.E. 2560 (A.D. 2017), 2. Personal Data Protection Act B.E. 2562 (A.D. 2019), 3. Cyber Security Act B.E. 2562 (A.D. 2019), 4. policy and practice guideline regarding information technology security. As for the year 2020, the deferment of the implementation of the Personal Data Protection Act BE 2562 to 1 June 2021, the Company had prepared policy and practice guidance in accordance with the Act, and appointed official, and sub-committee responsible for personal information protection as management representative responsible for the personal information protection system in compliance with the Act. The company has distributed relevant documents and arranged for training for directors, executives, and employees for awareness, and practices. Furthermore, the company has assigned supervisors at all levels to behave as example and duties of monitoring and encouraging employees complies stringently. The company regularly communicates and distributes good governance policies to directors, executives, and employees at all levels through various channels e.g. employee manual, good corporate governance manual, governance and ethics manual, company website at www.ecl.co.th, company email, and public relation web board, and communication via smart phone application.

Furthermore, the company has arranged for good governance principle training within the orientation curriculum for directors, and new hires continuingly in accordance with the good governance principles established by the securities exchange of Thailand.

7.2 The Sub-Committees

The Board appoints 3 sub-committees namely the Executive Committee, the Audit Committee, and the Nomination and Remuneration Committee to monitor and supervise closely the operations of the company and report to the Board regularly.

7.2.1 The Executive Committee

As at 31 December 2020 the Committee comprises directors and executives totaling 12 individuals

Rank	Names	Position
1.	Mr. Danucha Veerapong	Chairman of the Executive Committee
2.	Mr. Prapakorn Veerapong	Vice Chairman of the Executive Committee
3.	Mrs. Duangrat Jaengmongkol	Member of the Executive Committee and Company Secretary
4.	Mrs. Walaiporn Panyatanya	Deputy Managing Director
5.	Mrs. Charatsang Yuampai	Deputy Managing Director
6.	* Mr. Masayuki Nozawa	Deputy Managing Director
7.	** Mr. Tiratee Patipanwoharn	Deputy Managing Director
8.	Miss Kanchana Sophonpongpiat	Accounting and Finance Director
9.	Mr. Sukkasem Titasaro	Collection and Litigation Director
10.	*** Mrs. Pimolwan Wangsinsuksom	Operational and Administrative Director
11.	Mr. Mano Boonyasrisawasdi	Director of Insurance Business Development
12.	Mr. Teera Choonhacha	Director of Marketing – Eastern Region
13.	Miss Yawadee Thongthai	Director of Credit 2

Having Miss Apitsara Sriamorn acted as secretary of the Executive Committee

Remarks: * Mr. Masayuki Nozawa was appointed executive director per BOD 3/2563 effective on 15 May 2020

** Mr. Tiratee Patipanwoharn was appointed deputy managing director on 1 October 2020

*** Mrs. Pimolwan Wangsinsuksom, Director of Operations and Administration resigned on 1 November 2020

Duty and Authority of the Executive Committee

The Executive Committee has authority, duty, and responsibility in managing the on-going operation, and other administrative function of the company. The Committee is to establish policy, business plan, budget, management structure, company's delegation of authority, and operating procedures corresponding to the economic condition in order to submit to the Board of Directors for consideration and

approval and/or acknowledgement including the audit, and follow-up the operating result in accordance with established policy. In summary, the important duty, authority, and responsibility of the Committee are as follow:

1. To operate and manage the business of the company fully in accordance with the objectives, the articles, policy, rules, regulation, orders and resolution of the Board of Directors and/or resolution at the shareholders' meeting
2. To consider policy establishment, direction, and strategy for the operation of the company, the establishment of financial plan, budget, human resources management, investment in information technology, business expansion, public relations, and control and supervision to ensure appointed sub-committee's conduct fulfilling the Committee's goal.
3. To consider annual budget appropriation as proposed by Management prior to the submission to the Board of Directors for consideration and approval, including the consideration and approval for modification, increase in annual expense budget during the period when the Board is not in session and subsequently submit for acknowledgement when the Board convenes its session.
4. The Committee is authorized to consider and approve operating expenses in the normal course of its business for example bank account setup, acquisition of assets, acquisition of motor vehicles, credit approval within the limit of Baht 50 Million per transaction.
5. The Committee is authorized to approve important investment expenditures which have been included in the annual expense budget as assigned by the Board of Directors or as approved in principle by the Board of Directors.
6. The Committee is authorized to consider and approve borrowing, lending, arranging for credit facilities, issuance of instrument including providing securities, guarantee for loan or credit, or solicitation of any credit facilities of the company.
7. The Committee is to function as an advisory committee assisting Management in the areas of financial policy, marketing, human resources management, and other operating areas.
8. The Committee is to establish organizational structure, delegation of authority for the management of the company, including the appointment, hiring, transfer, and establishment of salary and wages, compensation, bonus for management staff, and employment termination.
9. The Committee is authorized to delegate under power of attorney to one or more committee members or other individuals to perform any duties under the Committee's supervision or to delegate to such individuals to have authority within duration as the Committee sees fit. The Committee may cancel, withdraw, or modify the delegated individuals or the authority as appropriate.
10. The Committee is to establish management succession plan to maintain entity quality from generation to generation and recognizes the importance of quality human resources development and administration for example the position of Director, Accounting Manager.

11. To perform any other duties as assigned by the Board of Directors from time to time.

The authority of the Executive Committee does not include transaction approval which may have conflicting interest or other transaction the Executive Committee or individuals related to the Committee having interests or any other interest in conflict with the Company or its subsidiary in accordance with regulation of the Securities Exchange of Thailand. Approval of such transactions must be submitted to the Board of Directors and /or at the shareholders' meeting for consideration and approval in accordance with company's articles or relevant law and regulations.

7.2.2 The Audit Committee

The Audit Committee is responsible for reviewing company's financial report, adequacy of the systems of internal control, and risk management, compliance with laws and relevant regulations, considering selection, and establishment of compensation for company's auditor, reviewing related party transactions or transactions which may have conflicting interests, for accuracy, completeness, and transparency, supervising and considering work plan, operating results, budget and human resources for the internal audit function. For the year 2020, the Audit Committee convened 6 sessions. All committee members attended all meetings fully in accordance with the established meeting agenda. There was coordination, and follow-up for the process improvement recommended by the Audit Committee and recorded in the minute of the meetings.

As at 31 December 2020, the Audit Committee comprises 3 independent directors namely:

Rank	Names	Position	Attendance	Initial Date of Appointment	Terms of office expires
1.	Mrs. Prapasri Permsub	Chairperson of the Audit Committee/ Independent Director	6/6	23 April 2018	15 August 2021
2.	Mr. Thailuck Leetavorn	Audit Committee Member/ Independent Director	6/6	15 August 2017	15 August 2021
3.	*Mr. Sorapas Suttienkul	Audit Committee Member/ Independent Director	6/6	23 April 2018	24 April 2022

Having Miss Apitsara Siamorn acted as secretary of the Audit Committee

Remark: *Mr. Sorapas Suttienkul was reappointed as an Audit Committee member for another term as per BOD 1/2563, on 26 February 2020

Individual who is knowledgeable, and experienced in reviewing the Company's financial reports:

Mrs. Prapasri Permsub, the Chairperson of the Audit Committee is knowledgeable and experienced in accounting and finance to perform her duty in reviewing financial statements.

Authority of The Audit Committee

1. Coordinate to facilitate common understanding regarding company operations among the certified public accountant, The Board of Directors, and internal control office.
2. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
3. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed necessary, while being allowed to gain access to all levels of information.
4. Authorized to carry out investigation on concerned persons relating to such matters lying within the authority and duty scope of the Audit Committee.

Duty and responsibility scope of the Audit Committee

The Audit Committee is assigned the scope, duty, and responsibility by the Board of Director. The Audit Committee reports to the Board of Directors in accordance with new regulations of the year 2008 of the Securities Exchange of Thailand as follows:

1. To review and ensure the company reporting accurate financial information with sufficient disclosure by coordinating with external auditor, and management who is responsible for preparation of financial statements quarterly, and annually. The Audit Committee may suggest the auditor to review or audit any transactions believed to be necessary and important during the course of audit of the company's book of accounts.
2. To review jointly with external, and internal auditors to ensure that the company establishes an appropriate and effective system of risk management, internal control and internal audit inclusive of the opinion in consideration for the appointment, transfer, or termination of internal auditors with unbecoming behavior.
3. To review and ensure the conduct of the company in compliance with the law relevant to the securities, and securities exchange, regulations of the securities exchange of Thailand, or other law relevant to the company's business.
4. To consider the selection and propose an independent party for appointment as the external auditor of the company, propose for the auditor's compensation, and to participate in the meeting with external auditor without management present at least once a year.
5. To consider related party transactions or transactions which may have conflicting interests to be in accordance with the law and regulation of the securities exchange to ensure that such transactions are reasonable and for the best interest of the company.
6. To prepare report of the activities of the Audit Committee and disclose the report within Company's Annual Report such report to be affixed with the signature of the Chairman of the Audit Committee. The report should comprise the following information:

- Opinion on the process of preparation and disclosure of financial reports of the company whether they are accurate, complete and reliable,
 - Opinion on the adequacy of the system of internal control of the company
 - Opinion on legal compliance related to the securities and securities exchange, regulation of the securities exchange, or law relevant to the company's business
 - Opinion on the appropriateness of the external auditor
 - Opinion on transactions that may have conflicting interests
 - The number of meetings of the Audit Committee, and attendance of individual audit committee member
 - Opinion or overall observation of the Audit Committee in performing its duties in accordance with the Audit Committee Charter
 - Any other reports the Committee felt the shareholders and investors in general should know within the scope of duties and responsibilities assigned by the Board of Directors
7. To perform any other duties as assigned by the Board of Directors and agreed by the Audit Committee such as reviewing financial policy and risk management, executive management conduct in accordance with code of ethics in business, reviewing jointly with management for important reports required to be presented to the public in accordance with the law such as management report and analysis.
 8. To arrange for preliminary investigation upon receiving external auditor's report where the auditor found suspicious behavior involving fraud or breach of relevant law concerning performance of directors and management of the company, and to report the results of the investigation to the SEC and the external auditor within 30 days from the date of report receipt.
 9. To accept complaints, and consider complained matters as submitted by the stakeholders

Duration of Appointment of the Audit Committee

The Audit Committee member has a 2-year term of service. Retiring Audit Committee member per schedule in accordance with articles may be reappointed. Where the position of Audit Committee member is vacant for reason other than scheduled retirement, the Board may appoint individual with full qualification as Audit Committee member to maintain full membership of the Audit Committee as established by the Board. The replacement Audit Committee member shall hold the position only up to the remaining terms of the replaced Audit Committee member.

7.2.3 The Nomination and Remuneration Committee

As at 31 December 2020, the committee comprises three qualified individuals namely:

Rank	Names	Position	Attendance	Initial Date of Appointment	Terms of office expires
1.	Mr. Sorapas Suttienkul	Chairman of the Nomination and Remuneration Committee/ Independent Director	3/3	24 April 2018	24 April 2021
2.	Mrs. Prapasri Permsub	Nomination and Remuneration Committee member/ Independent Director	3/3	24 April 2018	24 April 2021
3.	Mrs. Duangrat Jaengmongkol	Nomination and Remuneration Committee member/ Director	3/3	24 April 2018	24 April 2021

Having Miss Apitsara Sriamorn acted as secretary of the Nomination and Remuneration Committee

Scope of Authorities and Duties of the Nomination and Remuneration Committee

Authority of The Nomination Committee

1. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
2. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed necessary, while being allowed to gain access to all levels of information.

Duty and responsibility scope of The Nomination Committee

1. Consider structure and composition of the Board of Directors, provide Board advice regarding an appropriate number of directors for the size and type of business undertaking, terms of office, work process, and practice guide of the Board of Directors, and the sub-committees.
2. Consider qualification of independent directors in accordance with the SEC requirements and request approval for change with the Board of Directors
3. Consider reviewing basis, qualification of the individuals to be appointed as directors of the company as prescribed within the good governance policy annually.
4. Establish basis for director recruitment appropriately for the specific nature of the company for example basis for considering existing directors for reappointment, the announcement for the application for directorship position, the opportunity for shareholder submission of director candidates, appointing external recruitment agency, consideration of individuals as listed within the professional director registry, assigning each director to propose appropriate director candidate. The basis and procedures for the recruitment of directors aforementioned shall be disclosed within the annual report, and posted on the company web site.

5. Nominate individual in accordance with the established recruitment process for Board consideration for submission at the shareholders' meeting for the appointment of directors or for Board consideration for appointment of director replacing directorship position vacant or increasing new directorship position during the period.
6. Consider individual directorship candidate as proposed by shareholders for Board consideration and subsequently at the shareholders' meeting.
7. Consider proposing for approval the appointment of individual for the position of committee member and chairman of the various sub-committees to the Board of Directors.
8. Prepare training and development plan regarding the performance of directors, and business knowledge of the company for the Board of Directors, and senior executives continuingly to enhance Board potential and in the event of new director appointment, the Nomination and Remuneration Committee shall have the duties of arranging for orientation, distribution of documents and information useful to the performance of directors' duties.
9. Prepare and review jointly with the Board Chairman and Chairman of the Executive Committee regarding the director and senior executive development plan continuingly to ensure succession in the event of director or senior executive retirement or incapacitated to sustain the continuing administration of the company.
10. Monitor, review results of self-assessment of the Board individually including assessment of the annual performance of the Board, and sub-committees.
11. Perform duties in accordance with the corporate governance principles, provide advice to the Audit Committee related to corporate governance.
12. Empower to invite management or relevant individuals to the company to provide opinion, participate in meeting or provide relevant information.
13. Prepare written Nomination and Remuneration Committee Charter, submit to the Board for approval consideration, and review the adequacy of such charter annually.
14. Disclose operating information, and compensation to the Nomination and Remuneration Committee for shareholders' knowledge.

Authority of The Remuneration Committee

1. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
2. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed necessary, while being allowed to gain access to all levels of information.

Duty and responsibility scope of The Remuneration Committee

1. Consider director and senior executive compensation namely management having positions of Deputy Managing Director up to the position of directors, in order to present opinion to the Board of Directors with the Board having authority to approve compensation for senior executives, and as for compensation for directors, the Board shall present to the shareholders' meeting for approval.
2. Establish policy, forms, and basis for director compensation, other fringe benefits as appropriate in accordance with duties and responsibilities, in relation to the overall operating results of the company, in order to provide incentives, and retain high potential and competent director with below measures:
 - 2.1 Review appropriateness of currently applicable basis
 - 2.2 Consider compensation information of other companies in the same industry
 - 2.3 Establish appropriate basis to render results as anticipated, with fairness, and rewarding to individuals who help accomplish the company's objective
 - 2.4 Review the form of compensation of all types considering monetary value, and proportion of payment of each type of compensation appropriately, with the various types being:

Retainer Fee: For example, monthly, annual compensation considering 3 factors namely (1) Applicable practice guide of company in the same industry (2) Operating results and size of business of the company and (3) responsibility, knowledge, competency, and experience of director or senior executive the company requires.

Incentive in relation to operating results: which relates to value add created for shareholders e.g. operating profit or dividend paid. Director and senior executive compensation in this regard should not be paid excessively.

Attendance Fee: Directors may receive meeting fees in addition to retainer fees, and incentives in relation to operating results in which the Nomination and Remuneration Committee shall consider at an appropriate level in order to provide incentive for directors performing their duties by attending meetings regularly.

3. Establish bases for performance appraisal of the chairman of the executive committee to be presented to the Board for approval consideration. As for the performance appraisal process itself, the Board may elect to appraise the Chairman of the Executive Committee by itself or assigning the Nomination and Remuneration Committee to perform such task.
4. Consider establishing annual director and senior executive compensation procedure below:
 - 4.1 Establish annual director and senior executive compensation per basis considered
 - 4.2 The senior executive compensation establishment should be considered along with the results of their performance appraisal.

4.3 Compare with compensation in other companies in the same industry

4.4 Present proposed established senior executive compensation for Board approval, director compensation is to be submitted by the Board at the shareholders' meeting for approval.

5. Offering for sale of new securities or warrants to directors or employees

In the event new securities or warrant are being offered for sale to directors and employees, the Nomination and Remuneration Committee shall consider the terms of offering to provide incentive to motivate directors and employees to perform their duties in such as way that they enhance shareholders value add over the long term and truly enabling the retention of quality employees but concurrently should not be excessive and be fair to shareholders.

Furthermore, any directors or employees who are eligible to be appropriated with securities in excess of 5% of the entire assets be appropriated, the Nomination and Remuneration Committee shall consider the appropriateness, and provide consent (Nevertheless, it must perform in accordance with the SEC requirement indicating that the no member of the Nomination and Remuneration Committee itself shall be eligible to receive securities in excess of 5%, in order for the Committee to be authorized to provide consent).

Terms of Office of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall have the term of 3 years each. Members who are scheduled to retire per Articles may be reappointed. In the event member position is vacant for reasons other than scheduled retirement, the Board shall appoint individual with full qualification as member of the Nomination and Remuneration Committee, in order to maintain the number of committee members as required by the Board. The replacement committee member shall be in the position up to the term of the replaced committee member.

7.3 Recruitment and Appointment of Directors and Senior Management Staff

7.3.1. Recruitment of Directors

The Nomination and Remuneration Committee is assigned jointly with the Executive Committee the duties in consideration of director compensation for the recruitment, selection of individuals with appropriate qualification for appointment as directors, and proposing to the Board, and at the shareholders' meeting for approval consideration.

Qualification of Directors

1. Director qualification per public company act principle

1. Being an individual
2. Reaching legal age
3. Not being bankrupt, incapacitated, or appeared incapacitated
4. Not being convicted to jail term at last verdict for offence relating to asset fraud
5. Not being expelled or terminated from civil service or organization or public sector entity

on ground of fraud on active duty

2. Being knowledgeable, competent, and experienced beneficial to the business operations, truly interested in the business of the company, and being able to dedicate time, being independent in expressing opinion in performing the oversight duty counterbalancing with the operations under management

Director Selection

- 1) Appointment of directors by resolution of the shareholders for example appointment of directors replacing directors scheduled to be retired through rotation at the Annual General Shareholders' Meeting and/or the appointment of additional new director requiring approval at the shareholders' meeting. The Board is to submit names of candidates with appropriate qualification for the position of director to the shareholders' meeting for consideration. The Meeting shall consider according to standard, and procedures per company articles namely

- 1.1 Each shareholder has voting right equal to the number of shares held
- 1.2 The poll for director may be conducted with voting for each individual director, one poll for one director or one poll for multiple number of directors as the Meeting sees fit. In each poll, each shareholder must vote with the number of votes per 1.1 in its entirety. The shareholder may not allocate one's votes to multiple candidates.
- 1.3 The vote for director is by majority with the Chairman having the casting vote in the event of a tie vote.
- 1.4 The right of minority shareholders in the appointment of directors: Company articles provided that each shareholder shall have voting right one vote for one share held, and not the cumulative voting system. The Nomination and Remuneration Committee provides opportunity for directors, and shareholders to participate in proposing qualified individuals as director candidates.

The company has advised shareholders via information system of the securities market the opportunities for shareholders to propose individuals with qualification in accordance with the articles of the company, the Public Company Act, BE 2535, and the Announcement of the SEC, with company secretary as director candidate for approval consideration. The company has publicized method of proposing, and consideration procedure on the company's website in advance approximately 3 months prior to the meeting date of the Nomination and Remuneration Committee, and the Board. Shareholders, who may propose individual as director candidate, should have below requirements i.e. 1. Being shareholder (s) of the company, 2. Proportion of shares held no less than 0.25% of total shares issued with voting rights, 3. Holding shares as at the date of proposing director candidate.

- 1.5 At the Annual General Shareholders' Meeting each year, at least a third or proportion

close to a third of the number of directors shall retire with the longest servicing directors retiring first. Retired directors are eligible to be reappointed.

During the AGM for the year 2020 on 17 July 2020, there were three retired directors through rotation and reappointed namely 1. Mr. Prapakorn Veerapong, 2. Mr. Thailuck Leetavorn, and 3. Mr. Wichai Maithong.

- 2) The appointment of director replacing retired director for reasons other than scheduled retirement in accordance with Company Articles namely the Board considers individuals with required qualification and without prohibitive record according to law, to be appointed as replacement director at the next meeting of the Board unless the service tenor of the director is less than 2 months old. The replacement director shall stay as director only within the service tenor remaining of the director one replaces. The voting of the Board for such director must be at least three-quarter of the total votes of the Board remaining.

7.3.2 Directors designated from major shareholders

The Company has four directors representing the major shareholders namely Mr. Preecha Veerapong, Mr. Danucha Veerapong, Mr. Prapakorn Veerapong, and Mrs. Duangrat Jaengmongkol

7.3.3 Appointment of the Executive Committee

The Nomination and Remuneration Committee is assigned jointly with the Executive Committee the duties for the recruitment, selection of individuals with appropriate qualification for appointment as the Chairman of the Executive Committee or Managing Director, and proposing to the Board for approval consideration.

7.3.4. Recruitment of Independent Directors

The Nomination and Remuneration Committee has the duties of recruitment of independent directors with appropriate qualification for appointment considering knowledge, competency, and experiences without prohibitive qualification by law, and charters of each committee. The Committee shall consider name list of the appropriate individuals, and propose to the Board or at the shareholders' meeting for appointment consideration with qualification and requirements as follows:

Definition of an independent director is a director with qualification as prescribed on 5 June 2008 by the Securities Exchange Commission as follows:

- 1) Directors holding no more than 1% of the company's, parent's, subsidiary's, affiliate's, or legal entity with possible conflicting interest's shares with voting rights including related parties of the particular independent director's holding,
- 2) Directors not being or was former directors participating in the management of the Company, employee, staff, advisor with regular salary, or individual with controlling interest in the company,

- parent, subsidiary, affiliate, subsidiaries at same level, or legal entity which may have conflicting interest unless having vacated from such situation at least 2 years prior to current appointment.
- 3) Not an individual with hereditary relationship or through legal registration in the form of parents, spouses, brother or sister, and children including spouse of children of the executive management, major shareholders, individual with controlling interest, or individual who may have been proposed to be executive management or with controlling interest of the company or subsidiaries.
 - 4) Not having or used to have business relationship with the Company, parent, subsidiary, affiliate, or legal entities which may have conflicting interest in such a way that may impede one's independent judgment, including not being or used to be major shareholders, director who is not independent director or management of one who has business relationship with the Company, parent, subsidiary, affiliate, or legal entity which may have conflicting interest except for having vacated from such circumstances aforementioned at least for a period of 2 years prior to the appointment. Business relationship aforementioned includes trade transactions conducted in the normal course of business for the purpose of engaging in rental business or property lease, transaction related to assets or services or providing or receiving financial support by receiving or lending, guaranteeing, providing asset as collateral for liabilities including other similar conduct resulting in the company or contract party having payment liability obligation to the other party for value from 3% of company's net tangible assets or from Baht 20 million up whichever is the lower. The calculation of such debt obligation is to apply the procedure for calculation of value of related party transaction announced by the Securities Exchange of Thailand commission relating to information disclosure and operations of listed entities concerning related party transactions by deduction. The consideration for such debt obligation is to include also debt obligation occurred within one year prior to the date having business relationship with the same party.
 - 5) Not being or used to be auditor of the company, parent, subsidiary, affiliate, or legal entity which may have conflicting interest, and not being major shareholders, director who is not independent director, management, or managing partner of the audit firm having staff being auditor of the company, parent, subsidiary, affiliate, or legal entity which may have conflicting interest, except for having vacated from such position at least 2 years prior to the appointment.
 - 6) Not being or used to be service provider for any professions including legal counseling, or financial advisor receiving service fees in excess of Baht 2 million per year from the company, parent, subsidiary, affiliate, or legal entity which may have conflicting interest. Where the professional service provider is a legal entity to include major shareholder, director who is not independent director, management, or managing partner of the professional service provider as well except for having vacated from such circumstances for at least 2 years prior to the appointment.
 - 7) Not being directors appointed for the purpose of representing director of the company, major shareholders, or shareholders related to major shareholders of the company.

- 8) Not having any other characteristics that will result in the director incapable of rendering independent opinion relating to the operations of the company

7.3.5. The Recruitment of the Audit Committee

The Nomination and Remuneration Committee has the duties of recruiting members of the audit committee with required qualification as prescribed by the Securities Exchange Commission as follows:

- 1) Appointed by the Board or at the shareholders' meeting as Audit Committee member
- 2) Being independent director in accordance with definition and qualification of an independent director as prescribed by the Securities Exchange Commission and must
 - 2.1 Not be directors assigned by the Board to make decision in operating business of the company, the parent, subsidiary, affiliate, subsidiary at the same level or legal entity which may have conflicting interest and
 - 2.2 Not be director of the parent, subsidiary, or subsidiary at the same level specifically for the listed entities
- 3) Having duties in the same manner as prescribed in the announcement of the Securities Exchange of Thailand relating to qualification, and scope of duties of the Audit Committee
- 4) Having knowledge, and experiences sufficiently to enable the performance of duties in the position of Audit Committee member. It is required that at least one of the Audit Committee member must be knowledgeable and sufficiently experienced to be able to perform the duties of reviewing reliability of financial statements.

During the year 2020, the Board resolved to approve the appointment of Mr. Sorapas Suttienkul as members of the Audit Committee for another term (term of office expired on 24th April 2022).

7.3.6 Appointment of Management

Consideration for promotion or hiring of appropriate personnel to the position of Company management is the duties of the Executive Committee

7.3.7 Appointment of Company Secretary

The Board of Directors appoints Company Secretary. In the event the Company Secretary left the position or no longer capable of performing its duties, the Board shall appoint new Secretary within 90 days. The Board is authorized to assign any director to perform the duties of Company Secretary in the interim period. The consideration for the selection of Secretary is in accordance with qualification of company secretary as follows:

- 1) Individual performing the duties of company secretary must be
 - a company director who may be executive director or non-executive director,
 - an individual from external entity such as law firm, audit firm, or security company,
 - an employee or company official who will perform the duties of company secretary along with other duties of the company

- 2) Educational background and experiences
 - Knowledgeable about the core business, and operations of the company
 - Knowledgeable about accounting, finance, general management, relevant law relating to the operations of the company, good governance in accordance with good governance principle, and standard best practices relevant to the business operations of the company
- 3) Be independent in the decision making with objectivity without being influenced by any departments or anyone with in the entity
- 4) Being acceptable to the Board of Directors of the company
- 5) Having sound ethical conducts without blemish record

7.4 Supervision over the Operations of Subsidiaries and Affiliates

7.4.1 Premium Service (Thailand) Co., Ltd. (PST), formerly Eastern Premium Service Co., Ltd. (EPS), has been engaged in the automobile repair service center business founded since 16th November 2016.

During the year 2017-2018, EPS is classified as a joint venture between ECL and PG who are the core shareholders having the right to appoint 2 directors from either side, to jointly manage the company's operation, and voting right, one individual for one vote.

During the year 2019, because of ECL's reduction in the proportion of investment holding from 54.55% to 15% by selling part of the shares to new investors, ECL investment in EPS has changed its status from 'investment in a joint venture' to 'investment in other company' with investment holding of only 15%. ECL therefore does not appoint director to participate in the administration of the Company any longer (details per section 2.3.1, shareholder structure of the PST Group of companies.)

7.4.2 ECL Asset Co., Ltd. (ECL ASSET) is engaged in the land for cash business founded since 27 March 2018 as a joint venture company with ECL in joint venture with Global Best Real Estate Loan Co., Ltd. (GB), and equity holding in the proportion of 60:40 respectively. The company is under joint venture agreement, with ECL entitled to appoint 3 individuals as authorized directors, pro-rata to equity held, having voting right, jointly managing the operations of the company. (details per section 2.3.2, shareholding structure of the group (ECL Asset))

7.4.3 Mighty Broker Co., Ltd. (ref. Mighty) is engaged in the business of an insurance commission agent founded on 20 November 2019 with the Company invested 100% of its equity and the company - Mighty considered 100% subsidiary. The Company appointed 7 individuals as management team for business administration of the company, and authorized directors to act on behalf of Mighty (details per 2.3.3, shareholding structure of the group (Mighty))

The company appointed individuals as directors in the affiliate and subsidiary as approved by the Executive Committee. The appointed director has the duties of performing for the best interest of the affiliate and subsidiary (not to the company) and the company requires the appointed individual to exercise their rights in important matters as approved by the Executive Committee prior to voting. The secondment of representative directors has been under the proportional holding of shares in the joint venture company.

Furthermore, the representative individual must also monitor related party transactions, the acquisition and disposal of assets or any other important transactions related to the company to ensure accuracy, and completeness with basis, and disclosure in the same manner as the company including oversight for information retention, and transaction recording of the joint venture company allowing verification, and compilation for the preparation of consolidated financial statement in a timely manner.

The Board assigned individuals to act as directors in the joint venture companies and subsidiary company on 31 December 2019 as follows:

1. ECL Assets Co., Ltd. 3 individuals: (per BOD 19 March 2018)

By appointing pro-rata as provided in the joint venture company articles of association

<u>Position in ECL</u>	<u>Position in ECL-Asset</u>
1.1 Mr. Danucha Veerapong Chairman of the Executive Committee	as Chairman of the Board (27 March 2018 – present)
1.2 Mrs. Valaiporn Panyathanya, Deputy Managing Director	as Director (27 March 2018 – present)
1.3 Miss Kanchana Soponpongpiat, Director of Accounting and Finance	as Director (27 March 2018 – present)

2. Mighty Broker Co., Ltd. 7 individuals: (per BOD 12 November 2019)

<u>Position in ECL</u>	<u>Position in Mighty Broker</u>
2.1 Mr. Prapakorn Veerapong, Managing Director	as Chairman of the Board (20 November 2019 – present)
2.2 Mrs. Duangrat Jaengmongkol, Member of Executive	as Director (20 November 2019 – present)
2.3 Mr. Mano BonnyaSrisawasdi, Director of Insurance	as Director (20 November 2019 – present)
2.4 Mr. Thawatphat Konpetch, Manager of Insurance Department	as Director (20 November 2019 – present)
2.5 Miss Thanatchamon Wongleatborirak, Manager of Insurance Business Administration	as Director (20 November 2019 – present)
2.6 Mr. Teera Chunchacha, Director of Marketing	as Director (20 November 2019 – present)
2.7 Mr. Kopkrit Ketmaenkit, Manager of Marketing	as Director (20 November 2019 – present)

7.5 Supervision of the Utilization of Insider Information

7.5.1 The prevention of directors and management utilizing insider information for benefit in conflict with company's interest, the company has established policies monitoring conflict of interest by prohibiting

Company directors, Management, and employees engaging in any activities that may be in conflict with company's interest for example resulting in company loss of interest, pursuing self-interest from the company or pursuing benefit or equity holding in competing entity. The company has established policies requiring directors and management disclosure of information and security holding in accordance with Law and reported to the Board regularly, and disclosure of their own and related parties' vested interests in business or activities that may have conflicting interest with the company. The Board may then consider and determine truly for the best interest of the company as a whole in which directors having vested interest may not be involved in the approval process.

The company has established policies for related party transactions requiring such activities to be considered thoroughly by the Audit Committee. And if necessary, the transaction shall seek approval from the Board and at the shareholders' meeting including in compliance with regulation established by the Securities Exchange of Thailand with pricing and terms the same as an outsider and disclosure of details, transaction value, contract party, reasoning and necessity of such transactions in the Annual Report, and form 56-1.

During the year 2020 the Board has considered and approved 5 related party transactions below:

- On 26 February 2020, the Board at its 1/2563 Meeting, resolved to approve leasing of a warehouse within a building for contract document storage, from a related party namely Mr. Prapakorn Veerapong as owner of the warehouse. The lease was for the warehouse located on the first floor of the building number 38/3 Soi Ramkamhaeng 21, Yaek 5 (Navasri 5), Ramkamhaeng Road, Wang Thonglang Sub-District, Bangkok for an area of 233 square meters, and a lease term of one year from 1 March 2020 to 28 February 2021 at the monthly rental rate of Baht 52,631.58.
- On 26 February 2020, the Board at its 1/2563 Meeting, resolved to approve leasing of building space on 3rd floor of the Choburi Branch Office from Hi-Tech Land, Choburi (2002) Co, Ltd. for contract storage with an area of 311.75 square meters, and a lease term of 3 years from 1 March 2020 to 28 February 2023 at the first-year monthly rental of Baht 47,021.05, and rising annually at the rate of 5% per annum.
- On 14 May 2020, the Board at its 3/2563 Meeting, resolved to approve leasing of space on the first floor of the building housing the Choburi Branch Office from Hi-Tech Land Choburi (2002) Co., Ltd. to be utilized as the Choburi Branch Office at a leasing term of 3 years from 1 June 2020 to 31 May 2023, at the first year monthly rental rate of Baht 47,021.05, rising at an annual rate of 5%
- On 15 June 2020, the Board at its 5/2563 Meeting, resolved to approve the Company to enter into the loan guarantee fee payment to Premium Co., Ltd. (formerly Premium Financial Services Co., Ltd. (PFS)) at the rate of 1.2% per annum of the credit limit amounting to Baht 300 million, amounting to Baht 3.6 million for the period 1 June 2020 to 31 May 2021. Reasoning for

agreeing to the transaction was that SMBC lending rate has declined to 1.75% p.a. (floating rate changing in accordance with the BOT announced rate) plus the loan guarantee fees of another 1.2% p.a. became 2.95% p.a., which was not a high rate, and such borrowings were beneficial for credit expansion, and reduction of Company's costs of finance.

- On 13 August 2020, the Board at its 6/2563 Meeting, resolved to approve the Company to enter into the land lease agreement for parking of repossessed vehicles from Mr. Prapakorn Veerapong with land area of approximately 130 square wah, land title deed 40107, land lot number 477, Wang Thonglang Sub-District, and Bangkok District, Bangkok.
- On 12 November 2020, the Board at its 7/2563 Meeting, resolved to approve borrowings through limited issuance of short-term bills of exchange to lenders who were major shareholders amounting to Baht 300 million.

In consideration of such a matter, the company has complied with procedures and policies and reported in detail to the securities exchange within the required timeframe (details disclosed per section 10.4, related party transaction).

7.5.2 On the supervision regarding utilization of insider information, the Company has established practice guide for the utilization of insider information and the safeguarding of client and trade partner private information in the corporate governance manual, and business ethics, to prevent disclosure of company insider information or exploit such information for their interest or interest of other. Furthermore, directors and management receiving Company financial information must not utilize such information for their benefit prior to public disclosure in a manner considered to be advantageous to other shareholders and may have caused damages to shareholders as a whole. The Company has advised directors and management to refrain from trading Company stocks during the 30-day period prior to public disclosure of Company's financial statements. The Company has also advised directors and management about their duties in reporting Company securities holding including spouse and children before legal age, and the changes on their holding within 3 days to the Securities and Exchange Commission pursuant to Article 59 and penalty clause, Article 275 of the Securities, and Securities Exchange Act BE 2535. Such information must be provided to company secretary who shall compile director and management securities holding information, and present to the Board for acknowledgement on a quarterly basis.

The Company has established disciplinary penalty for those who exploit Company insider information, distributing, or disclosing such information which may have caused damage to the Company, by considering disciplinary action on a case by case basis as outlined in the Company rules. During the year 2020, directors, management, and employees have strictly complied with such insider information requirement and without Company stock trading in the restricted period. The company has not received any complaints on breach of requirement by directors, management, and employees regarding exploit of insider information for individual gain.

Nonetheless, the Nomination and Remuneration Committee on its 2/2018 meeting on 19 December 2018 resolved to prepare the confidentiality agreement document for directors, executives, interpreter,

company secretary, and participants in the meetings of all company committees to sign acknowledgement of the confidentiality agreement, the prohibition for exploiting company's insider information for individual gain, or rendering damage to the company pending drafting and anticipating completion. During the month of July, 2019, the Company has prepared the confidentiality agreement documents, announced and delivered to directors, executives, interpreters, all levels of employee, affiliated company management including relevant trading partners and Company's operating agents, to sign the agreement in safeguarding confidentiality of information of the Company, customers, and relevant parties, and to strictly adhere to the agreements completely with all parties.

7.6 Audit Fees

At the Annual General Shareholders' Meeting 2019, resolution was passed appointing DIA International Co., Ltd., a company with good work standard with acquired experiences, and skill, by Miss Somjintana Polhiranrat, certified public accountant registration number 5599, as authorized to review, audit, and affix signature in the audit report.

Fiscal Year Audited	Year 2018	Year 2019	Year 2020
Name of audit firms	DIA International Audit Co., Ltd.	DIA International Audit Co., Ltd.	DIA International Audit Co., Ltd.
Individual Auditors	Miss Somjintana Polhiranrat	Miss Somjintana Polhiranrat	Miss Somjintana Polhiranrat
Years auditing the Company	2 nd Year	3 rd Year	4 th Year
Reason for auditor change			
Audit Fee Baht	1,400,000	1,460,000	1,611,000
Allowance, traveling expense for upcountry branch audit	None	None	None
Non audit fee Baht	None	None	None
Amount paid during fiscal year	None	None	None
Amount payable in the future			

7.6.1 Audit Fees

The Company has invested in a joint venture company. The Company paid audit fees to DIA International Audit Co., Ltd. which was the audit firm where the auditor was attached to for fiscal year 2020 amounted to Baht 1,611,000.

7.6.2 Non-audit fees

There has been no non-audit fee paid to other individuals or entities related to the auditor, and the audit firm in which the auditor is attached to whatsoever.

7.6.3 The annual general shareholders' meeting considers auditor appointment and audit fees annually with the Board having the role of selection consideration for auditor and proposed audit fees submitted to the shareholders meeting for consideration and approval. DIA International Audit Co., Ltd. and its designated auditor has had independence, without having vested interests, or any relationship whatsoever with the company, its major shareholders, or management. Notwithstanding, the proposed auditor * must have qualification acceptable to, and consented by the SEC. The audit firm is required to change the designated auditor upon having completed 5 consecutive years of audit works, with their corresponding audit opinions on company's financial reports.

7.7 Good governance practices in other matters in accordance with the securities exchange guidelines

The Board has prepared good governance policies, business ethics, code of conduct for directors, management, and employees, including policy and guideline regarding fight against fraud and corruption practices, monitoring with strict compliance, and ensured information disclosure with transparency, fair treatment with all stakeholders, recognizing the importance of internal control, internal audit and risk management. The Board has complied with best practices for listed entity directors, with regular meetings, supervising shareholders' meeting, recognizing right and benefit of shareholders, and their equality as a matter of principle. The Company has been operating in compliance with good governance principle continuously with results for the year 2020 below:

1. The company has achieved the assessment score of 91 based on the 'Corporate Governance Report of Thai Listed Companies – CGR' for the year 2019 at the level of 'Excellence' by the Thai Institute of Directors Association.

2. The company has achieved the assessment score of 97 based on quality assessment of the organization of the Annual General Shareholders' Meeting for the year 2020 (AGM Checklist) by the Thai investor Association.

For the year 2020, there were matters which the Company has not implemented and appropriate substitute measures as follows:

	Topics not exercised	Reasons for not exercising/Substitute measures
1	The Board of Directors should comprise of independent directors of more than half of all directors, if Chairman of the Board is not an independent director and non-executive directors have more than 66 percent.	Chairman of the Board is not the same person as Chief Executive Officer. The Company clearly segregates the roles and responsibilities of the Board and Management team to ensure balance between management activity and good governance.

2	The Board of Directors should determine that independent directors can continually assume director positions for not longer than 9 years since the date of the first appointment.	The Board of Directors has not determined the longest period of office for an independent director, director and sub-committee to assume, as it is believed by the Board of Directors that every director has knowledge, ability, experience and an understanding in the business operations, with independent in expressing opinions deemed beneficial for the Company, and does not have any involvement with major shareholders, does not have controlling authority, is not persuaded or influenced by the management, thus has the qualifications to assume the independent director's position as stated in the regulations of the SET and the SEC.
3	Nomination and Remuneration Committee should comprise of all independent members.	Nomination and Remuneration Committee comprises of 3 members, 2 of whom are independent members. Chairman of the Committee must be independent director.
4	Determine the directors or high-level executives notify the Board of Directors or delegated persons about their transaction (buy and sell) of the Company's shares at least 1 business day before the transaction date.	The Board of Directors determines the measures to prevent internal information misuse by relevant persons, including their spouses and minor descendants and person related information, not allowing aforementioned persons to use non-public information for their own benefits which can give rise to conflict of interest, Such action is regarded as severe misconduct and is accentuated in the Company's business ethics.

Furthermore, the company has arranged for good corporate governance training within its orientation curriculum for directors, and new hires continuingly to be in accordance with the 'Good Governance Principle for Listed Companies 2012' prescribed by the securities exchange of Thailand (SET). The company has reviewed and applied in practice the principle aforementioned continuingly for all the five sections below:

7.7.1 The Rights of Shareholders

(1) Policy related to Upholding Shareholders' Right

The company has established policies upholding shareholders' right within its governance policies. Basic shareholders' right concerns right regarding trading of shares or share transfer, right of access to information related to operating results regularly, accurate, complete, and timely, right to receive dividend

from profit, right to attend shareholders' meeting in order to exercise voting right to appoint, remove directors, appoint auditor, having informed shareholders of basis and procedure for attendance and sufficient information for consideration and participate in agenda proposal, director candidate proposal, the opportunities to enquire or express opinion at the meeting, and the right to assign other to attend meeting under proxy including resolution decision on major and important changes including information regarding related party transactions.

(2) The Promotion of Shareholders' Right

The company undertakes measures in supporting and facilitating upholding shareholders' right, and to exercise their rights, but to refrain from infringing on other shareholders' right as follows:

- During the year:
 - The Company distributes essential information to shareholders concerning business operations, results of operation, reports, financial statements, and related party transactions regularly with clarity and timely via the channels provided by the securities exchange, and website of the Company.
- Prior to the meeting date:
 - The company arranged for the Annual General Shareholders' Meeting annually, 120 days after the close of the company's accounting period. In the event of urgency in consideration of extraordinary agenda which may affect or relate to shareholders' interest requiring shareholders' approval, the Board may convene an extraordinary shareholders' meeting on a case by case basis. During the year 2020, the company convened an Annual General shareholders' meeting on 17 July 2020. The company encourages shareholders to participate in the meeting by submitting query in advance, express opinion, propose agenda of the meeting, and propose candidate for consideration for appointment as director prior to the meeting date by informing all shareholders via company's website during 1 October 2019 until 30 December 2019. During the period, there were no proposed agenda or appropriately qualified individual for the position of directors submitted to the company. Where agenda needs to be increased, shareholders shall be informed. In the event of urgency to safeguard company's right and interest, the company shall forward invitation document no less than 14 days prior to the meeting date along with distributing information supporting meeting agenda in advance via website of the securities exchange, and company website prior to mail posting.
 - The company prepares and forwards invitation document for the Annual General Shareholders' Meeting to all types of shareholders including institutional shareholders along with detailed meeting agenda, important and necessary information supplementing shareholder consideration, as well as the Board opinion, prior period meeting minute, annual report, proxy documents of all types consisting of type GOR, KOR, and COR per Ministry of Commerce requirement and indicating with clarity the type of proxy document required, the location, date, time, and meeting location map. The invitation document shall indicate details of the types of documents required to be presented to

retain the right to meeting attendance which shall be forwarded to shareholders both in Thai and English at least 14 days in advance prior to the meeting date, including announcement via Thai newspaper for 3 consecutive days and 3 days prior to the meeting date. Shareholders may access various information regarding each meeting agenda via company website publicized in advance at least 30 days prior to the meeting date in order to inform about the ordinary shareholders' meeting in advance for shareholders to be prepared.

- The company encourages all types of shareholders including institutional investors to attend the meeting without restriction for late arrival shareholders having the right to vote for agenda in process and yet to be resolved. As for meeting facilitation for shareholders, the Company adopts policy which encourages shareholders exercising their right in meeting attendance and for preparedness both for essential documents, registration, including stamp duties, the selection and preparedness of meeting venue, with convenient walkway, parking, adequate food and drinks including an appropriate meeting time allowing shareholders advance registration of 2 hours prior to the meeting with independent individuals performing the duties of vote counting during the meeting promptly and reliably.

- Pursuant to the Corona Virus Pandemic situation (COVID-19) during the year 2020 adversely affected the Company's annual shareholders' meeting arrangement, to enable a successful completion of the meeting in compliance with the law, and for the benefit of safeguarding the health of shareholders and related individuals, the Company encourages shareholders of the risk group or exhibiting respiratory symptom as well as the non-risk group but desires infection prevention for hygienic reason, to exercise their right of attendance through assignment of others to attend and vote on their behalf, or assigning one independent director whom the company designates as an option shareholders may assign on their behalf. Shareholders may utilize the proxy document the Company forwarded along with the invitation document, or download same from Company website. Shareholders may also submit advance questions until 16 July 2020 via post to 'Office of the Company Secretary', Eastern Commercial Leasing PLC, 976/1 Soi Rama IX Hospital, Rim Klong Samsaen Road, Bangkapi Sub-district, Huay Kwang District, Bangkok 10310, or via email at: apitsara@ecl.co.th

- On the meeting date:

- Shareholders or assignees under proxy who wish to attend the meeting, shall comply with below measures:

1. All attendants must fill in the self-screening form, and go through the sensor equipment for temperature measurement. If body temperature is from 37.5 degree Celsius up, or attendants or individuals close to the attendants having travelled in or through the area or location risky of Covid-19 infection in accordance with the announcement of the Ministry of Public Health or location established by the authority for a period less than 14 days prior to the meeting date, and / or having

symptom which may be suspected of being infected by Covid -19, Such individuals shall not be permitted to enter the area or the venue of the meeting. Shareholders who do not pass the screening process may assign the Company independent director to attend and vote on their behalf.

2. Attendants are requested to stay one meter apart on cueing line at the screening station, document inspection, and registration.

3. The hotel arranges for seating within the conference room with at least one meter distancing which may support around 40 attendances, with specific seating number assignment at registration. Attendants must sit at the designated seating location for the benefit of prevention or follow-up in the event of any incident occurring, and in the event all seats have already been taken shareholders will not be able to attend the meeting. The Company would like to request cooperation from the shareholders who attend the meeting by themselves to please assign their right to the independent director of the Company to attend on their behalf.

4. Attendants who pass the screening process shall be affixed with the sticker, and shall wear hygienic mask in the area or the meeting venue throughout the meeting. Attendants shall clean their hands with alcohol gel to be provided at various locations.

5. If during the meeting, attendants suffered from fever, coughing, sore throat, sneezing, running nose, respiratory problem resulting in exhaustion and/or symptom suspicious of being COVID-19 infection, the attendants shall be requested to leave immediately the location or venue of the meeting.

- Prior to the meeting the Chairman of the meeting explained the meeting rules e.g. , voting procedures, vote count of shareholders for resolution passed for each agenda in accordance company articles with vote count for each agenda and reported clearly within the meeting room, and as for the conduct of the meeting along with the established agenda sequence without modification, not increasing agenda without prior notification, and permitting late comer to participate in the meeting. The Chairman of the meeting provides shareholders with opportunities to enquire on matters regarding operating results, express opinion and enquire freely prior to voting on each agenda e.g. the appointment or removal of directors, the appointment of auditor, the appropriation of dividend prior to resolution for each agenda.

- The invitation document provides details, factual matter, reasoning for each agenda along with Board opinion with clarity and sufficient for resolution consideration e.g.

On appropriation of dividend, the company advised dividend payout policy, proposed profit appropriation, proposed rate of dividend payable along with reasoning and comparative ratios paid over the past years.

On the agenda concerning director appointment, the company provided information and details i.e. educational background information, work experiences, years of services, attendance

record of the directors proposed for appointment with adequate information for shareholders. And on the director appointment, the company proposed for voting on an individual person basis, to allow shareholders the right to select the specific director they wanted.

On director compensation, the company proposed compensation limit at the shareholders' meeting for approval annually along with compensation policies, basis for compensation of each director position

On auditor appointment and establishment of audit fee, the company proposed name of auditor, the audit firm the auditor works for, record of auditor independence, years of audit duties (where the existing auditor is being proposed), reasoning for change of auditor, and audit fees including comparative audit fees for the past years which have been reviewed by the Audit Committee.

- After the meeting
 - The company reports resolutions passed and detailed dividend declared via the security exchange news channel system and company website the next day as well as preparing minutes of the meeting both Thai and English recording director attendance, questions, and answers, vote procedure, vote count, votes for, against, or abstention for each meeting agenda, including detailed shareholder suggestions and query for each agenda submitting to the securities exchange of Thailand and relevant entities within 14 days from the meeting date, and publicizes the information via company's website to keep the un-attending shareholders informed, and verifying information without waiting for the next meeting to convene.

7.7.2 Equal Treatment with Shareholders

(1) Treatment with Shareholders

The company has policy to treat all shareholders fairly and equally regardless of whether they are major or minor shareholders, individuals or institutional investors, Thai or foreigners enabling every shareholder, all groups the basic right and other right they are eligible to have equally as presented within the equal treatment with shareholder's section. During the AGM 2020, the company has performed the followings:

- Prior to the meeting date, the Company provides opportunities and right to shareholders to participate in proposing meeting agenda, and candidates for the position of independent director in advance through the Company website, by accepting such proposal during 1 October to 30 December of every year. Nonetheless during that time period no such proposal was submitted by shareholders.

- The Company facilitated foreign shareholder attendance by preparing relevant meeting document in English.

- The Company facilitates shareholders who were unable to attend the meeting in person to assign others to attend and vote on their behalf through submission of Proxy Type Gor, and Kor provided along with

the meeting document. Alternatively, the Company proposed two independent directors namely Mrs. Prapasri Permsub chairperson of the Audit Committee and Mr.Soraps Suttienkul member of the Audit Committee to act under proxy for shareholders.

- The Company forwards news and information regarding the meeting to shareholders in advance approximately 30 days prior to the meeting date via company website, and forwarded same by post at least 14 days prior to the meeting date including data CD allowing shareholders sufficient time to study content of the meeting document to support decision making prior to receipt of hard copy documents from the company. Furthermore, the company shall advertise in newspaper to inform about the scheduled meeting date, time, venue and meeting agenda both in Thai and English consecutively for 3 days prior to the meeting date.

- In consideration and voting on each agenda required voting, vote count system is 1 share for 1 vote equally for all shareholders with resolution passed generally according to majority vote. The Company utilizes vote card compiled from votes 'against' or 'abstention" deducted from total eligible voters to derive at the votes 'for' the agenda being considered and accordingly announced the resolution passed agenda by agenda for transparency and retained vote cards for subsequent verification and in the event of dispute, including disclosure of vote results and recorded with clarity within the minute of the meeting.

- The company conducts meeting in sequence according to established agenda provided within the invitation documents, not adding new agenda without prior advice to shareholders for fairness to shareholders not attending the meeting except out of necessity for the best interest of the company, and strictly in accordance with rules of relevant law.

- The Chairman of the meeting provides opportunities and time for all shareholders to have equal rights to express opinion and enquire about operations of the company fully regardless of whether they are major or minor shareholders as presented in the shareholders' right section.

(2) The company emphasizes the prevention of directors, management, and employees exploiting insider information for self-benefit with conflict of interests, and unfair to shareholders. The company has policies monitoring conflict of interests with requirements prohibiting directors, management, and employees from any activities which might have caused conflicting interest with the company's business or for personal benefit from company's activities. The company requires directors and executives to disclose information about themselves and related parties having business and entities which may have conflicting interest with the company.

The company complies strictly with law, regulation, and basis namely where it is necessary to engage in transaction with conflicting interest having director and executive as related parties, the company requires the transaction to be scrutinized by the Audit Committee and if necessary approved by the Board and at the shareholders' meeting. The transaction shall have been considered with fairness and in accordance with market price and terms in the normal course of business as if engaged with external parties. Directors and executives who have vested interests must not be involved in the approval of such transactions

(details per section 7. Entity Governance, item 7.5.1 the prevention of director, and management exploiting insider information with conflict of interests)

(3) Supervising utilization of insider information

The company has policies regarding safeguarding and protecting of utilizing insider information in writing prohibiting director, management or employees who have received such insider information from disclosing or exploiting the information for personal gain in the trading of company securities or providing insider information to external party or unauthorized individuals for the benefit of purchasing or sale of company shares which may cause damage to shareholders as a whole, and prohibiting directors and management from purchasing or sales of company shares for a period of 1 month prior to the public disclosure of company financial statements failing which shall be subject to disciplinary penalty. The company has informed the individuals concerning the duties in reporting company securities holding as well as changes in such holding within 3 working days to the securities exchange commission. Notwithstanding such requirement, the company reports such securities holding as an agenda for acknowledgement in the Board of Directors' meeting on a quarterly basis. For the safeguarding confidentiality of important information of the Company, and customers, and relevant trading partners, the Company has prepared confidentiality agreement documents for directors, executives, interpreters, and employees at all levels, affiliated company management, including relevant trading partners and Company's operating agents to sign and strictly adhere to the agreement (details per section 7. Entity Governance, item 7.5.2, supervising utilization of insider information).

7.7.3 Consideration of the Role of Stakeholders

(1) Preparation of policies and practices

The company engages in its business recognizing its responsibilities toward all groups of stakeholders namely both internal – employees and management, and external - shareholders, creditors, trading partners, customers, competitors, public sector, the community surrounding the company, the environment and the society at large. The company recognizes the protection and taking care of the right of all stakeholders fairly both legally or under agreement with the company. The company established policies related to stakeholders within its governance policy and business ethics (details shown on company's website) and publicizes such policies for management and employee acknowledgement, and adhering to, coupled with other operating rules and procedures.

The company also recognizes the importance of the fight against fraud and corruption, the decline to accept bribery or other illegal gain with established policy against fraud and corruption, distributed with arranged employee training and test at all levels for matters related to policy and practices in the fight against fraud and corruption of the company. The company is confident that it conducts its business fairly and discloses relevant information to stakeholders adequately for efficient participation enhancing a solid and sustainable growth. Treatment with various stakeholders may be summarized below:

Treatment with shareholders: The Company is dedicated toward business engagement with sustainable growth under good governance principle, transparency without fraud and corruption within the organization and with external parties to ensure shareholders continuing receipt of investment return. The company recognizes the importance of shareholders' right and treatment toward all shareholders equally. The company forwarded information and progress reports to shareholders accurately, completely, timely, and promoting shareholders' right to participate in the meeting (details may be referred to, item 7.7.1 policies on safeguarding shareholders' right).

Treatment with creditors: The Company has strictly complied with terms of creditors. The company administers borrowings in accordance with the objective, without mis-use of fund which may have caused damage to the company. The company conducts and controls in accordance with lending terms and conditions both for principal repayment for all types of borrowings, and interests fully, timely, without breach of agreement terms, without concealing information or factual matters which may have caused damage to creditors. The company undertake financial management to uphold creditor confidence in the company's financial position, and good capability of meeting repayment terms. The company has been able to maintain financial ratios per loan covenant and has never had default record on debt or interest due to creditors.

Treatment with trading partner: The Company strictly complies with terms and conditions of the agreement, law and fair practices, and transparency with trading partners. The company has policy prohibiting directors, management, and employees from demanding or receiving assets or other benefit which are dishonest from trading partner. Where the company or trading partner found or knew of the information regarding dishonest activities, it shall inform or disclose such information for joint resolution and prevention of future damage.

Basis for selection and assessment of trading partners:

- | | |
|--|--|
| ☐ Financial position | ☐ Business reputation |
| ☐ Product and service quality | ☐ Skill and experiences |
| ☐ Engage in business with good governance principle | |

Treatment with customers: The Company emphasizes dedication toward good service quality, and utmost customer benefit and satisfaction. The company conducts business in compliance with term and condition of the agreement with customers with transparency and fairness. The company has unit prepared to provide advice and listen to customer suggestion or thought. Guideline for treatment with customers are:

- ☐ The company utilizes hire purchase contract which is fair to customers
- ☐ Upholding customer's right to utilize vehicle
- ☐ Upholding customer's right to receive vehicle registration upon complete installment payment in full
- ☐ Provide factual and complete vehicle information and characteristics to buyer
- ☐ Retain and monitor stringently, appropriately, customer confidential information, and shall not

disclose such confidential information to others unless with customer consent or required by law

☐ Shall not demand or accept cash, gift, or reward or any other benefit from customer or any other individuals except under customary practice

☐ Undertake business in accordance with good governance principle without promoting or encouraging unlawful activities or transaction

Treatment with competitors: The Company emphasizes business conducts mindful of good business ethics, engaging in business professionally, upholding fair competition not engaging in misinformation or any other means inconsistent with fair competition, not in search of competitor confidential information in a dishonest way or inappropriately e.g. payment made to competitor employee, and defaming competitor based on accusation falsely fabricated. The company avoids conduct which may impact on competition and engages in relationship building and exchanging opinion and experiences via the hire purchase association continuing every year.

Treatment with Government Sector: The Company engages in business in full compliance with law and regulations of various relevant supervisory entities providing full cooperation, supporting government entity when opportunities arise.

Treatment with employees: The company emphasizes the importance of human resources. The company provides fair compensation to employees appropriately and consistent with other companies in the same industry. There has been appointment, transfer including benefits and penalty with honesty on the basis of knowledge, competence, and appropriateness of employees, arranging for fringe benefits, compensation, provident fund, arranging for channel of communication to listen to opinion freely. The company adopted safety, occupational health, and environment policies taking care of the working environment considering safety, and employee properties, including office hygiene preventing danger and enhancing good health. Each year the company arranges for office environment check e.g. lighting within the office, quantity of dust, measurement of carbon di oxide gas, level of bacteria. The company arranges for annual health check for all employees including training regarding occupational health and safety at work for employees at all levels. During 2020, the company found no accidents at work, and no employees infected with the Covid – 19. The Company reported accordingly to the area Department of Labor Protection and Welfare office on a quarterly basis. Furthermore, the company promotes employee knowledge and competence development and enhancement.

The setting up of channel of communication for employee opinion and suggestion: The company has arranged for annual meeting continuingly to communicate with employee policies and operating results. Furthermore, the company provides opportunity for questioning, suggestion, thought to management. As for new hires, the company arranges for orientation at the first day of work in order for new employees to learn company policies, rules, regulations and company's business model, the basis for company's corporate culture, fringe and employee benefits, including good governance principle, and the fight against fraud and corruption practices, the safeguarding of confidentiality of information of the Company, and relevant parties for example. The company has been stringently in full compliance with law and regulation

regarding employees, facilitates and taken care of employees enabling them to be entitled to all rights fairly and equally.

Treatment with society, and environment: The Company engages in business with socially responsible policy emphasizing due care, supporting society, preserving environment, participating in constructive social and community activities where the entity is located, promoting utilization of environmentally friendly products, promoting energy conservation, educating and training of employees concerning environment. Notwithstanding the above, the company does not support any activities which may have caused damage to natural resources or community.

Intellectual property or copyright: The company has policy regarding intellectual property right requiring directors and all employees to protect company's intellectual properties e.g. trad mark, and trade secret which provides competitive edge, protecting leakage of information or exploiting such information for personal gain, or for others without authorization, including not supporting employees acting infringement of others' intellectual property right e.g. patent, trade mark, software belong to others, not utilizing works done by others without authorization.

Prevention of fraud and corruption: The Company is intent on engaging in business with honesty, transparency, disclosure, and verifiable. During the year 2015, the company has become member of the Private Sector Collective Action Coalition Against Corruption, or Thai CAC. On 16 October 2015, the company has prepared policy against fraud and corruption practices, practice guidelines for various aspects to prevent risks arising from fraud, and corruption having been approved by the Board, policies against corruption in all forms and practice guide prohibiting directors, executive, and employees from accepting gifts, entertainment, soliciting donation, donation money, and benefits in any forms to oneself from individuals or entities the Company is dealing with. The Company refrains from activities which may create problem relating to corruption both in public or private sectors. Every year, the Company organizes training to educate management and employees throughout the organization for guidelines and prevention against fraud, and corruption, arranged for channel to report lead concerning fraud and corruption or complaints including the protection of source of such reporting, protection of the accused individuals yet to be have gone through the verification and decision process. Details are provided within the policy against fraud and corruption. Furthermore, the company assesses system of internal control, and risks regarding fraud and corruption separately from the general risk assessment of the entity.

(Remarks: Treatment with stakeholders is reported partially in section 8.2 Prevention of fraud and corruption)

On 18 October 2019, the Company received the certification of the membership extension with the "the 'Private Sector Collective Action Coalition against Corruption' or Thai CAC. During the year 2019, the Company has reviewed and improved on its policies against fraud, and corruption practices, and practice guidelines in accordance with policies as announced and communicated the revised version of the policies for acknowledgement with directors, executives, employees, subsidiaries and affiliates, trading partners, agents, and public at large.

(2) To Provide Opportunities for Stakeholders to Contact the Company

The Company provides opportunities for employees and all stakeholders to achieve satisfaction, and participating in monitoring the operations of the Company, conduct in breach of rules and regulation, business ethics or violation of rules of laws including reporting behavior which may be conducive to fraud and corruption or suspicious conduct relating to money laundering, finance, accounting. The stakeholders may contact the Company to express their opinion, provide lead, or complain both by letter to the various committees namely the Chairman of Audit Committee, Director of Administration, at head office, or Company Secretary per the provided address of the Eastern Commercial Leasing PLC, 976/1 Soi Praram 9 Hospital, Sub-district Bangkapi, Huay Kwang District, Bangkok 10310 or via facsimile 02-641-5995 or company website <http://www.ecl.co.th>. Such lead, complaint, and suggestions shall be considered and actioned upon as appropriate. If the lead involves fraud and corruption or violation of law, the company shall retain such information and lead confidentially, and proceed with due consideration for safety of the informant including whoever cooperating with the investigation to ensure that all relevant parties shall be affected from the act of providing lead and complaint aforementioned. Over the past year, the Company received no complaints from stakeholders.

7.7.4 Disclosure and Transparency

(1) Efficiency of Information Disclosure Process

Management has policy to disclose information with transparency, financial reports, and operating results with information disclosure complete and accurate, transparent equally, regularly and timely in accordance with requirement of the Securities Exchange Commission, and the Securities Exchange of Thailand. Disclosed information has passed the review of the responsible individuals and with consent from the Board. Information disclosed consists of quarterly and annual financial statements, information disclosure form 56-1, annual report form 56-2, related party transaction report, invitation document for shareholders, minutes of the meeting of directors, audit fees, director compensation, duties of director for example. The information has been publicized in various form both Thai and English via securities exchange channel of communication, and company website on the investor relation section with updates regularly to enable users of information up to date, easy access, and maximum usefulness.

(2) Quality of Financial Report:

The company's financial statements are prepared in accordance with Generally Accepted Accounting Principles, with appropriate selection of accounting policies consistently applied, and with careful judgment, including sufficient disclosure of important information within the notes to financial statements. Disclosure of such financial statements have been audited/reviewed by independent auditor in collaboration with internal auditor and approved by the Audit Committee/Board. The Board reported on its responsibility toward financial reports in the company's annual report.

(3) Investor Relation

On the investor relation function, the Company has assigned the Chairman of the Executive Committee, the investor relation, and Finance Director to perform the duties of disseminating useful information and liaise with institutional investors, shareholders, including stock analysts, public media, and the general public. During the year 2020 the company has disclosed information regarding its operating results to shareholders, investors, stock analysts, in line with the good governance principle disclosing during the appropriate time, transparent, and equal as follows:

1. The reception of investors and analysts who request for visit (company visits) or via tele-conference calls for 12 times.
2. Provide information via media interview in the forms of newspaper or TV program on air or via phone interview for 2 times.
3. Provide press releases in the event the company has had investment activities or important business transaction

This is to provide channel of communication between the company, shareholders, and investors. Interested parties may contact investor relation of the company at Miss Apitsara Srimorn phone number 02-641-5252, extension 9419, email address apitsara@ecl.co.th in order to enable shareholders and the stakeholders to receive information equally.

7.7.5. The functioning of the Board and Sub-Committees:

(1) Structure of the Board of Directors

Current Board of Directors consists of individuals who are qualified, and experienced in diverse skills, administration in marketing, finance, banking, accounting, and law for example in accordance with recruitment policy having considered the variety of the structure of the Board of Directors, and essential skill which are still lacking. Structure of the Board as at 31 December 2020 consists of 9 directors, of whom 4 directors are independent directors accounting for more than a third of total number of directors. The structure of the Board provides clear balance of authority appropriately consisting of 9 directors below:

Names	Positions	Appointment Date	Executives	Non-executives	Independent Directors	Member of the Audit Committee	Nomination and Remuneration Committee
1. Mr. Preecha Veerapong	The Chairman of the Board	15 Sep 03		/			
2. Mr. Danucha Veerapong	The Chairman of the Executive Committee	17 Nov 03	/				
3. Mr. Prapakorn Veerapong	Director, Member of the	15 Sep 03	/				

	Executive Committee, Managing Director						
4. Mrs. Duangrat Jaengmongkol	Director, Member of the Executive Committee, Company Secretary Member of the Nomination and Remuneration Committee,	15 Sep 03 13 Aug 08 24 Apr 18	/				/
5. *Mr. Yohichi Shibata (resigned)	Director	12 May 16		/			
Mr. Masayuki Nozawa	Director, Member of the Executive Committee	15 May 20	/				
6. Mr. Sorapas Suttienkul	Independent Director, Member of the Audit Committee, The Chairman of the Nomination and Remuneration Committee	26 Feb 15 24 Apr 18 24 Apr 18		/	/	/	/
7. Mrs. Prapasri Permsub	Independent Director, Chairman of the Audit Committee, Member of the Nomination and	24 Apr 18 24 Apr 18		/	/	/	/

	Remuneration Committee						
8. Mr. Thailuck Leetavorn	Independent Director, Member of the Audit Committee	15 Aug 17 15 Aug 17		/	/	/	
9. Mr. Wichai Maithong	Independent Director	24 Apr 18		/	/		
Total Individuals			3	6	4	3	3

Remark: *Mr. Yoichi Shibata resigned from the position of director effective on 15 May 2020.

- There were 4 executive directors accounting for two-third of total directors
- There were 5 non-executive directors accounting for two-third of total directors
- There were 4 independent directors accounting for 4 out of 9 directors which is greater than the SEC requirement of the minimum of a third being independent directors
- There were 3 audit committee members accounting for a third of total directors
- Authority of the three committees may be referred to within section 6.1, the Board of Directors, and section 7.2, the Sub-Committees
- Background and position held in other companies may be referred to within Attachment 1, and Attachment 2

The company has separated the position of the Chairman of the Board and the Chairman of the Executive Committee into 2 positions and not being the same individual with clear separation of authorities. Nonetheless, the Chairman of the Board, and the Chairman of the Executive Committee both represent the same major shareholder group namely the Veerapong family which on 6 January 2021 holding in aggregate 26.04%. In order to achieve check and balance in company administration, structure of the Board comprises greater number of independent directors than executive directors.

(2) The Independence of the Board from the Management

The company arranges for separate duties and responsibilities between the management and the audit function clearly by appointing three sets of committees namely 1.the Executive Committee 2. the Audit Committee and 3.the Nomination and Remuneration Committee.

The Executive Committee is tasked with responsibility for the daily operation including monitoring of the performance and reporting of the activities to the Board of Directors

The Audit Committee is tasked with the duties of reviewing the operations, financial reports, arranging for the establishment of the system of internal control and internal audit etc. and reporting to the Board Directors. There are 3 Audit Committee members, all of whom are independent directors.

The Nomination and Remuneration Committee performs the duties of providing advisory to the Board of Directors of the Company in the approval consideration for the appointment of individuals for the position of independent directors and compensation amount limit for the Board of Directors etc. Two out of the three members of the Nomination and Remuneration Committee are also independent directors.

All current four independent directors have qualification in accordance with the requirement the SEC, and the securities exchange (the company defines independent director qualification equivalent to that of the SEC with details indicated in the recruitment of independent director and executive, section 7.3.4) and performs their duties with complete independence with due care and responsible for oversight of the company well and continuingly. There have been no independent directors having business relationship with entity which may have conflicting interest with the company or having the nature which may be obstructing the independent judgment in the performance of duties whatsoever. There have been no directors having the director's position in more than five registered companies.

(3) Roles, Duties and Responsibilities of the Board

The Board has the duties and important responsibilities as follows:

- Performing duties with responsibilities, honesty, and due care safeguarding the interest of the company including compliance with law, objective, articles of the company, resolution of the Board, and shareholders considering individual shareholder's interest equally.

- The Board arranges for the establishment of oversight policies, business ethics, and code of conducts including practice guidelines against fraud and corruption for directors, executives and employees (details in section 7.1, Governance Policies)

- The Board established policies, participated and provided concurrence in establishing direction, strategic objective in business undertaking, financial objective, company budget, the Company's overall risk exposure with careful consideration of economic, business, political and social environments which would be carried out early in the year. During the year 2019, Management has implemented such plan and reported the results to the Executive Committee on a monthly basis, and prepared the Executive Committee Report to be submitted to the Board on a quarterly basis.

- The Board arranges for the establishment of system of internal control, internal audit, and quarterly report to the Board. The Board selects Improvis Audit Co., Ltd. to perform the duty as internal auditor and to provide recommendation for corrective action to rectify control weaknesses. Improvis Audit Co., Ltd. is not the company's external auditor, is independent to report audit results directly to the Audit Committee, performs audit providing assurance that the core operations, and important financial activities of the company are conducted in accordance with guidelines, and efficiently including operational audit, law and regulation compliance relevant to the company. The matter as pertinent to practice and law is under the supervision of the sub-committee for compliance founded since the year 2018.

- The Board provides clear policies and guidelines, in consideration of related party transaction or transaction that may have conflicting interest, with careful consideration for the interest of the Company and

shareholders as a whole. Individuals with conflicting interest do not participate in the decision-making process relating to such transactions. The Board provides oversight to ensure compliance with the rules, and accurate and complete disclosure for all such transactions.

- The Board arranges for policies regarding shareholding of directors and executives requiring disclosure of purchase and sales of shares held. Directors, top executive or executives of the first 4 individuals from the top executive down, all holders of equivalent position of the 4th executive including individuals of higher ranks or equivalent to Accounting Manager including spouse and children not at legal age must report shares of the company held to the SEC within 30 days from the date of appointment, and reporting changes within 3 days from the date of occurrence, and prohibited from trading of company shares for a period of one month prior to the public disclosure of company's financial report. Furthermore, the company included Board agenda on report regarding shares held by directors and executives for acknowledgement on a quarterly basis.

- The Board arranges for the establishment of the risk management system. The Board encourages for preparation of Risk Management Policy Manual establishing overall entity risk management and report to the Board on a quarterly basis (details presented in section 9. Internal control and risk management)

- The Board supervises the Management to establish control on its operations both at Management and operational levels. To enhance efficiency, the company has established duties, authority of operational staff, and management in writing with clarity. There is control on utilization of company's assets productively, segregation of duties among operational, supervisory, and assessment staff to achieve appropriate check and balance. In addition, there is internal control relating to financial management. The company arranges to have system of financial reporting for each functional management. On credit administration and collection, target and key performance indices are established and monitored the results at month end.

Management is responsible for the Company's operating result, and to prepare on a quarterly basis - financial report. The Audit Committee is to review financial report in coordination with the external auditor, and the internal auditor, and submit for approval with the Board. The Audit Committee and internal audit have organized meeting without the presence of management at least once a year.

(4) The Meeting of the Board of Directors

There were 7 Board of Directors' Meetings during the year 2020 to approve quarterly financial statements, consider establishing policies and Company's business plan, control and supervision of the administration and management of the Executive Committee as well as consideration of transactions which might have caused conflicting interests.

The Board has scheduled meetings at least quarterly with special session as necessary, and meeting of non-executive directors at least once a year without participation by executive directors. The meeting date shall be on the date that the Company Secretary has determined the date and time in advance for the whole year. For each meeting convened there was clear advance agenda and regular follow-up agenda on operating results. Invitation letter along with meeting agenda and meeting documents are

prepared and forwarded 7 days in advance prior to the meeting date so directors have sufficient time to study the information prior to the meeting date. The Company intends to have full attendance of all directors at all meetings. The Board of Directors has a policy to expect directors to attend every meeting. Therefore, limit the number of listed companies in which each director may hold a position to no more than 5 places without exception. Directors should have their proportion of attendance record at least 75% of the yearly meeting. The Company reports director attendance within its annual report. The Chairman encourages careful judgment and maintains minimum quorum requirement policy of 2/3 of the total number of directors in attendance when an issue is voted. Subsequent to the meeting, minutes are recorded in writing and retained as approved by the Board of Directors readily available for directors or relevant party examination.

During the year 2020, the Board has convened 7 times, and the sub-committees namely the Executive Committee 18, the Audit Committee 6, and the Nomination and Remuneration Committee 3 times with details of the attendance below:

Director' Names	The Board of Directors	The Executive Committees	The Audit Committee	The Nomination and Remuneration Committee	The Annual General Shareholders' Meeting for the Year 2020
1. Mr. Preecha Veerapong	6/7	-	-	-	1
2. Mr. Danucha Veerapong	7/7	18/18	-	-	1
3. Mr. Prapakorn Veerapong	7/7	18/18	-	-	1
4. Mrs. Duangrat Jaengmongkol	7/7	18/18	-	3/3	1
5. *Mr. Yohichi Shibata (resign)	1/7	-	-	-	-
**Mr. Masayuki Nozawa	4/7	11/18	-	-	1
6. Mr. Sorapas Suttienkul	7/7	-	6/6	3/3	1
7. Mrs. Prapasri Permsub	7/7	-	6/6	3/3	1
8. Mr. Thailuck Leetavorn	7/7	-	6/6	-	1
9. Mr. Wichai Maithong	7/7	-	-	-	1

* Mr. Yoichi Shibata did not attend twice.

** Mr. Masayuki Nozawa was appointed Company director and executive director effective from 15 May 2020

There were 6 Audit Committee meetings during the year 2020 including one meeting with the absence of management. Mrs. Prapasri Permsub, the Chairperson of the Audit Committee, is knowledgeable, and experienced sufficiently to perform the duties of reviewing reliability of financial statements. The Audit Committee organized meeting with external and internal auditors to review company's financial reports, internal control, considered and proposed external auditor, internal auditor, audit fees, and related party transactions. The

Committee assessed system of internal control, reviewed risk management, and supervised the administration and management of the Executive Committee, provided committee opinion regarding the various operating aspects on the whole submitted to the shareholders within the Annual Report.

The Nomination and Remuneration Committee has convened 3 meetings during the year 2020 to establish basis for the selection and appointment of new directors replacing existing independent directors, consideration for compensation of directors and executives, establish policy, and review the form and basis for director compensation, and other compensation annually, establish procedure for performance assessment of the Board of Directors, the Chairman of the Executive Committee, and Managing Director, provide summary performance report of the Nomination and Remuneration Committee to be presented at the Annual General Shareholders' Meeting.

There were 18 Executive Committee meetings. The Committee convenes at least once a month at the beginning of the month and extra-ordinary meeting may be called as necessary to consider marketing plan, credit approval, approval of rules and procedures, and supervision of the operations of various departments in the normal course of business of the Company etc. Meeting minute is prepared for each meeting and presented to the Audit Committee and internal auditor as basis for operational audit, timely monitoring the continuing operation of management. The Executive Committee consists of 12 members of whom 4 individuals are executive directors, and 8 are management staff (name list and authority of the Executive Committee are described in section 7.2.1 Executive Committee).

The Executive Committee appointed 9 sub-committees namely 1) the Sub-Committee for Credit, 2) the Sub-Committee for Asset Appraisal, 3) the Sub-Committee for Risk Management, 4) the Sub-Committee for Ethics, and Prevention of Fraud and Corruption Practices, 5) the Sub-Committee for Corporate Social Responsibility, 6) the Sub-Committee of Compliance, 7) Sub-Committee for Personal Data Protection, 8) the Sub-Committee for Safety, Occupational Health, and Environment at Work Place, and 9) Labor Welfare Committee

1) The Sub-Committee for Credit comprises 5 executive committee members, 1 Deputy Director for Asset Disposal totaling 6 individuals performing the duty of approving credit for high amount or reviewing credit for increase to be submitted to the Executive Committee for approval, as well as approval for credit policies, marketing, and other relevant principles.

2) The Sub-Committee for Asset Appraisal comprises 6 executive committee members, 1 Deputy Director for Asset Disposal, 1 Directors of Marketing, 1 Manager of Marketing and 1 operational employee totaling 10 performing the duty of valuation of vehicle, and administer disposal of repossessed vehicles jointly and regularly on a weekly basis, with meeting at least once a month.

3) The Sub-Committee for Risk Management comprises 7 executive committee members, 1 Director, 1 manager and 1 operational staff totaling 10 individuals performing the duties to

- consider and identify risk factors internal and external to the entity corresponding with policies, annual business strategies covering various risks for example marketing, liquidity, and other operational risks.

- establish preventive measures and manage overall risks, as indicated within the risk management policy manual in which the risk management committee must prepare and modify corresponding with risk factors which may be changing annually at the beginning of the year, submit to the Executive Committee, the Audit Committee for review, verification, and consideration regarding the preventive measures and risk management with sufficient coverage and further submit to the Board of Directors for approval as practice guidelines.

- undertake analysis, assessment, monitoring, and control risks in relation to various duties and work processes at the acceptable and appropriate level at all times on a quarterly basis, to minimize adverse impact from such risks and submit process improvement recommendation and corrective action to the Executive Committee for the preparation of policy or practice guideline for all relevant departments.

- prepare result of risk management quarterly, submit to the Executive Committee in order to submit to the Board of Directors via the Audit Committee.

- establish information technology security policy of the Company corresponding with plan and objective of the Company.

- arrange for the development of the information technology security policy consisting of policy, standard, procedure, and guideline to achieve the safeguarding of confidentiality and integrity of information, and system security and stability (Availability).

- submit for consideration to the senior executives e.g. the Chairman of the Executive Committee regarding operational plan, policy, budgeting, staffing in the area of information technology securities.

- arrange for the assessment and management of risks regarding the Company's information technology, report to the Executive Committee, and the Audit Committee for consideration for further submission to the Board of Directors on a quarterly basis.

4) The Sub-Committee for Ethics, and Prevention of Fraud and Corruption Practices comprises 7 Executive Committee members, 1 Director, 3 Deputy Directors, 2 Managers and 1 operational employee totaling 14 individuals performing supervision for compliance with manual and guidelines for the prevention of fraud and corruption practices with training, monitoring, testing to assess knowledge, employee understanding, including activities relating to CSR of the company.

5) Sub-Committee for Corporate Social Responsibility comprises 6 members of the Executive Committee, 1 Deputy Director, 2 Managers, and 1 operational staff totaling 10 individuals performing the duties of approving policy, target, work plan including oversight for performance corresponding with policy, procedure related to social responsibility, reporting activities, promoting communication regarding provisioning of knowledge, and benefits of CSR, supporting activities regarding CSR both internal and external to the organization.

6) The Sub-Committee of Compliance comprises 4 member of the Executive Committee, 1 Directors, 1 Deputy Director, 1 manager and 1 operational employee totaling 8 individuals, to perform the duties of supervision, support, and operational process development corresponding with rules, procedures the company must comply with, with tasks summarized as studying, compiling laws, and regulations relevant to the company's business engagement, preparation of company's manual, policies, rules and regulation, distribution of announcement, training for all department to comply strictly in order that all departments perform in accordance with rules and regulations efficiently, auditing, and assessing and reporting to the Executive Committee, as well as providing advice regarding procedures and laws beneficial to the investment planning for new line of business expansion for example.

7) Sub-Committee for Personal Data Protection Act comprises 6 members of the Executive Committee, 1 department director, 4 deputy directors, 5 managers, and 2 operational staff totaling 18 individuals performing the duties of a working committee for the Data Protection Officer (DPO), Mr. Kritapas Dutprateeb, the IT Manager who was appointed by the Company. The Sub Committee and the DPO duties comprise the preparation of policy, regulation, control, operating manual, requirement, form, administrative design for the whole process regarding the protection of private personal information of the Company, arranging for measures for the purpose of security, safety, implementing employee training, auditing employee performance, and audit assessment of the system of private personal data protection, arranging for committee meeting jointly with the DPO at least once a year.

8) The Sub-Committee for safety, occupational health and environment at work place comprises 1 member of the executive committee, 2 Manager and 4 operational employees totaling 7 individuals performing the duties of considering policies, plan, process improvement recommendation to improve, promote, and encourage safety at work.

9) Labor Welfare Committee in the business office comprises 3 section managers, and 4 operational staffs totaling 7 individuals performing the duties of joint consultation with employer for welfare arrangement for employees, providing consultation, and presenting opinions to employer for employee welfare arrangement, inspection, control, and monitoring welfare arrangement provided by employer for employees, presenting opinion, and suggesting welfare guideline beneficial to employees to the Labor Welfare Committee.

(5) Performance Self-assessment

The Company through its good governance practice, requires performance assessment for the Board of Directors, Chairman of Executive Committee, the Managing Director, and senior executives by company secretary consisting of:

1) The Board performance assessment in various aspects namely (1) Structure and qualification of the Board (2) Roles and Responsibilities of the Board (3) Board meeting (4) The Board's fiduciary (5) The relationship between the Board and the Management (6) Self-improvement of the Board and the management

The performance assessment procedures are as follows;

1. The performance assessment of the Board of Directors as in group at least once a year.
2. Company Secretary summarized and reports the result of the performance Board assessment to the Nomination and Remuneration Committee in order to consider any guidelines to improve the performance of the Board of directors efficiently.
3. The Nomination and Remuneration reports the result and other additional guidelines to improve the efficiency of the Board of Directors' performance to the Board.

2) Self-assessment of the sub-committees on a committee by committee basis:

The performance assessment of the Sub-Committees. Which is the Audit Committee, and the Nomination and Remuneration Committee, shall be evaluated both as in group and individual (self-assessment). The evaluation form is included with the performance of the Sub-Committees that based on the authorities and duties of each Sub-Committee and other related guidelines.

2.1) Sub-Committee performance assessment:

The performance assessment procedures are as follows;

1. The performance assessment of the Sub-Committees as a group at least once a year.
2. Company Secretary summarized and reports the result of the Sub-Committee performance assessment to the Nomination and Remuneration Committee in order to consider any guidelines to improve the performance of the Board of directors efficiently.
3. The Nomination and Remuneration reports the result and other additional guidelines to improve the efficiency of Sub-Committees' performance to the Board.

2.2) Sub-Committee self-assessment on an individual member basis:

The performance assessment procedures are as follows;

1. Sub-Committee self-assessment on an individual basis at least once a year
2. Company secretary summarizes and reports results of performance assessment of all the sub-committees on an individual basis to the Nomination and Remuneration Committee for performance appraisal, and guideline for an effective performance development and improvement.
3. The Nomination and Remuneration Committee reports assessment results, and guideline for an effective performance development, and improvement for all the sub-committees on an individual basis to the Board of Directors

3) The assessment of the CEO namely

(1) plan progress

(2) performance measurement with the following topics

1. Leadership, 2. Strategy establishment, 3. Application of strategy, 4. Planning and operational financial results, 5. Relationship with the Board, 6. Relationship with external parties, 7.

Administration and employee relation, 8. Position succession, 9. Product and service knowledge, 10. Personal characteristics

The duties of the Chairman of the Executive Committee and the Managing Director are similar, and different only to the approval amount limit, to apply the same assessment form for the Chairman of the Executive Committee (CEO) to the Managing Director.

The performance assessment procedures are as follows;

1. The performance assessment of CFO and Managing Directors as in group at least once a year.
2. Company Secretary summarized and reports the result of the performance CFO and Managing Director assessment to the Nomination and Remuneration Committee in order to consider any guidelines to improve the performance of the CFO and Managing Director efficiently.
3. The Nomination and Remuneration reports the result and other additional guidelines to improve the efficiency of CFO and Managing Directors' performance to the Board.

Results of performance assessment of the Board of Directors, and sub-committees on a committee basis, and on an individual self-assessment basis.

During the year 2020, the Company reported Board performance assessment as follows:

1. Overall Board performance assessment
2. Sub-Committee Self-Assessment on a committee basis
3. Board, and Sub-Committee Self-Assessment on an individual member basis
4. Performance assessment for the CEO, and the MD

The assessment criteria are presented in the table below;

Score	Description
90% -100%	Excellent
80% - 89%	Very Good
70% - 79%	Good
60% - 69%	Satisfactory
50% - 59%	Pass
Lower 50%	Need improvement

Results of the performance assessment of the Board of Directors, and sub-committees on a committee, and on an individual self-assessment basis, the CEO, and the MD during the year 2020 with the following details:

1. Results of Board performance assessment on a committee basis

The score was at 94.06% which was considered excellent with the opinion that the Board was knowledgeable, competent, skillful in various aspects covering all issues relevant to the Company's business engagement, adequate and appropriate in the Board performance efficiently.

2. Results of performance assessment of the Audit Committee on a committee and on an individual self-assessment basis.

Result of performance assessment of the Audit Committee on a committee basis was rated at 91.67% which was considered excellent. Result of the performance assessment of the Audit Committee on an individual self-assessment basis was rated 93.18% on an average which was considered excellent with the opinion that the Audit Committee was knowledgeable, competent, skillful in various aspects covering all issues relevant to the Company's business engagement in particular in the area of finance and accounting, and legal, adequate and appropriate in the Audit Committee performance efficiently.

3. Results of performance assessment of the Nomination and Remuneration Committee on a committee, and on an individual self-assessment basis

Results of the performance assessment for the Nomination and Remuneration Committee on a committee basis was rated 100% which was excellent. And results of the performance assessment of the Nomination and Remuneration Committee on an individual self-assessment basis was rated 100% which was considered excellent with opinion that the Nomination and Remuneration Committee was knowledgeable, competent, skillful in various aspects, including knowledges in personnel administration, executive compensation, adequate and appropriate for the Board, and the Nomination and Remuneration Committee in their efficient performance corresponding with the current changing environments.

4. Results of the performance assessment for the Chairman of the Executive Committee, and the Managing Director

Result of the performance assessment of the Chairman of the Executive Committee was rated 92.71% which was considered excellent, and result of the performance assessment of the Managing Director was rated 92.82% which was considered excellent with the opinion that the Chairman of the Executive Committee and the Managing Director were knowledgeable, competent, skillful in various aspects in the organizational management corresponding with strategy, targets, with planning for an efficient finance cost management. The Nomination and Remuneration Committee provided suggestion regarding the strengthening of the arrangement for finance costing that would support suspension of payment by Company's debtors in response to the Covid – 19 Pandemic situation, and increasing potential regarding modernizing technology, and improving Company' competitiveness.

(6) Director and Management Compensation

The company undertook the establishment of the Nomination and Remuneration Committee on 11 August 2017 requiring the committee to recruit, and consider senior executive compensation and present to the Board for consideration regarding the appropriate level of compensation for the CEO, and the MD corresponding with duties. Director and Audit Committee compensation for the year 2019 continued to apply an appropriate level based on comparison with compensation for board of directors of companies in the same industry with similar size, and results of operations,

with proposed the compensation of the Board and the Audit Committee to the Board, and subsequently submitted for approval at the shareholders' meeting for the year 2019, a limit of Baht 8.5 million. The Board shall have discretion in appropriation of the amount in the forms of monthly payment and meeting fees (Details disclosed in section 6.4 Director and Management Compensation)

(7) Director and Management Development

When there are new director, senior executive, and secretary appointment, each individual shall have received information from Company Secretary and Board Secretary shall coordinate in providing documents and information to the new incumbent director, senior executive, and secretary for acknowledgement and understanding their duties, and responsibilities of directorship of a listed entities in accordance with Securities, and Securities Exchange Act, including laws, and policies in various aspects of the company's operations for preparedness and be capable of performing its duties namely director's manual for listed entities, good governance principle, governance policy, Memorandum and Articles of Association, information on audit report, results of operations, business plan, and overall picture of the company's risk management for example. This is to ensure that each individual shall be able to perform their duties with honesty, due care, and for the best interest of the company and shareholders as a whole.

At the same time, the company recognizes the importance of curriculum required by the SEC for training enrolment by the Board, encouraging director, all member of the Audit Committee enroll in the curriculum arranged by the IOD in order to bring the acquired knowledge and experience to apply and develop the company for such courses as Director Accreditation Program (DAP), Director Certificate Program (DCP), Audit Committee Program (ACP), Advance Audit Committee Program (AACP)

Furthermore, the company encourages facilitating directors, Audit Committee members, Management, Company secretary, and relevant employees to have opportunities to participate in the various training programs regularly for their benefit in the performance of their duties for continuing professional development for example current changing rules and regulations, good governance principles, and ethics, with additional development training via the hire purchase business association, Federation of Accounting Professions, the SEC, and securities exchange, and other important curricular of the Thai Institute of Directors Association for example (details disclosed per human resources development under section 6.5).

- Mrs. Duangrat Jaengmongkol, Director and Company Secretary enrolled in the Tax Law Update for the year 2020, PDPA for Accounting, Personal Data Protection Act for Accounting, Understanding TFRS relating to Land, Building, and Equipment, various Non-Current Assets

8. Corporate Social Responsibility (CSR)

The Board establishes corporate social and environmental responsibility as the main policy for business undertaking which all employees must comply. The company recognizes the importance of the entity's responsibility toward the society, and consideration for interest and impact toward society, its environment, and the stakeholders including the good participation with society and community. Furthermore, the company has promoted employee conscientious at all levels recognizing the importance of community, society, and the environment via the public relation system of the company including providing opportunity for employees including trade partner to participate in the various project creation regularly every year with the intent on rendering the highest benefit for the society and the environment.

The company operates under the CSR in process to develop business toward sustainability like the saying 'do not attempt to create CSR as a type of work but stress rather to work on creating CSR'. The company recognizes the importance of humanity issues including responsibility toward customers, trade partners, stakeholders for example. The company has complied with relevant laws, and regulations for example consumer protection, labor protection, taxation payable, and operates under the entity's code of business conduct, and good governance practices with responsibility toward society, the community and its environment with emphasis on satisfactorily customer services in accordance with the mission the company upholds as its operating guideline namely 'due care for services, toward standard, and satisfaction, Speed car Speed money', with due consideration for taking care of employee appropriately in the area of employee benefit, promoting employee health care and safety, hiring without infringing on human rights.

In the preparation of the CSR After Process, the Company has been campaigning to build conscience toward society and the environment, supporting activities that would be beneficial continually toward society, such activities of which were participated by Company employees at all levels to promote mutual assistance as corporate culture for example donation of scholarship and assistance for the less fortunate, victims both in the forms of physical or financial activities etc. Accordingly, the company complies with corporate social responsibility guideline prescribed by the securities exchange of Thailand in 8 areas as follows:

8.1 To engage in business with fairness

- The company engages in business with business competent in accordance with good corporate governance principle, ethical conduct, and individual relationship, with relevant entities namely shareholders, customers, trade partners, competitors, creditors, public sector entities, society, community, and environment. The company maintains corporate governance policy, business ethics in treatment against relevant parties in writing (appeared in company website www.ecl.co.th)
- The company engages in business with due care, integrity, honesty, creating sound business growth, value add to shareholders, upholding shareholders' right, and appropriating dividend fairly.

- Fair competition: The company treats competitor fairly within the framework of good competition, without impeding fair competition, market dumping, reduction of interest rate that may eliminate fair competition system, over services for specific individuals, defamation of competitors by slandering. Company employees should refrain from vying for customers or criticism relating to interest rate, fee, or business plan related to other hire purchasing company in the market which may affect competition. Over the years, the company has not encountered any dispute with competitor.
- The company encourages social responsibility toward trade partner: In the acquisition of motor vehicles from vehicle dealer / trade partner for hire purchase finance arrangement for customer engages in hire purchase. The company selects used vehicle dealer meeting standard, with sound and credible financial position, offering to sell vehicles with quality, and with appropriate prices toward customer needs. The company treats trade partners fairly in accordance with terms of trade, emphasizing credit extension, prompt payment, emphasizing good customer relationship, maintaining its market, achieving mutual maximum benefits consistent with moral value or without adversely affecting company's reputation.
- The company encourages the respect for property right. The company provides hire purchase contract with appropriate terms and conditions, and fair to customers, respects the right of customers to occupy and use the vehicle, and to receive vehicle registration under hire purchase.
- The company refrains from activities which may create infringement of intellectual property right e.g. patent, concession, trademark, software belonging to others.
- Payment for services or acquisition of property fairly: The company strictly complies with lending condition in accordance with terms and condition with bank creditor e.g. covenant on maintaining debt to equity ratio of 3:1. The company has been able to repay loan and interest punctually without delay. The company submits financial reports to banks promptly on a quarterly basis.
- Responsible Involvement with Politics: On public sector entities, the company complies with law and regulation of relevant supervisory entities namely the Department of Business Development, the Revenue department, the Securities Exchange Commission, the Securities Exchange of Thailand, Department of Land Transport, Office of the Consumer Protection Board for example. The company is fully co-operative and supportive of public policy development beneficial to society and recognizes involvement and contribution to responsible politics, refraining from supporting unlawful political activities.

8.2 Anti-Corruption

On 16 October 2015, the company has been officially certified as member of The Private Sector Collective Action Coalition against Corruption: CAC. The company has prepared policy against corruption practices announced within the Code of Business Ethics and requires directors and employees to perform

strictly in compliance with policy (presented in the company's website: ecl.co.th). The company is intent in engaging in any activities with honesty, transparency, disclosure, and verifiable, without corruption practices and/or accepting bribe, incentive, reward, prohibiting directors, executives, and employees accepting cash or security document equivalent to cash, accepting things, monetary reward, gift, or entertainment exceeding social or acceptable business practices, not offering promise, demanding or accepting bribery regardless of direct or indirect in return for self or associates' interests.

- During the year 2019, the Company has received the membership extension certificate at the 'The Private Sector Collective Action Coalition Against Corruption: CAC project, on 18 October 2019 for a three years period from the date of resolution to approve membership tenor extension. In general, companies shall review such policies annually including policies for prevention and suppression of money laundering, and financial support for terrorism.
- The company recognizes the importance of participation along with promotional support for the creation of cooperation between private sector entities, public sector, and the general public, mass media, and multilateral organization in the drive toward implementation of the measure against fraud, information disclosure, and establishment of clean business engagement standards, emphasizing market competitive mechanism. To begin with, the Company isolated fraud and corruption risk from the entity risk management for convenience of oversight, monitoring, and risk assessment. To prevent fraud and corruption covering charitable donation, political contribution, receiving of gifts, and entertainment expenditure for example, during the year 2019 the Company has modified its risk assessment form for fraud and corruption to cover more areas of potential risks in particular fraud, and corruption risks as pertinent to the Government sector entities in which the Company, affiliated companies, or its trading partners are required to engage in various joint business activities. The Company has modified agreement with trading partners, and agents who act on behalf of the Company with external parties for example customers, trading partners or government entities with specific additional clause with clarity regarding the conduct of business that will not engage in fraud and corruption in all forms. In the event of breach, the agreements shall be cancelled immediately upon investigation, and verdict reached. Agents must report to the Company immediately upon discovery of bribery. The Company has delivered policies and manuals regarding measures against fraud and corruption practices to all agents for acknowledgement and practice compliance.
- The company establishes operating mechanism for the accounting and finance department to report status of financial position accurately, with transparency to ensure efficiency in preventing fraud and fight against bribery and corruption

- The company arranges for system to assess risk against fraud and corruption separated from risk against routine daily operation, and report to the Audit Committee, and the Board of Director on a quarterly basis.
- Arrange for the establishment of a sub-committee for ethics and fight against fraud and corruption consisting of executives, and employees to assess and manage risks against corruption practices covering important functions such as marketing, procurement of goods and services, collection, payment for example. There is a continuingly review of risks on a quarterly basis to create measures, and perform appropriate corrective action regularly and promptly by presenting the result of the assessment to the Executive Committee, the Audit Committee, and the Board in that order.
- Arrange for the formation of the sub-committee for the operational monitoring and oversight comprising member of the Executive Committee, management, and employees tasked with the preparation of rules, manual, and policies for operating departments, announcement for implementation, training for employee understanding, acknowledgement, and practices properly and with efficiency including the duties of control and monitoring compliances or violation thereof of all departments in accordance with established rules, policies, and regulation internal, and external to the company. The performance of such duties should consider the negative impact against expectation of shareholders, customers, employees, business circle, the public, community which might affect company's reputation.
- Arrange for internal audit, assessment of system of internal control covering risk of fraud and corruption and report results of audit with process improvement recommendation to the Audit Committee.
- Arrange for reporting channel for complaint, lead, activities in breach of regulation, guidelines or codes of business ethics of the company or suspicion regarding financial reports or system of internal control or suspicion of involvement in fraud or corruptions by providing counseling to supervisor or reporting through email or confidential letter to the company secretary or Director of Operations and Central Administration or Personnel Manager or the Audit Committee.
- The company has policy protecting provider of information or lead to the company (Whistle Blowing Policy) by providing assurance that it will safely keep the information confidentially and shall not penalize employees to provide information with honest intent.
- Arrange communication and training against corruption practices to educate directors, management, and all employees of the entire organization to be aware of the policies and practices against fraud and corruption including other relevant policies, as well as indicating the serious damaging results toward the society, and the country as a result of fraud and corruption, and offenders may be prosecuted, to entice conscientious cooperation as part of the fight against fraud

and corruption in all forms and concurrent communicating with families, friends, external parties for understanding of fraud and corruption. The Human Resources Department has arranged for training regarding governance policy, business ethics, and policy against fraud and corruption practices, and practice guidelines.

- Arrange for communication with customers or external parties who come to contact the company both at HO, and branches to acknowledge such policies and intent against corruption practices by the company by posting sign board and campaign photo against corruption, and desk framed photo for all.
- Arrange to prepare company uniform sewn with message 'against fraud and corruption' provided to executives, and employees at all levels within the organization to be worn at least once a week in order to communicate such message as reminder for the wearers as well as for external parties for awareness, recognizing the danger and inviting the participation in the fight against corruption.
- The company complied with the policies, refraining from activities which may lead to corruption problem with the public or private sectors, and is prepared to cooperate in supporting public and private sector measures against fraud and corruption practices.

The company has participated in the activities against fraud and corruption during the year 2020 as follows:

As a result of the Covid-19 Pandemic, various organizations have undergone modification in the form of their conference, seminar arrangement to become on-line or VDO Conference. The Company has still monitored and recognized the importance of activities promoting and fight against fraud and corruption practices regularly and continually. On 15 September 2020, the Against Corruption Day for the year 2020 at the True Digital Park, organized by the Anti-Corruption Organization of Thailand, the venue provided discussion topic, the simplistic way of detecting fraud through Power of Data the substance of which involving the application of information in the age of rapidly changing technology as a powerful tool in verification of the transparency and fraud / corruption audit as an on-line event along with the event anchor conductor on detecting fraud.

The company has engaged and participated in activities to express its standing in the refusal to be involved in fraud and corruption in all forms continuingly by indicating the importance and enabling the cooperation and fight against fraud and corruption extensively and jointly driving the government sector to improve work process with transparency, accepting participation and verification from the private sector and civil society in the protection of public interest from fraud and corruption.

8.3 Respect for Human Right

The company recognizes the practice with regard to the respect for human right stringently and supports the exercise of right as a good citizen in accordance with the Constitution and law. The company establishes practice guide for employees in their behavior with co-workers, and other relevant parties with honor and mutual respect, with social mannerism having spirit, and being good mutual example. Furthermore, the company treats employs of all levels equally without discrimination regardless of residential originality, nationality, race, ethnics, color, religion, language, or any social status including the respect for privacy, personal information, the independence in performing any activities within the eligible right in accordance with duties, the law and human right with practice guides below:

- Support and respect the protection of human rights in which the company has no policy, not engaged in, and not involved in such infringement e.g. not engaging in nor support the unlawful force labor or child labor.
- The company maintains human right policies in writing and treats relevant employees, community, and society with respect for human value, recognizing the importance of human right equally, providing due care for each other against distress.
- The company arranges for risk management with assessment for risks against infringement on human right as part of the risk assessment report under audit, and assessment regularly.
- The company promotes and provides opportunities for all groups of stakeholders internally and externally, employees, shareholders, community, and society to participate in expressing opinion when the entity or its employees may have caused infringement, reflecting issue and joint resolution for mutual benefit. The company establishes contact channel for expressing opinion, suggestion, or complaint at company's address and website at <http://www.ecl.cl.th>.
- The company has policy in the preservation of customer personal information by establishing responsible individual in the control and monitoring of personal information with due care. Furthermore, the company prohibits employees or relevant individuals from exploiting customers' private information for personal gain.
- The company provided employment opportunity for handicap. On the hiring of handicap, the company provides contribution to the Fund for Empowerment of Persons with Disabilities in accordance with law throughout and during the year 2020. The Company did not hire handicap individual as the open position requires skill and expertise, which there was no individual application with such qualification at the time.
- The company has policy for the prevention of sexual harassment, various acts considered to be sexual harassment e.g. verbal expression, criticism related to others' sexual preferences, or undesirable physical sexual expression, hostile expression, threatening in office, or any acts deemed to be sexually undesirable, humorous representation of pornography in office,

announcement, distribution, dissemination of information, substance or photograph demonstrating sexual harassment. The company has established penalty for individuals in breach of such matter with shall go through investigative, protection, and penalty consideration procedures.

8.4 Fair treatment for employee

The company is intent on treating labor force or employees fairly by engaging in business in compliance with labor law, human right principle, recognizing the basic right of the labor force including compensation and fringe benefit for employees appropriately. The company emphasizes occupational safety, health care, and work environment throughout.

- The company provides opportunities for employees at all levels learning, development, enhancing potential, and promotion when opportunities arise appropriately and equally, assessing work procedures, and appraisal regularly, not dismiss or terminate employment based solely on management decision or decision on the basis of discrimination.
- The company provides fairness on consideration for appointment, transfer with due consideration on the basis of individual employees' knowledge, skills, and appropriateness.
- The company hires employees on fair terms. Employees shall receive appropriate compensation in accordance with their potential, compensation, overtime, reasonably with weekly leave, and annual vacation, including pregnancy leave, with employees able to perform to the full potential, and concurrently having time for their family.
- The company shall not encourage force labor, force overtime work in exchange for not being punished or pay deduction.
- The company arranges for channel of communication to listen to opinion, or complaint or providing lead by employees anonymously through drop-box within the company or by email or post to the Audit Committee or the internal auditor or company secretary at the company's address and email address as indicated in the announcement and website.
- The company provides important information to employees to be aware of the company's operating results, status, plan and strategy at the weekly departmental meetings, company monthly meeting, and annual employee meeting.
- The company undertakes and is responsible for process to handle employee complaint, activities which may be in breach of company policy, regulation, articles and law. The Executive Committee shall appoint or assign working committee with the task of compiling factual matters which the individual employee or as a group has engaged in relevant to violation or ignorance to perform in accordance with articles aforementioned. Upon completion of the report, the Executive Committee shall consider order and be responsible to alleviate damage to the parties affected considering damage to the whole as well.

- The company permits independence in expressing opinion, accepts and acknowledges welfare board established by employees through election with terms of 2 years, in accordance with objective for mutual negotiation between the company and employees on every aspect both regarding compensation, and career progress in the department the employees belong. Furthermore, the company shall inform and distribute important information to employees and their representatives results of operations, and actual status of the entity including appropriate information within reasonable time upon changes within the entity.
- The company operates in compliance with law and regulation relating to employee welfare stringently, and facilitate, taking care of employees to be entitled to their rights fairly, and equally. Welfare organized for employees are for example annual health check, social securities, provident fund, health insurance, life and accidental insurance, multi-purpose loan, employee uniforms for example including activities to promote harmony, visiting employees taking leave for illness in hospital, new year party, color game, and CSR activities for all employee participation.
- The company recognizes the importance of enhancing good physical and mental health care for employees. The company promotes and supports both physical exercise, and health care activities strengthen mental and physical health e.g. funding support, and uniform for the soccer activities with trade partners, and the participation in training, and sermon listening for example.
- The company organizes incentive award to express appreciation in various forms to employees performing duties well or have been with the company for long period of service tenor e.g. board admiration announcement, annual excellent employee award.
- The company arranges for the setup of a safety, health and hygiene, and environment commission for occupational health in business offices, in order to prepare proposed consideration regarding safety, health and hygienic guideline, and environment conducive to work by having safety unit in work or professional official of the company responsible for analysis or search for basic risks which may arise and arranging for the risk assessment of the company to be reviewed annually. The professional safety official and the safety commission shall perform the duties of alleviating danger to health, and promote occupational safety as follows:
 - Provide orientation training new hire before.
 - In the event of employee resignation, there is information retention, employee opinion, suggestion compiled for organizational assessment for the purpose of process improvement within the organization.
 - Provide training drill for firefighting, and fire evacuation for no less than 40% of the employee population, and for employee evacuation drill annually.
 - Provide knowledge for first aids
 - Measure work environment quality annually

- Announce and distribute safety regulation, occupational health, and work environments of the office which have been improved and modified for employees throughout adequately.
- . Based on company work accidental statistics for the past 3 years from 2018, there has been no accident that resulted in work stoppage or loss of life, and no reported employee Covid-19 infection.
- As a result of the Covid-19 Pandemic, the Company announced the modification in the way employees work for all departments, branches in which executive at each unit shall manage employee work in the form of 'Work from Home' including conference via VDO Conference to mitigate the risk in leaving their houses, traveling, utilization of public transports which may be exposed to the risks of virus infection.

Compilation of employee welfare activities for the year 2020:

- Annual health check

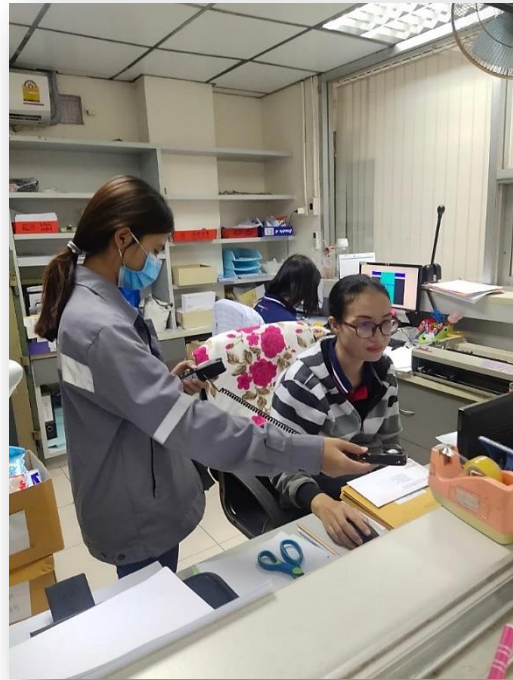
The company arranged for basic health check and in depth analysis e.g. the search for intestine and liver cancer cell including influenza vaccination for all employees who have not been vaccinated over the past year by medical and nurse team from Kasemrad Ramkhamhaeng Hospital in order to identify deficiency or risk element to the body for employee awareness and prompt medical care. Over the past year, result of health check for all employees reported healthy physical condition without disease infected from work place.

- Annual environmental quality check for the year 2020



The company hired Life & Environment Co., Ltd. as inspector for environmental quality assessment, air quality in the building, lighting, along with drinking water quality and moisture content.

For the year 2020, on the basis of air quality inspection consisting of measurement of dust content, carbon di oxide, mold, air circulation, and inside building moisture, it was found to be within the Ministry of Labor established standards. As for bacteria, it was found that for certain spot, it was higher than standard in which the Company should implement improvement regarding elimination of sources of bacterial accumulation, garbage dump, refuse within the building, cleaning of floor tiles, installation of ventilation fan for air circulation, opening of windows for air circulation, cleaning of air conditioning units, compressor at least quarterly for example. As for the light intensity, it was found that at certain spot, it was not within standard. The Company should implement improvement regarding location of light bulb or increasing intensity of the light bulb, completed on 14 January 2021.



- Drill activities for the prevention and extinguishing of fire in the office project, and basic fire extinguishing course for the year 2020





This project is organized annually to ensure employees acquiring knowledge and understanding, able to prevent, monitor, and reduce risks as a result of fire, and possible loss of property and lives, capable of controlling situation well, and returning to normalcy rapidly in accordance with law regarding prevention and extinguishing fire, trained and drilled, of Head office on 5 November 2020, by Nawasiri Group Limited Partnership. as provider of knowledge and training both theoretical and practice.

○ Disinfection spraying in prevention of Covid-19

As a result of the Covid-19 Pandemic situation, apart from arranging for employees to the Work from Home, the Company hired Trainer in Thai Co., Ltd. (counseling entity specialized in occupational safety) to provide disinfection spraying in prevention of Covid-19 infection, to enhance confidence for employees, customers, and people who are in contact with the Company.





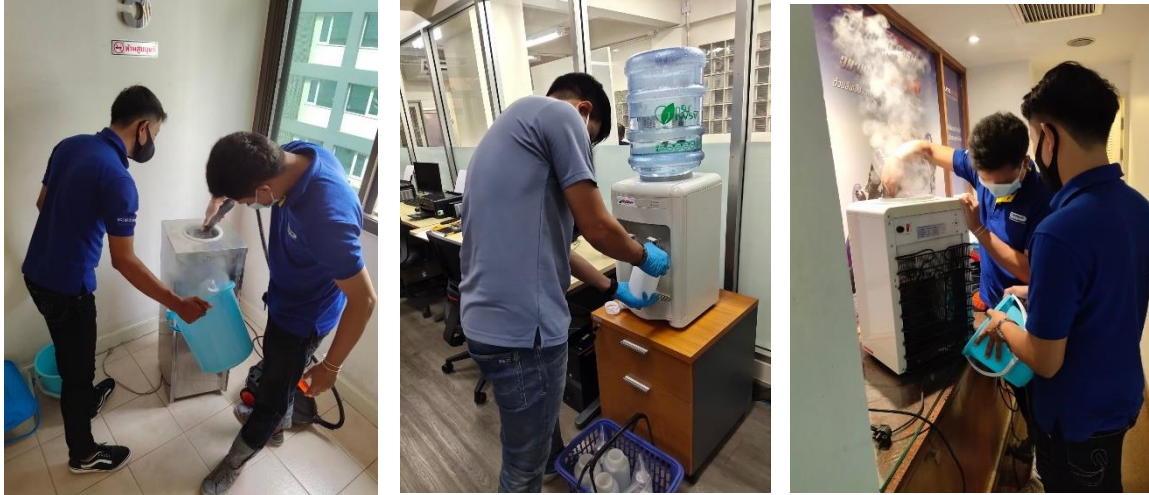
- Inspection of electrical system, and fire alarm system

The Company hired Thaiup Co., Ltd. to inspect electrical system, and fire alarm system on 8, and 15 October 2020 at the Company's head office to inspect such electrical equipment as building elevator, electric cable, electrical outlet, load center for example, and test functioning of fire alarm system for example.



- **Drinking water quality testing, and cleaning of water dispenser**

The Company underwent drinking water quality testing, and cleaning of the water dispenser to ensure employee confidence toward drinking water quality and good health.



8.5 Responsibilities toward consumers

- The company recognizes the responsibility toward consumers, operates within policies regarding customer treatment and product quality stringently i.e. to engage in business with honesty, and under ethical conducts.

- The credit extension and after sale service have been intended to maximize customer benefit and satisfaction, speedy and efficient customer services. The company has improved its work process to expedite the credit approval process having plan to provide the one stop service concept including branch expansion into upcountry area.

- In the disposal of company vehicle, price is set reasonably with information provided regarding characteristics and quality of vehicle truthfully and complete to purchaser sufficiently for decision making without bias or omission of important information which may have caused customer misunderstanding regarding quality or other conditions of the vehicles or registration.

- The company preserves customer confidentiality without exploiting customer information for personal gain or for the benefit of others unless with customer consent or lawful disclosure or under authority instruction. During the year 2019, the Company has arranged for the signing of the confidentiality agreement, for acknowledgement and compliance by directors, management, and all employees, including intent announcement regarding safeguarding of confidentiality with all agents and trading partners for practice compliance as well.

- The company cooperates and support government measures in the prevention and suppression of money laundering and the funding support for terrorism with company established policies for such purposes for management and employees at all levels to control, monitor and adhere to strictly on a daily

basis failing which may expose the company to the risk of being penalized e.g. the preparation of customer identity information, the verification and retention of information for a period of at least 5 years, the risk assessment and rating as pertinent to money laundering of customer prior to engaging in contract or providing credit, the regular review of risk level information, and the monitoring of the customer trading activities, the reporting dubious transactions found within a period 3 working days for example .

- The company has complied with rules, and regulations announced by the relevant government authorities e.g. the consumer protection commission regarding requirement for hire purchasing of motor vehicles, and motorcycles to be the type of business with contract control effective from 1 July 2018 including compliance with the regulations issued by the Bank of Thailand e.g. the administration of the servicing of customers fairly (Market Conduct). The company has prepared policies, manual, and procedures to create customer confidence equally without taking advantage of them.

- The company arranges channel for customer opinion, suggestion, lead, and complaint regarding credit consideration, product quality and services by contacting the company via post to the audit committee member, internal auditor, or company secretary at the company address or by facsimile 02-641-5995 and company website <http://www.ecl.co.th>.

As a result of the Covid-19 Pandemic situation, the Company has implemented various projects for the benefit of consumers as follows: Extension of repayment period, and debt suspension project consisting of Phase 1, and Phase 2 commencing from the month of April 2020 to December 2020. and there is still phase 3 ongoing. From January 2021 to June 2021.

During the year 2020, apart from customer contact with relevant department for enquiries regarding various problem issues, the Company has also received customer or other stakeholder complaints via telephone, and emails in which the human resources and company secretary act as recipient and undertake to forward subject matters to relevant department management for problem resolution. The main complaint issue received was suspension of debt repayment which was erroneously understood by customers, including Company's employees regarding debt suspension policy. The Company has organized training and brought up customer or complainant problem issues prepared in details for employee understanding and being increasingly able to respond to such problem issue.

- The Company has arranged for the setup of channel of communication for customer opinion suggestion, and satisfaction rating in various types of services consisting 2 channels, first, satisfaction rating by scoring machine at the customer service counter comprising public relation desks, Building 1, and Building 2. On registration, and finance desk, third floor, customer satisfaction ranking from high to low as follows: accuracy, complete as required, politeness and cordial, attentive and eagerness, convenience and fast, and clarification and ease of understanding of information, in that order. Overall customer satisfaction rating was found to be 72% on average (medium).



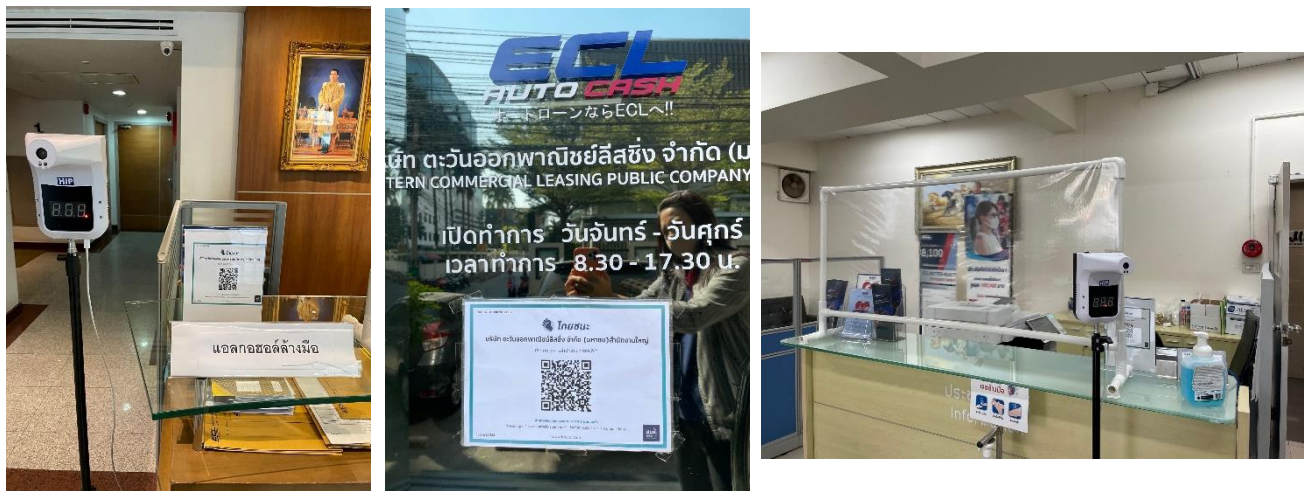
The second, the scoring and expressing of opinion suggested via on-line medium of the Company comprising FACEBOOK, Company's LINE ID. During the year 2020, there was greater number of customer utilizing on-line channel increasing by 15% compared with 2019. Overall customer satisfaction rating was at the medium level. Nonetheless, suggestions of customers have been presented to relevant departments for process improvement, service quality enhancement for example provisioning of information and training regarding debt suspension, marketing staff training for company product knowledge to enable accurate and complete provisioning of product knowledge to customers, the review and procedure improvement to achieve customer convenience and more speedy service for example.

And as a result of the Covid-19 situation during the year 2020, there were less number of customers visiting the Company for services, the customer satisfaction assessment scoring result may not be as efficient in comparison with the overall number of customers of the Company. Therefore, for the year 2021, the Company shall engage in public relation and increase customer channel for expressing opinion, and increasing customer satisfaction survey activities, in order to utilize all opinions to improve work process and services efficiently, and achieve utmost customer satisfaction.

- The Company joined in the Thai Chana platform located on website www.ไทยชนะ.com organized into two sections, first section was for entrepreneur in which the Company registered and received its QR code, printed and affixed at Company's office building to retain information on visitors for services to check-in and check-out at the building, and the second section for customers/service recipient with the duties of scanning Company QR code via smart phone both at entrance and exit after services. Thai Chana shall have the duties of forwarding information from the Company, and customer/receiver of services from the Company to the Ministry of Public Health who shall process the information, and be able to filter out individuals who in the event of virus infection at such location. Furthermore, the registration shall provide indication to service recipient on the traffic density of the services being provided.

- The Company provided disinfection spraying to prevent infection from Covid-19, and established inspection stations for Covid-19 with procedures as follows: 1. Temperature measurement, 2. Hand cleaning

with alcohol gel, 3. Registration, and 4. Exchanging ID for visit, as preliminary inspection and prevention of virus infection and spreading within the office.



8.6 Preservation of environment

The company recognizes that the business engagement may have resulted in certain adverse impact indirectly against the environment for example from the business of acquiring used vehicles in which such used vehicle quality may be inferior to new vehicle and hence have caused pollution, smoke from vehicle exhaust, depleting resources, which may have caused destruction of natural environment. The company therefore encourages and advised customers, trade partners to arrange for vehicle inspection regularly as well performing maintenance within the time, and mileage as required. Because if there is anything unusual occurring, the company shall be able to detect and rectify promptly prior to the incident becoming a serious issue subsequently, which the regular maintenance shall help maintaining the vehicle in the healthy and readily usable condition, with fuel economy, extended vehicle life, being able to drive comfortably, problem free, safe and legal including with high efficiency which shall return benefit to owner. The company has started the center for vehicle maintenance services with high technological expertise from Japan to ensure confidence among customers regarding vehicle maintenance without creating pollution to the environment.

The company cultivates its employees to consider utilization of office equipment, water resource, electricity, telephone, air-conditioning, paper document efficiently, with frugality, and worthwhile, reduction of utilization of certain solution and chemical which may cause pollution, improve on dressing or uniform appropriate with the global warming situation, use products which are friendly to the environment, recognize the important activities regarding the environment. During the year 2020, there has been improvement regarding utilization of the fixed telephone lines with 02 prefixed by analyzing and assessing information on line usage. Such information was submitted to network service provider for modification resulted in reduction of monthly expenses from around Baht 40,000 to Baht 8,000 approximately with normal services

and same volume of calls. On campaigning for reduction of paper usage, in comparison with 2019, it was found that this year consumption of paper dropped by approximately 7%. On campaigning for segregation of refuse, types of refuse were segregated into paper, and water bottle container. As a result of Covid-19 Pandemic, the Company has arranged to provide hygienic face mask of the micro-polyester/water proof fabric for directors, executive, and employees capable of preventing widespread of drizzle / mist, from secretion for example saliva, snot among individuals, comfortably worn, not obstructing respiration, and washable.

8.7 Participating in community and society development

The company recognizes the importance toward social responsibility for the society, community and the environment by preparing the policy for social responsibility toward the society and the public at large, as practice guidance for executive and all employees to be conscientious for joint responsibility and becoming part of the society, adherence to local culture and tradition where the company is located. Furthermore, the company has plan to expand branch network to various locations in the country which shall help create jobs and earnings for local community. The company also support joint constructive activities beneficial to the community regularly to improve quality of lives. The company shall refrain from and not support any unlawful acts which may have caused damage to the community and the society, in order to achieve sustainable coexistence. The company support activities which are constructive toward the society regularly in order for employees to be conscientious for public services for the society. During the year 2020, the company has organized below projects:

- The Company participated in the 'Pah Pa (forest robe)' merit making at Ban Srabuatong School, Sub-district Bankong, Uthong District, Supanburi Province.



- The company jointly supports activities and Scholarship and education and sport equipment for Wat Uthaitaram School, Bangkok Metropolitan.



- The company jointly provides donation for the handicap mobility on wheel for the Thai Handicap Foundation organized to arrange for wheelchair / tricycle for handicap children at learning age for use in and transport to schools near home more conveniently or for handicap children in their daily activities and transport in earning a living for themselves and families.

8.8 Innovation and distribution of innovation acquired from socially responsible and also responsible toward environment and the stakeholders.

The company recognizes the dedication toward social innovation development which may create service standard or works by establishing vision to become expert in the used vehicle market with excellent services and commitment to create the highest potential in services to maintain competitive edge with quality employee dedication for modern technology upholding principle of good governance in response for maximum customer satisfaction and returning the highest benefit to stakeholders with fairness and social responsibility.

The engagement in motor vehicle hire purchase finance of the company relates to economic and social development in enhancing opportunities in the acquisition of used vehicles of consumers with restriction or demand for use in different circumstances both for personal and professional engagement e.g. motor vehicle, big bike motorcycle, trucks. The company cooperates with vehicle insurance companies who are trade partners, supporting customers under hire purchase for vehicle insurance to protect vehicle, and reduce customer burden for vehicle repairs or financial compensation when accidents occur. The company also works with life insurance companies who are trade partners supporting all hirers to purchase life insurance to protect against vehicle hire purchase in which insurance company shall take over the hire purchase debt balance outstanding in the event hirer becomes incapacitated or loss of life. And during the year 2018, the company started special price health insurance program for company customers in which the life insurance company provides support for health care cost for sickness upon customers meeting medical doctors occasionally, including in-patient costs at hospital as well.

Furthermore, at present the company has developed application to speed up credit approval, and electronic payment conveniently, and promptly within systematic service standard efficiently and safely for the electronic transactions to achieve utmost customer satisfaction. The new improved system enables reduction of working procedures of each department resulted in employee working flexibility. The company has improved customer file retention by document scanned and stored within computer instead of photocopies thus reducing paper consumption and ease of document search in future transactions. The company has improved the communication system from the parallel system into the IP PHONE 3CX, supporting quantity calls, reduction phone bill substantially, and be able to record conversation in supporting the new collection act.

The Company approved acquisition of new credit software to support sales growth which resulted in quantity of works both in documents and customer information, credit analysis, and monitoring and collection rising substantially in leaps and bounds. The Audit Committee including Company's internal auditor were of the opinion that the company should change or modify its various application software systems in its operation to be connected for speedy and correspondingly appropriate with the Company's growth. The acquired credit software is named I-Loan, currently in process of implementation, and anticipated to be complete and able to be launched within the year 2021.

Furthermore, the company improved the IT system to support increasing work load e. g. improvement in receivable control program, and acquisition of new accounting program for more speedy transaction recording and increasing efficiency.

The company intends to transform good idea into positive reality and intends to create an environment and situation conducive to the continuing development until it becomes the company's standard operating procedures which is the innovation enhancing quality service efficiency, valuable toward the society and providing value-add to the company.

9. Internal Control and Risk Management

The company recognizes the importance of system of internal control and risk management as a mechanism enabling the company engaging in business with efficiency by arranging for the system of internal control covering all aspects of operations – financial, operational, and compliance in accordance with rules, and relevant law, by having the Audit Committee performing the oversight duties over internal control activities in accordance with the Committee of Sponsoring Organization of the Treadway Commission: COSO internal control framework. The internal auditor performs internal audit per annual audit plan reporting to the Audit Committee regularly. As for risk management, the Executive Committee appoints the sub-committee for risk management responsible for reviewing company's risk management policy to be utilized as the framework and guidance in the supervision of the risk management function with efficiency, and responsive to changing circumstances and environment appropriately. Internal control practices consist of 5 elements namely:

1. Control Environment

The company arranges for the entity's organizational structure corresponding with the nature of business including preparation of business ethics, written operating procedures for all departments, appropriate segregation of duties and responsibilities, clear reporting line to enable check and balance. The Board is independent in performing entity oversight, establishes clear business objectives, reasonably achievable, measurable as guidelines and incentive for management and employee performance. The company assigns duties and responsibilities appropriately corresponding with knowledge and competence emphasizing honesty, and ethics supporting employees with responsibilities, knowledge, skill, and experiences in each job position to realize full capabilities, with policies for development and retention of employees possessing knowledge and competence, preparing recruitment, development and retention plan for executive and employee clearly including the application of key performance indices as guidance and measurement for annual management and employee appraisal.

2. Risk Assessment

The company has risk management policy for risks which may have impact on its business engagement both internally and externally. The company manages risks at the level appropriate and acceptable without affecting its good governance policy. Risks are divided into 5 types namely strategic, operational, financial, compliance with law, rules and regulation, fraud and corruption risks. During the year 2020 to 2021, the Company engaged in business subject to the Personal Data Protection Act 2019. The Company shall prepare supplementary risk related to this law to cover operations of all departments relevant to the application of private personal information. Risk management is part of the overall annual business planning to establish risk management guideline for that particular risks corresponding with the objectives, strategy, direction, and business engagement target.

The company requires management and all employees to have ownership in the risk with the task of assessing the risks within their own departments including proposing plan and procedure in mitigating such risks from occurring. The company shall inform all relevant employees for compliance with established risk management measures with the sub-committee for risk management established to monitor risk management plan and report to the Audit Committee quarterly in order to prevent and mitigate loss which may occur in the operational system including to support an efficient operational system meeting the established objectives.

3. Control Activities

The company disseminates and delegates authorities to management to perform on behalf of the Managing Director in the area of credit extension, disbursement, collection, and purchasing etc. by preparation of delegation of authorities, sample signature, scope of authority, amount limit for management at each level with clarity in order to achieve operational flexibility, with clear segregation of important duties and responsibilities in the approval process, recording of accounting transaction, and access to information, and duties in safeguarding assets, with compliance audit by internal auditor regularly, retention of information regarding major shareholders, directors, management, and related parties to such individuals for the benefit of following up, and review of transactions which may have conflicting interests, with approval consideration procedures for transactions with aforementioned major shareholders or related individuals etc. Such activities are further reviewed by the Audit Committee to ensure such transactions are reasonably conducted considering the best interest of the company as if engaged with external parties. The Company has assigned the duties in operational control to the sub-committee of Compliance. The Company has undergone various existing control review in the operational guideline regularly, to be appropriate in light of the changing environment or risks.

4. Information Technology and Communication

The company arranges for information technology communicating with management and all functions within the organization to receive complete information accurately and timely, applying accounting policies in accordance with generally accepted accounting principles, recording of accounting transactions, and document retention in accordance with requirement of the law, sufficient important information communication and delivery for the Board of Directors supporting decision making, convening meeting between the Audit Committee with external auditor, and internal auditor quarterly. The company has communication system preparing operational report for the securities market timely. The company requires the company secretary to have the duties of coordinating with relevant parties in the organization of meeting or preparation of supplementary information when the Board requests. As for the channel of communication with stakeholders, the company assigns the Chairman of the Executive Committee along with the investor relation, and Director of Finance to disseminate information in contact with institutional investors, shareholders, analysts, public media, and relevant public-sector entities. Investors may contact for

information or stakeholders may submit complaint or provide lead relating to violation of policy and practice guideline for good governance principle of the company at phone number 02- 641- 5252 or Email: duangrat@ecl.co.th or at company website <https://www.ecl.co.th>.

5. Monitoring Activities

The company convenes the Executive Committee meeting regularly once a month to assess monthly performance of the company including corrective action consideration, establish rules and procedures of each department or modify policies corresponding with circumstances in order to implement corrective action within an appropriate time. In the event a material weakness is found in the system of internal control, relevant party must report to the Board of Directors and/or the Audit Committee on an urgent basis. As for the operational audit in compliance with system of internal control and risk management, the internal auditors will conduct follow-up audit quarterly including providing advices in various aspects to achieve assurance that all departments maintain good internal control and perform in accordance with objective of the company, and report audit results to the Audit Committee, and the Board quarterly.

9.1 Summary of the Board's Opinion on System of Internal Control

At the Board meeting 1/2021 on 25 February 2021, the Board assessed the system of internal control based on the Audit Committee report and concluded on the basis of control assessment of the 5 components namely entity internal control, risk assessment, operational control, information technology and information communication, and monitoring, the Board was of the opinion that the company's system of internal control regarding transaction with major shareholder, directors, executives, or related parties to such individuals per assessment form was adequate. As for control in other topics, the Board was of the opinion that the company also has had adequate control.

9.2 Assessment of the System of Internal Control Above

Independent director or Audit Committee Member has no additional observation from that of the Board and external auditor Miss Somjintana Polhiranrat who performed quarterly, and annual audit for the year 2020, expressed no opinion in the audit report that there was control deficiency in the system of internal control.

9.3 Head of Internal Audit Function

The company outsources internal audit function to Improvis Co., Ltd. to perform internal audit activities undertaken by Mr. Chalot Lokittajariya as designated by Improvis Co., Ltd. to perform such duties with background information of the individual per attachment 3.

The Audit Committee is of the opinion that qualification of Mr. Chalot Lokittajariya, the individual in charge of internal audit, is suitable to perform such duties efficiently.

The appointment, removal of audit firm performing internal audit requires approval of the Audit Committee

10. Related Party Transactions

10.1 Summary of related party transactions between the Company and individuals or entities who might have conflicting interests during the years 2019, and 2020

(1) Asset Lease Transactions

Individuals or Entities /Relationship	Description of Transactions	** Transaction Value in Baht		Pricing Policy	Reason and necessity
		2020	2019		
Mr. Prapakorn Veerapong, the lessor <u>Relationship</u> is a major shareholder, and an authorized director for Thai Preda Trading Co., Ltd., the lessor. At the same time, is the Managing Director, an authorized director, and shareholder holding 2.74% of the issued and paid up capital of ECL, who is the lessee.	ECL leases land belongs to Mr.Prapakorn Veerapong. The land title deed # 477, located at Soi Navasri 5, Ramkamhaeng Road, Soi 21, Wangtonglang Sub- District, Puppa District, Bangkok, part of the area totaling 280 square wah utilized as parking space and for repossessed vehicles auction and other purposes with tenor of 2 years from 1 September 2020 to 31 August 2022, with monthly rental of Baht 48,505.26	1,164,126.24	1,746,189.36	Rent is reasonable in line with market or fair value, contract terms same as other lessor	The company needs land space to conduct business and land distance not far from office

Remark: * approved by the Board BOD 6/2020, dated 13 August 2020

**The lease agreement purposes with tenor of 2 years.

Transaction Value in Baht 1,746,189.36 from 1 September 2017 to 31 August 2020.

Transaction Value in Baht 1,164,126.24 from 1 September 2020 to 31 August 2022.

Individuals or Entities /Relationship	Description of Transactions	*** Transaction Value in Baht		Pricing Policy	Reason and necessity
		2020	2019		
Hitech Land Co., Ltd. <u>Relationship</u> Its major shareholders are Mr. Danucha, and Mr. Prapakorn Veerapong in aggregate held 27% of the company, who are the Chairman of the Executive Committee, and Managing Director of ECL respectively, holding jointly 8.72% of ECL	ECL engages in office space lease on Floor 1 of a building located at 728/10, Sukhumvit Rd, Bangprasoi Sub-District, Muang District, Chonburi Province, area of 244.05 square meters for use as branch office with tenor of 1 years from 1 June 2020 to 31 May 2021, monthly rental during June 2020 to August 2020 monthly Baht 37,616.84, September 2020 to May 2021 monthly Baht 47,021.05	536,039.97	1,613,431.44	* rental averaged Baht 192.67 per square meters; ** was lower than Baht 245 average estimated lease rental Other lease term same as other lessor	The company needs office space for branch setup for business development and no other appropriate building

Remarks:

- * The transaction has been approved by the Board (BOD 3/2020, dated 14 May 2020)
- ** Baht 245 per square meter is an averaged lease rental rate, appraised by Prospect Appraisal Co., Ltd. dated April 30, 2004, and Siam Appraisal and Service Co., Ltd. dated May 6, 2008
- *** The lease agreement purposes with tenor of 1 year
Transaction Value in Baht 1,613,431.44 from 1 June 2017 to 31 May 2020
Transaction Value in Baht 536,039.97 from 1 June 2020 to 31 May 2021

Individuals or Entities /Relationship	Description of Transactions	Transaction Value in Baht		Pricing Policy	Reason and necessity
		2020	2019		
Premium Service (Thailand) Co., Ltd. <u>Relationship</u> Premium Group Co.,Ltd. entered into a joint venture with the Premium Asset Management (Thailand) Co.,Ltd., , Eastern Commercial Leasing PLC. and the Rising Sun Traders Ltd. for the formation of the joint venture entity by the name of Premium Service (Thailand) Co., Ltd. (PST) with proportions of shareholding of 44.15: 36.50, 15.00 and 4.35 respectively	ECL leased office space located on the 1 st , and 2 nd floors of the building # 18/42 Village No. 4, Surasak Sub-District, Sri-racha District, Choburi Province with area of 118 square meters, to be utilized as the Sriracha branch office location with tenor of 2 years 4 months from 1 July 2018 to 31 October 2020, with monthly lease rental of Baht 10,526.32 payable monthly, through sublease from Eastern Premium Service Co., Ltd.	-	294,736.96	average lease rental for 2 years and 4 months, at Baht 84.74 per square meters, has been reasonable Other conditions in the lease agreement have been the same as other lessor	The company needs office space for branch setup for business development and no other appropriate building

Remarks:

- Approval to register the supplementary amendment memorandum of association to change name of company is "Premium Service (Thailand) Co.,Ltd. (PST)
- Lease cancelled since 30 June 2020
- Branch closed on 30 June 2020, branch registration closed on 9 July 2020 per resolution of the EXCOM 7/2563, on 8 May 2020
- * The lease agreement purposes with tenor of 2 years and 4 months
Transaction Value in Baht 294,736.96 from 1 July 2018 to 31 October 2020

Individuals or Entities /Relationship	Description of Transactions	Transaction Value in Baht		Pricing Policy	Reason and necessity
		2020	2019		
Dindan (1969) Co., Ltd. <u>Relationship</u> Is a company with the major shareholder being Mr. Danucha Veerapong holding 99.99%, who is the Chairman of the Executive Committee and ECL shareholder holding 0.36% of its capital	The company leases land space on title deed 40099, land number 469, in the Wang Tonglang Sub- District, Bangkok District, Bangkok with land area of 2 ngan to be utilized as vehicle parking, with lease tenor of 1 year from 1 June 2019 to 31 May 2020, and lease rental payable on a monthly basis at the rate of Baht 48,505.26 per month ***	-	582,063.12	** Average lease rental for 1 year at the rate of Baht 60.63 per square meters, lower than the appraised average lease rental of Baht 450 *** Other terms in the contract similar to other leases entered into between parties	The company needs office space for branch setup for business development and no other appropriate building

Remark: - considered and approved per BOD 2/2562

- Lease expired on 31 May 2020, lease not renewed per resolution of the EXCOM 1/2563 on 22 January 2020

* Baht 450 was the appraised average lease rental performed by Sims Property Consultant Co., Ltd. on 10 May 2019.

*** The lease agreement purposes with of 1 year

Transaction Value in Baht 582,063.12 from 1 June 2019 to 31 May 2020

Individuals or Entities /Relationship	Description of Transactions	** Transaction Value in Baht		Pricing Policy	Reason and necessity
		2020	2019		
Hitech Land Cholburi (2002) Co., Ltd. <u>Relationship</u> The lessor was partially owned by major shareholders of the Company, Mr. Danucha Veerapong, and Mr. Prapakorn Veerapon who jointly held 27% Both individuals are Chairman of the Executive Committee, and Managing Director of ECL respectively, and also shareholders of ECL holding jointly 8.72% of ECL equity	The Company leases area on 3rd floor of the building, located at 728/10, Sukhumvit Road, Bangprasoi Sub-District, Muang District, Cholburi Province with area of 244.05 square meters to be utilized as branch office space, with lease term of 3 years from 1 March 2020 to 28 February 2023, with lease rental payable monthly, Baht 47,021.05*** for the first year, Baht 49,372.10 for the 2nd year, and Baht 51,840.70 for the 3rd year	1,778,806.20	-	* Rental rate for 3-year, Baht 150.83 – 166.29 averaged per square meters, was lower than the Baht 245 per square meter, the averaged appraised rental rate * Other terms and conditions within the lease contract were equivalent to other lessors	It is necessary to lease the office space for credit analysis section, and conference room for eastern region employees and there was no other suitable building in the area.

Remark: - Approved per BOD 1/2563 on 26 February 2020

* Baht 245 was the averaged appraised rental rate performed by Prospect Appraisal Co., Ltd. on 30 April 2004, and Siam Appraisal and Service Co., Ltd. on 6 May 2008

** Term of lease for 3-year

Transactional value 1 March 2020 – 28 February 2023 (36 months) amounted to Baht 1,778,806.20

Individuals or Entities /Relationship	Description of Transactions	** Transaction Value in Baht		Pricing Policy	Reason and necessity
		2020	2019		
Mr. Prapakorn Veerapong <u>Relationship</u> The Managing Director and authorized director, and ECL shareholder holding 4.21% of ECL equity, as lessor	The Company leased warehouse space on 1 st floor from Mr. Prapakorn Veerapong, located at 38/3 Soi Navasri 5, Ramkamhaeng Road, Soi 21, Sub-district Plabpla, Wangthonglang District, Bangkok, with leased space of 233 square wah to be utilized as document storage and ther purpose, with lease term of 1 year from 1 March 2020 to 28 February 2021, lease rental payable monthly at the rate of Baht 52,631.58	631,578.96	-	* annual rental rate averaged Baht 450 per square meters, which was appraised rental rate on land belongs to Din Daeng (1969) Co., Ltd. located on an adjacent piece of land. * terms of lease contract equivalent to other lessor	It is necessary for business engagement and the building is not far away from company's office.

Remark: - Approved per BOD 1/2563 on 26 February 2020

* Baht 450 per square meters was averaged monthly rental as appraised by Sim Property Consultant Co., Ltd. who provided appraisal for land belonged to Din Daeng (1969) Co., Ltd. located adjacent to the leased land on 8 May 2019

** Lease term: 1 year

Transactional value 1 March 2020 – 28 February 2021 (12 months) amounted to Baht 631,578.96

(2) Borrowing:

During the year 2020 the Company borrowed short term loan from individuals who were shareholders by issuing fixed period short term bill of exchange with tenor of 180 days with said shareholder detailed as follows:

Related Parties/ Proportion of Shares Held as at 31 December 2020	Borrowing Transaction Size (Baht million)				Borrowing Continually		
	1 Jan 2020	Repaid	Additional borrowing	31 Dec 2020	Interest Rate %	Interest paid whole year 2020	Interest prepaid on 31 Dec 2020
Mr. Preecha Veerapong, holding 7.84%	220	345	310	185	3.30 – 3.15	5,308,199.49	1,226,776.76
Total as at 31 Dec 2020	220	345	310	185	3.30 – 3.15	5,308,199.49	1,226,776.76

Remarks:

- Approved by the Board, per BOD 7/2020
- Reviewed by the Audit Committee concerning related party transaction, per AC 6/2020 dated 12 November 2020
- Pricing policy: rate of interest payable lower than commercial bank lending rate on the B/E issued date with interest payable on B/E issuance date, the same rate payable to external parties
- Reason and necessity: fund utilized as working capital without asset collateral required.

10.2 Necessity and Reasonableness of Related Party Transactions

Related party transactions have been reasonable with terms and conditions between parties established capable of being compared with normal transactions with other entities without relationship. The Company anticipates that there may be more of the related party transaction in this same nature, in the future.

10.3 Measures and the Approval Process for Related Party Transaction

Related party transactions are conducted primarily with due consideration for the interest of the Company. Considerations include the reason, necessity, and compensation payment in accordance with market or fair value. The Audit Committee shall consider and provide its opinion for said transaction and submit to the Board for consideration and approval. The Board consideration shall exclude directors who have vested interest in the transaction.

10.4 Policy and Trend toward Related Party Transaction

In the future, for related party transactions with individuals or entities who may have conflicting interests or vested interest, as a matter of policy, the Company shall request opinion from the Audit Committee as pertinent to the necessity, the best interest to the Company of those transactions, the appropriateness of

pricing, and the reasonableness of the transactions. In the event the Audit Committee lacks the expertise in consideration of the related party transactions, the Company shall seek opinion from independent subject matter expert or Company auditor for opinion on the transactions as well. This opinion shall be submitted to assist the Board's or the Shareholders' decision-making process as appropriate. Individuals with vested interest in the transactions shall not authorize such transactions by themselves.

In conducting the transaction, the Company shall engage the transaction in accordance with the normal business practices and in accordance with law and regulations of the security exchange including the rules on disclosure of related party transactions and the acquisition or disposal of Company's essential assets per accounting standards. The Company shall disclose related party transactions in the Notes to Financial Statements as audited by Company auditor.

11. Important Financial Information

11.1 Statements of Financial Position Summary Table

Unit: '000 Baht

Combined Financial Statement	2020		2019		2018	
Asset						
Current assets						
Cash and cash equivalents	54,488.49	0.92%	17,858.75	0.24%	26,713.41	0.42%
Current investment	0.00	0.00%	0.00	0.00%	0.00	0.00%
Hire purchase receivables due within 1 year	1,877,883.33	31.48%	2,034,113.57	27.42%	1,669,947.61	26.11%
Loans and sale with right of redemption agreement receivables	0.00	0.00%	24,177.15	0.33%	24,621.35	0.39%
Other current receivables	19,730.35	0.33%	29,350.95	0.40%	32,311.55	0.51%
Short-term loans for joint venture	221,500.00	3.71%	169,500.00	2.28%	136,000.00	2.13%
Properties foreclosed	67,964.87	1.14%	43,389.93	0.58%	31,270.21	0.49%
Total current assets	2,241,567.04	37.57%	2,318,390.35	31.25%	1,920,864.13	30.05%
Non-current assets						
Hire purchase receivables due over 1 year	3,437,759.86	57.62%	4,866,668.07	65.59%	4,288,677.78	67.06%
Investment in joint venture	63,435.39	1.06%	53,065.67	0.71%	40,955.87	0.64%
Other long-term investments	2,022.84	0.03%	2,694.29	0.04%	-	0.00%
Other non-current receivables	3,401.54	0.06%	28.79	0.01%	31.52	0.00%
Long-term loans for joint venture	30,000.00	0.50%	62,000.00	0.84%	64,000.00	1.00%
Property, plant and equipment	42,689.14	0.72%	54,343.40	0.73%	43,832.34	0.66%
Right-of-use assets	27,728.73	0.46%				
Intangible assets	5,928.63	0.10%	5,966.15	0.08%	907.52	0.01%
Deferred tax assets	108,358.86	1.82%	52,721.04	0.71%	34,287.63	0.54%
Pledged deposit at financial institution	1,082.95	0.02%	1,066.00	0.01%	66.00	0.01%
Other non-current assets	2,275.79	0.04%	2,157.45	0.03%	2,077.79	0.03%
Total non-current assets	3,724,683.73	62.43%	5,100,710.86	68.75%	4,474,836.51	69.95%
Total assets	5,966,250.77	100.00%	7,419,101.21	100.00%	6,395,700.64	100.00%
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	320,260.47	5.37%	396,097.05	5.34%	301,853.82	4.72%
Trade and other current payables	43,801.24	0.73%	66,915.45	0.90%	77,742.30	1.21%
Current portion of long-term loans	1,777,658.65	29.80%	1,678,882.81	22.63%	1,212,746.78	18.96%
Short-term loans from related persons	183,773.22	3.08%	217,982.23	2.94%	173,666.60	2.71%
Short-term loans from unrelated persons	8,197.59	0.13%	0.00	0.00%	0.00	0.00%
Current portion of Debentures	0.00	0.00%	599,423.57	8.08%	0.00	0.00%
Accrued income tax	2,246.70	0.04%	16,093.36	0.22%	19,731.94	0.31%
Total current liabilities	2,335,937.87	39.15%	2,975,394.47	40.11%	1,785,741.44	27.91%

11.1 Statements of Financial Position Summary Table (cont'd)

Unit: '000 Baht

Financial Report presented Investment on an Equity Basis	2020		2019		2018	
Non-current liabilities						
Long-term loans from financial institutions	1,810,869.67	30.35%	2,505,323.98	33.77%	2,215,941.53	34.65%
Debentures	-	-	-	-	597,191.69	9.34%
Lease Liabilities	20,181.81	0.34%	-	-	-	-
Non-current provisions for employee benefit	31,126.26	0.52%	30,371.75	0.41%	18,986.99	0.30%
Deferred tax liabilities	18,508.22	0.31%	22,696.62	0.31%	20,245.26	0.32%
Total non-current liabilities	1,880,685.96	31.52%	2,558,392.35	34.49%	2,852,365.47	44.61%
Total liabilities	4,216,623.83	70.67%	5,533,786.82	74.60%	4,638,106.91	72.52%
Shareholders' equity						
Share capital						
Authorized share capital						
1,663,285,866 common shares of Baht 1.00 each	1,663,285.87	27.88%	1,663,285.87	22.42%		
1,110,614,740 common shares of Baht 1.00 each					1,110,614.74	17.36%
Issued and paid - up share capital						
1,108,857,244 common shares of Baht 1.00 each	1,108,857.25	18.59%	1,108,857.25	14.93%	1,108,857.25	17.34%
923,619,591 common shares of Baht 1.00 each						
Premium on common share	279,957.36	4.69%	279,957.36	3.77%	279,957.36	4.38%
Reserve for Equity-Settled Share-Based Payment	42,752.22	0.72%	42,752.22	0.58%	42,752.22	0.67%
Retained earnings						
Appropriated - Legal reserve	45,295.87	0.76%	42,730.60	0.58%	37,214.51	0.58%
Unappropriated	272,764.24	4.57%	411,016.95	5.54%	288,812.39	4.51%
Total shareholders' equity	1,749,626.94	29.33%	1,885,314.38	25.40%	1,757,593.73	27.48%
Total liabilities and shareholders' equity	5,966,250.77	100.00%	7,419,101.20	100.00%	6,395,700.64	100.00%

11.2 Statements of Comprehensive Income Summary Table

Unit: '000 Baht

	2020	2019	2018
Revenues			
Realized selling interest under hire purchase agreement	692,134.93	674,329.87	499,900.33
Interest income under sale with right of redemption agreement	1,430.46	3,035.82	2,673.15
Interest income	16,630.28	13,464.99	6,425.24
Other income			
Fee and services income	117,693.59	165,127.73	135,469.94
Recovered bad debts	17,891.49	10,116.78	10,019.06
Gain on sales of investment in joint venture	-	2,187.60	0.00
Others	45,043.95	46,586.83	45,856.58
Total revenues	890,824.70	914,849.62	700,344.30
Expenses			
Finance costs	(216,358.91)	(228,320.32)	(157,849.54)
Administrative expenses	(449,217.26)	(392,356.68)	(281,850.50)
Expected credit losses	(158,919.36)	-	-
Bad debt and doubtful accounts	-	(141,538.03)	(84,258.94)
Total expenses	(824,495.53)	(762,215.03)	(523,958.98)
Profit before share of loss on investments in joint venture	66,329.18	152,634.59	176,385.32
Share of loss on investment in joint venture by equity method	10,369.72	7,496.42	(550.24)
Profit before income tax	76,698.90	160,131.01	175,835.08
Tax expenses	(15,019.55)	(30,041.87)	(33,571.39)
Profit for the year	61,679.35	130,089.14	142,263.69
Basic earnings per share (Baht)	0.0556	0.1173	0.1315

11.3 Statement of Cash Flow

Unit in Baht '000

Combined Financial Statement	2020	2019	2018
Cash flows from operating activities			
Profit before income tax	61,679	130,089	175,835
Adjustments to net profit to cash receipt (disbursement)			
Tax expenses	15,020	30,042	
Depreciation and amortized expenses	22,615	13,000	9,476
Amortized expenses	67,193	60,419	42,841
Expected credit losses	158,919	-	-
Bad Debt and Doubtful accounts	-	141,538	84,259
Difference from decrease rentals	5	-	-
(Gain) Loss from Sales of Shares below market value	-	-	-
(Gain) Unrealized – current investment	-	-	-
(Gain) Loss on sales of current investment	-	-	(7)
Share of loss on investment in joint venture by equity method	(10,370)	(7,496)	550
(Gain) Loss on sales of property, plant and equipment	(91)	494	(165)
(Gain) Loss on disposal of property, plant and equipment	201	-	-
(Gain) Loss on impairment of properties foreclosed	14,178	14,663	11,095
Amortization loans issuing costs	8,336	10,236	-
Amortized portion of deferred transaction costs	576	2,232	792
Lost on sales of investment in joint venture	-	(2,188)	-
(Gain) Loss on impairment of Other non-current financial asset	671	1,188	-
Employee benefit provisions	2,844	8,424	2,173
Finance costs	207,254	217,283	151,645
Profit (Loss) from operation before changes in current investment	549,030	619,924	478,493
(Increase) Decrease in hire purchase receivables	1,209,158	(1,034,701)	(2,124,852)
(Increase) Decrease in loans and sale with right of redemption receivables	24,225	445	3,172
(Increase) Decrease in other current receivables	8,541	2,961	(19,433)
(Increase) Decrease in properties foreclosed	(38,753)	(26,783)	(31,849)
(Increase) Decrease in other non-current receivables	(99,181)	(109,410)	(55,912)
Pledged deposit at financial institution	(17)	(1,000)	-
Other non-current assets	(118)	(80)	(1,2000)
Increase (Decrease) in trade and other current payables	(15,498)	(10,958)	34,302
Increase (Decrease) in employee benefits	(2,089)	-	-
Cash generated (paid) from operation	1,635,297	(559,601)	(1,717,318)
Interest paid	(212,594)	(217,836)	(143,950)
Corporate income tax paid	(39,351)	(49,070)	(32,519)
Net cash provided by (used in) operating activities	1,383,352	(826,508)	(1,893,787)

11.3 Statement of Cash Flow (cont'd)

Unit in Baht '000

Combined Financial Statement	2020	2019	2018
Cash flows from investing activities			
Proceeds from sales of current investment	-	-	14
Payments for loans to joint venture	(20,000)	(31,500)	(200,000)
Proceeds from sales of investment in joint venture	-	7,543	-
Payments for acquire of investment in joint venture	-	(12,000)	(34,200)
Payments for acquire of other long-term investments	-	(1,851)	-
Payments for acquire of intangible assets	(80)	(5,168)	-
Proceeds from sales of property, plant and equipment	2,102	5,211	1,284
Payment for acquire of property, plant and equipment	(3,879)	(29,107)	(16,317)
Net cash provided by (used in) investing activities	(21,857)	(66,872)	249,219

Unit in Baht '000

Financial Report presented Investment on an Equity Basis	2020	2019	2018
Cash flows from financing activities - increase (decrease)			
Increase (Decrease) in bank overdrafts	(35,598)	7,591	28,187
Proceeds from short-term loans from financial institutions	1,940,000	1,402,714	838,561
Payment for short-term loans from financial institutions	(1,980,239)	(1,316,062)	(753,561)
Proceeds from short-term loans from related persons	310,000	220,000	238,000
Payment for short-term loans from related persons	(345,000)	(175,000)	(218,000)
Proceeds from short-term loans from unrelated persons	-	-	(45,000)
Payment for short-term loans from unrelated persons	-	-	-
Proceeds from long-term loans from financial institutions	1,295,700	2,231,878	2,260,000
Payment for long-term loans from financial institutions	(1,899,714)	(1,486,595)	(1,057,995)
Proceeds from debentures issuance	-	-	600,000
Payments for acquire of debentures	(600,000)	-	-
Payments for acquire lease liabilities	(10,014)	-	-
Payment of transaction costs related to debenture issuance	-	-	(3,600)
Dividend paid	-	-	(44,353)
Proceeds from share capital payment	-	-	278,917
Net cash provided by (used in) financial activities	(1,324,865)	884,526	2,121,157
Net increase (decrease) in cash and cash equivalents	36,630	(8,854)	(21,849)
Cash and cash equivalents, as at January 1	17,858	26,713	48,563
Cash and cash equivalents, as at December 31	54,488	17,859	26,713

11.4 Important Financial Ratio table which reflects company's financial position and operating result

	2020	2019	2018
PROFITABILITY RATIO			
Interest Income (%)	11.31%	10.50%	10.14%
Interest Expense (%)	4.55%	4.61%	4.84%
Net Interest Income (%)	6.76%	5.89%	5.30%
Net Profit Margin (%)	6.92%	14.22%	20.31%
Net Profit per Share (Baht/Share) *	0.0556	0.1173	0.1315
Return on Equity (%)	3.39%	7.14%	9.07%
EFFICIENCY RATIO			
Return on Asset (%)	0.92%	1.88%	2.72%
Total Asset Turnover (Times)	0.10	0.13	0.13
Book Value per Share	1.58	1.70	1.59
FINANCIAL POLICY RATIO			
Debt to Equity Ratio (Time)	2.41	2.94	2.64
Loan to Borrowing Ratio (Time)	1.29	1.28	1.52
Dividend Payout Ratio (%)	0	0	0
ASSET QUALITY RATIO			
Provision for Possible Loan Loss to Gross Receivable (%)	7.95%	2.80%	2.20%
Bad Debt to Gross Receivable (%)	1.38%	1.08%	0.64%
Non-Performing Loan to Gross Receivable (%)	9.76%	4.63%	3.46%

12. Analysis and Explanation of Management

12.1 Operating Results

- Overview

The Company extended new hire purchase credit during the year 2020 amounting to Baht 1,491.85 million, down from Baht 3,365.10 million during the year 2019, a decrease of 55.67% over that of prior year as a result of economic slowdown adversely affected by the Covid-19 Pandemic and despite the continuing government measures to stimulate the economy. The company has implemented the continuing cautious and reduced credit extension policies.

As for car loan, the Company has considered cancellation of the credit extension, and informed customers to gradually closed their accounts in accordance with contract within the year 2020.

The results of operations reported comprehensive net profit of Baht 61.68 million from consolidated financial statements, a decline from Baht 66.04 million or 51.71% of prior year. This was a result of decline in credit extension over prior year, and the corresponding reduction in fee income, increased losses from sales of repossessed vehicles, and the increase in doubtful debt provisioning in accordance with new accounting standards.

- Revenue

Revenue was Baht 890.82 million, an decrease of Baht 24.03 million or 2.63% over prior year. Hire purchase income was Baht 692.13 million, an decrease by Baht 17.80 million over prior year or 2.64% ,the company continues to provide credit and is more cautious in lending. The Company's rate of interest receipt during the year 2020, and 2019 were 11.31, and 10.50% with net interest margin of 6.79, and 5.89 respectively (details per section 11.2, Financial Statement Summary, and section 11.4, Important Financial Ratios).

Rate of Interest receipt, and interest margin increased during the year 2020 as a result of intense competition in the hire purchasing rate for the used vehicle market but company's policy of decreasing interest rate only slightly to maintain competitiveness, coupled with the increasing proportion of motorcycle credit which generated higher rate of interest and concurrently the declining prevailing financial institution lending rates.

Other income amounted to Baht 180.62 million consisting primarily of fees and service income related to credit extension, collection, insurance commission earned, bad debt recovery totaling Baht 17.89 million because of legal department follow-up.

- Expenses

During the year 2020, expenses and corporate income tax amounted to Baht 839.51 million, increased by Baht 47.25 million or 5.96% from Baht 792.26 million in 2019.

The company's selling, general, and administrative expenses amounted to Baht 449.22 million, the majority of which was a result of loss from sale of repossessed vehicles amounted to Baht 183.43 million, increased by Baht 74.09 from Baht 109.34 million of prior year.

Borrowing cost consisting of interest expense amounted to Baht 216.36 million, a decrease of Baht 11.96 million or 5.24% as a result of the cautious and reduction in credit extension corresponding with reduction in borrowings coupled with decrease in the bank lending rates, and borrowings from low interest rate sourcing. The rates of borrowings during the years 2020 and 2019 were 4.55%, and 4.61% respectively (details per section 11.4 Important Financial Ratio).

Bad debt written-off during 2020 amounted to Baht 79.62 million, increased by Baht 3.01 million from 2019 of Baht 76.61 million. The Company has undertaken procedures as required by filing suit, foreclosure process within reasonable time. The company also follow-up on repossession of vehicles concurrently.

During the year 2020, the Company has provided for provision for bad debt amounted to Baht 79.30 million, an increase of Baht 14.37 million over that of 2019 which amounted to Baht 64.93 million primarily for increasing provisioning for the rise of hire purchase receivable and debtors under litigation specially considered on a case-by-case basis.

Financial Position

- Total Asset

Total asset for the year 2018, 2019, and 2020 amounted to Baht 6,395.70, 7,419.10, and Baht 5,966.25 million respectively. The decrease of Baht 1,452.85 million This was a decline in the hire purchase receivable portfolio with a decrease in credit lending. And debtors to close their accounts very early throughout the year. Joint venture investment was Baht 63.44 million increased Baht 10.37 million from 2019, with loan to the joint venture amounted to Baht 251.50 million, and long-term investment in the vehicle repair business amounted to Baht 2.02 million. Leasehold assets as at 31 December 2020 amounted to Baht 27.73 million arising through reclassification of lease transaction in accordance with TFS16 replacing TFRS 17, leasing, recognition and value measurement requiring lessee recognition of assets and liabilities for all lease contracts with tenor exceeding 12-month with the exception low value items adopted and implemented for the first time since 1 January 2020.

Returns on Asset for the years 2018, 2019, and 2020 were 2.72%, 1.88% and 0.92% respectively. Return during the year 2019, 2020 declining rate of return was a result of current periods low level of profit in comparison with 2018 as adversely affected by the economic slowdown over a number of consecutive years exacerbated by the Covid-19 Pandemic.

The company's net asset pending disposal was Baht 67.96, and 43.39 million for the years 2020 and 2019 respectively, an increase of Baht 24.57 million corresponding with the substantial rising receivable portfolio and the speedier repossession of motor vehicles toward year end. The company's appraisal prices were in line with market condition. Loss from vehicle sales was with recourse to debtor and litigation proceeding continued.

- Quality of Receivable and Provision for Doubtful Debts

Receivables and provision for doubtful debts for the year 2019 and 2020 detailed below:

Baht Million	2020	2019
Hire Purchase Receivable	6,756.94	8,459.82
Deduct – Unearned Interest Income, and Brokerage Fee Undue	(1,070.44)	(1,481.90)
Hire Purchase Receivable Net of Unearned and Brokerage	5,686.50	6,977.92
Deduct – Reserve for Bad Debt	(370.85)	(77.14)
Net Hire Purchase Receivable	5,315.64	6,900.78
Loan Receivable and Sale with Right of Redemption Receivable	0.00	24.23
Deduct – Reserve for Bad Debt	(0.00)	(0.05)
Car Loan Receivable Net	0.00	24.18

For the year 2020, the company's receivables and the provision for doubtful debts are as follows:

	Receivables net off unearned interest	Provision for doubtful expected credit loss
First level	4,588,522,802.54	98,097,721.33
Second level	625,670,701.97	90,369,613.81
Third level	<u>472,299,422.95</u>	<u>182,382,404.68</u>
Total	<u>5,686,492,927.47</u>	<u>370,849,739.82</u>

2019				
Receivable Aging	Receivable Balance	Receivable Balance Net of Collateral	Rate of Reserve for Bad Debt	Provision for Possible Loan Loss
Current	5,175,961,367.87	1,035,192,273.58	1%	10,351,922.74
Overdue 1 month	765,207,845.62	153,041,569.12	1%	1,530,415.69
Overdue 2-3 months	737,488,994.83	147,497,798.97	2%	2,949,955.98
Overdue 4 months	91,221,622.52	18,244,324.50	20%	3,648,864.90
Overdue 5 months	52,804,604.55	10,560,920.91	20%	2,112,184.8
Overdue 6 months	33,949,546.05	6,789,909.21	20%	1,357,981.84
Overdue 7 months	30,863,250.34	21,604,275.23	50%-60%	11,481,789.08
Overdue 8 months	16,753,004.73	11,727,103.31	50%-70%	6,555,426.33
Overdue 9 months	22,877,499.48	16,014,249.64	50%-90%	10,195,553.15
Overdue 10 months	14,136,272.62	9,895,390.83	50%-100%	6,167,801.11
Overdue 11 months	14,420,629.50	10,094,440.64	50%-100%	6,684,930.90
Overdue 12 months	14,454,202.63	10,117,941.83	50%-100%	6,320,377.57
Overdue more than 12 months	7,783,727.32	7,783,727.32	100%	7,783,727.32
Total	6,977,922,568.06	1,458,563,925.09		77,140,930.79

The company provided for doubtful receivables for customers under litigation, compromised agreement under HP contract, including agreement for sales with right of redemption for the year 2019, and 2020:

Currency: Baht million	Year 2020	Year 2019
Receivables under litigation	87.60	109.61
Receivables under compromised agreement	<u>4.29</u>	<u>12.35</u>
Total	91.89	121.96
Deducted by: Provision for doubtful receivables	<u>(88.53)</u>	<u>(121.96)</u>
Receivables - net	3.36	0.00

Detailed doubtful debt provisioning for receivables under litigation, HP contract compromised agreement, including receivables for sales with right of redemption for the year 2019, 2020:

2020				
Type of receivables	Amount	Receivable net of collateral value	Rate of provisioning	Provisioning for expected loss
Litigation receivables	87,604,537.18	87,604,537.18	96 -100%	84,239,947.37
HP receivable under compromised agreement	4,288,136.36	4,288,136.36	100%	4,288,136.36
Total	91,892,673.54	91,892,673.54		88,528,083.73
2019				
Type of receivables	Amount	Receivable net of collateral value	Rate of provisioning	Provisioning for expected loss
Litigation receivables	109,613,350.44	109,613,350.44	100%	109,613,350.44
HP receivable under compromised agreement	12,353,152.41	12,353,152.41	100%	12,353,152.41
Total	121,966,502.85	121,966,502.85		121,966,502.85

For the year 2020, expected loss for HP receivable provisioning was Baht 370.85 million in comparison with Baht 77.14 million for the year 2019, an increase of Baht 293.71 million. The increase was a result of changes in the expected loss for receivables under HP contract provisioning as implemented in levels of 1, 2, and 3 per IFRS9 standard effective for fiscal year 2020 (details per sufficient and appropriate provisioning for expected loss in receivables, page 134)

As for receivables under litigation, and compromised agreement for the year 2019, and 2020 amounted to Baht 121.96, and Baht 91.89 million respectively, a decrease of Baht 30.07 million, and provisioning of Baht 121.96, and 88.53, million respectively, with provisioning declined by Baht 33.43 million. The company provided for doubtful receivables for all customers at the rate 96 – 100%. Furthermore, the

company considers write-off of receivables along with vehicle repossession follow-up, the latter of which having the statute of limitation of 10 years.

- Appropriateness and Adequacy of Reserve for Doubtful Account

The Group recognizes expected credit loss from HP receivables, lending, and sales under right of redemption under generic procedures with due consideration for changes of credit risks of receivables in 3 levels namely:

Level 1: Receivables without material increase in credit risks (performing) the Group recognizes expected credit loss by the amount equals to expected credit loss over the next 12 months

Level 2 : Receivables with material increase in credit risks (under- performing) the Group recognizes expected credit loss by the amount equals to expected credit loss over the expected life of the receivables

Level 3: Receivables with impairment in credit (non-performing) the Group recognizes expected credit loss by the amount equals to expected credit loss over the life of the expected life of the receivables

On reporting date, the Group shall assess whether credit risks of the receivables have material increased since the date of initial recognition or not by comparing the expected default risk on performing under the contract over the expected life as at reporting date against credit risk as at initial recognition. The Group utilizes internal quantitative and qualitative basis of assessment, and estimated information for receivable credit quality impairment assessment.

The Group assessed whether credit risks have material increased from the date of initial recognition or not on a contract by contract, or group of assets basis. As for impairment assessment on an asset group basis, the Group classified receivables in accordance with credit risks of common nature for example type of collateral, and purpose of borrowings, and other relevant factors.

Receivables are considered to be impaired regarding credit upon the occurrence of an event or multiple events affecting the estimation of future cash flows of the receivables, with evidence indicating credit impairment of receivables including payment overdue over 90 days, or indication that the borrower is experiencing material financial problem, defaulting on contracts, legal status, or vehicle foreclosure status prior to overdue of 90 days.

Receivables under new negotiated terms, as a result of borrower experiences financial difficulty, shall be considered financial assets with material increased in credit risks or credit impairment unless with evidence indicating that the risks of failure to receive cash flows per contract have materially decreased and without indication of impairment.

The Group evaluates past loss experiences, adjusted by current observed information, and modification of information regarding the expected future economic environment, and weighted average probability of occurrence of the various scenarios for computation to derive at the expected credit loss at

least annually. The company utilizes the majority of information as announced by the Bank of Thailand or public entity authority adjusted by the internal Group's own perspective.

During the subsequent period, if receivable credit quality improves and assessment concludes that credit risks have not materially increased from the initial date of recognition, the same as the prior period assessment, the Group shall modify recognition of expected credit loss for the entire expected life to that of expected credit loss for the next 12 months or for the remaining life of contract if the period is shorter than 12 months.

Expected credit gain or loss shall be recognized in the statement of income. Group policy is to write-off receivables upon reasonably follow-up on demanding payment with clear evidence of follow-up and failure to receive payment from debtor.

- Asset Quality Ratio

The ratio of reserve for doubtful account over gross receivable deducted by unearned interest income, debtors under loan agreement, debtors under litigation, and compromising agreement, and other receivables during the year 2018 and 2019 at the rates of 2.20 and 2.80% respectively, and increased to 7.95% for the year 2020. The increase in said ratio was attributable to changing expected credit loss provisioning procedure for hire purchase customers with greater amounts of provisioning for potential customer defaults.

Considering growth in credit extension, the prospect of repayment and debt recovery through disposal of repossessed asset, the company believes the current provisioning policy for doubtful debt is adequate.

The non-performing credit accounted for 4.63, and 9.76% of total credit receivables (NPL) for the year 2019, and 2020 respectively. The increase in overdue accounts during the year 2020 corresponded with rising portfolio, and impact of lengthened economic downturn on customers. The company retains consideration for special doubtful debt provisioning, and follow-up on accelerated collection.

The ratios of write-off to total credit receivables during the year 2018, 2019, and 2020 were 0.64, 1.08 and 1.38 respectively. The increase for the year 2020 was a result of increase in hire purchase customer write-off by Baht 3.01 million over that of the prior year as the company proceeded faster with legal action against overdue customers, and considered write-off of receivables under litigation in accordance with Revenue Department rule.

- Total Liabilities

Total liabilities were Baht 4,638.11, 5,543.13 and 4,216.62 million at the end of 2018, 2019, and 2020 respectively, a decrease by Baht 1,317.17 million or 23.80% for the year 2020. The company borrowing decreased which a result of lower credit extension adversely affected by the sustained economic downturn.

The company has had net debenture outstanding of Baht 599.42 million as a result of debenture issuance during the year 2018 as approved per EGM 1/2560, for the issuance and offering for sale of

debenture to individuals and legal entities with amount limit of Baht 1,200 million. The company has already issued debenture amounting to Baht 600 million on 5 October 2018. During the year 2020, the company has repaid matured debenture in full.

As at 31 December 2020, the company's liabilities under lease rental agreement maturing within one year amounted to Baht 8.20 million, maturing over 1 year, Baht 20.18 million totaling Baht 28.38 million. Instead of recognizing lease rental payable, the company recognizes the present value of future lease rental discounted at the interest rate referencing the substance of the lease contract, or incremental borrowing rate of the Group. Subsequent to the lease contract date, the book value of lease liabilities shall rise reflecting interest cost arising from the lease contract, and declining reflecting repayment of lease rental. Furthermore, book value of lease rental shall be restated with new value measurement procedure upon modification of or reassessment of the lease contract.

As at the end of 2018, 2019, and 2020, Debt to Equity Ratios of the company stood at 2.64, 2.94 and 2.41 respectively. The decrease of the ratio was a result reduction in credit extension throughout the year, and the corresponding reduction in financial institution borrowings.

- Shareholders' Equity

Shareholders' Equity end of 2018, 2019, and 2020 were Baht 1,757.59, 1,885.31 and 1,749.63 million respectively. Return on Equity for the period 2018, 2019, and 2020 were 9.07, 7.14 and 3.39% respectively. Return on equity for the year 2020 declined as a result of company's operating results worse than prior year.

Dividend declared from operating profit from 2014 to 2020 was as follows:

- On 30 September 2013, Baht 12.30 million dividend was paid based on operating profit January to June 2013, at the rate of Baht 0.03 per share
- On 10 September 2014, Baht 29.74 million dividend was paid based on operating profit July to December 2013, at the rate of Baht 0.05 per share
- On 10 September 2014, Baht 17.84 million dividend was paid based on operating profit January to June 2014, at the rate of Baht 0.03 per share
- Year 2015, dividend was suspended.
- Year 2016, dividend was suspended
- On 9 May 2017, Baht 15.97 million dividend was paid from operating profit for the year 2014 at the rate of Baht 0.02 per share
- On 9 May 2017, Baht 23.95 million dividend was paid from operating profit for the year 2015 at the rate of Baht 0.03 per share
- On 7 May 2018, Baht 44.35 million dividend was paid from operating profit for the year 2017 at the rate of Baht 0.04 per share

- Year 2019, dividend was suspended.
- Year 2020, dividend was suspended

-Liquidity

Cash flow from operations during 2020 was net Baht 1,383.35 million used. The amount was net Baht 826.51 used during 2019. Cash received during the year 2020 was primarily receivable collection exceeded cash paid out through credit extension resulted in net reduction in receivables. Cash flow for investment activities during the year 2020 was net use of Baht 21.86 million for the purpose of loan extension to joint venture business amounting to Baht 20 million and equipment purchase.

Cash flow from financing activities for the year 2020 included net cash used for Baht 1,324.86 for loan repayment to financial institutions, and debenture redemption (details per exhibit 11.3, cash flows).

- Sources and Application of Fund

Sources of fund of the company were mainly from domestic financial institution borrowing, partly equity, and loan from related parties. As a matter of policy the company intends to seek an increasing amount of funding from financial institution at a low rate of interest. Sources of fund as at the end of 31 December 2018, 2019, and 2020 were as follow:

	2020		2019		2018	
	Baht Million	Percent	Baht Million	Percent	Baht Million	Percent
Shareholders' Equity	1,749.63	29.85	1,885.31	25.85	1,757.59	28.08
Borrowing						
- Overdraft+Loan from Financial Institutions	320.26	5.49	396.10	5.44	301.85	4.82
- Current Portion of Long Term Debt	1,777.66	30.48	1,678.88	23.05	1,212.75	19.38
- Other Short-Term Debt	183.77	3.15	217.98	2.99	173.67	2.77
- Debenture due within 1 year	-	-	599.43	8.23	-	-
- Long Term Debt	1,810.87	31.05	2,505.32	34.40	*2,813.13	44.95
Total Borrowing	4,092.56	70.17	5,397.71	74.15	4,501.40	71.92
Grand Total	5,842.19	100.00	7,283.02	100.00	6,258.99	100.00

* Remark: Long term debt Baht 2,215.94 million, debenture Baht 597.19 million

Borrowing as at 31 December 2020 was Baht 4,092.56 million with scheduled repayment as follow:

<u>Loan Repayment Schedule</u>	<u>Baht Million</u>
Within 1 Year *	2,281.69
More than 1 and up to 2 Year	1,234.84
More than 2 and up to 3 Year	510.20
More than 3 and up to 4 Year	65.83
<u>More than 4 years</u>	<u>0.00</u>
<u>Total</u>	<u>4,092.56</u>

Note: * Overdraft, current portion of long-term debt, and short-term debt, P/N and B/E

Considering the hire purchase portfolio including long term loan to others deducting past due accounts over 4 months, and accounts under litigation, installment receivables by maturity is as follow:

<u>Installment Receivable Schedule</u>	<u>Baht Million</u>
Within 1 Year *	2,360.59
More than 1 and up to 2 Year	1,953.17
More than 2 and up to 3 Year	1,377.85
More than 3 and up to 4 Year	1732.43
<u>More than 4 Year</u>	<u>333.29</u>
<u>Total</u>	<u>6,757.33</u>

As at 31 December 2020, total liabilities due within one year (including overdraft and short-term loan) amounted to Baht 2,281.69 million, comparing with portfolio installment receivable due within 1 year amounted to Baht 2,360.59 million, more than Baht 78.90 million, the amount of which the company should be able to arrange for repayment funding. As for the liabilities due over one year and up to two years amounted to Baht 1,234.84 million, comparing with installment due for collection within one year and up to two years of Baht 1,953.17 million, more than Baht 718.33 million, the Company has adequate funding sources to meet its debt obligation during the said periods.

12.2 Factor or Event that may Affect Operations

The equity method financial statements reported company net comprehensive income of Baht 61.68 million as a result from operating results.

During the year 2020, the company has closely monitored domestic and foreign events which might affect operation of the company e. g. the lengthened economic slowdown, drought, flooding, rising unemployment, rising consumer debt per household statistics that would result in hirer payment overdue, rising NPL including disposal of repossessed vehicles at a loss all of which might adversely affect operations of the company.

For the year 2021, the company establishes credit target of Baht 1,740 million emphasizing credit quality to mitigate NPL risks, reduction of litigation cost, and loss from repossessed vehicle disposal. The company has modified its marketing strategy with credit extension to logistic vehicles, increasing trucks, employee training to become skillful in credit analysis, and marketing of truck credit, to support achievement of credit target. The company initiated approaching customers with hiring contracts with private sector or the government to mitigate risks, improvement in operational processes within the company rendering fewer steps, increasing efficiency, to facilitate and speed up customer credit approval both large or small customers. Furthermore, the company is in search of new products to be provided to customer along with credit extension to enhance company earnings through supplementary income.

1. Details related to Directors, Management, individuals with controlling interests in the Company, and Company Secretary

1.1 Information regarding Directors, Management, individuals with controlling interests, and Company Secretary

1. Mr. Preecha Veerapong

Position Title Chairman of the Board, and Authorized Director

Age 88 Years old

No. of years in position 17 Years 3 Months

Date of Appointment 15 September 2003

Proportion of Shares Held 5.55%

Spouse/Immature Children 2.29 %

Family relationship between directors and management

Father to Mr. Danucha Veerapong

Father to Mr. Prapakom Veerapong

Relative of Mrs. Duangrat Jaengmongkol

Professional Training - The Thai Institute of Directors Association (IOD) program:
The Director Accreditation Program (DAP)

Work Experiences

1993 – 2002 Advisor, Bank of Asia PLC

1992 – 2002 Chairman of the Board, BOA Leasing Co., Ltd

1983 – 1992 Assistant Managing Director, Bank of Asia PLC

Position held in Other Listed Entities – None

Position held in Non-Listed Entities

1987 – Present Director, Prapakorn Business Co., Ltd.

1979 – Present Director, Eastern Estate Co., Ltd.

1971 – Present Chairman of the Board, Thai Preeda Industry Co., Ltd.

2. Mr. Danucha Veerapong

Position Title Chairman of the Executive Committee, and Authorized Director

Age 51 Years old

Date of Appointment 11 November 2003

No. of years in position 17 Years 2 Months

Proportion of Shares Held 4.51%

Family relationship between directors and management

Son to Mr. Preecha Veerapong

Elder brother to Mr. Prapakom Veerapong

And Relative of Mrs. Duangrat Jaengmongkol

Educational Background:	- Master of Business Administration, Major in Marketing, University of Hartford, Connecticut, U.S.A., - Bachelor of Business Administration, Major in Economic/Finance, Bentley College, Massachusetts, U.S.A.,
Professional Training	- The Thai Institute of Directors Association (IOD) program: The Director Accreditation Program (DAP)
Work Experiences	
2007 – 2019	Director, Cool Solution Co., Ltd.
2002 – 2003	Director of Sales and Services, the Bank of Asia PLC
Position held in Other Listed Entities – None	
Position held in Non-Listed Entities	
2018 – Present	Chairman of the Board, ECL Asset Co.,Ltd.
2017 – Present	Chairman of the Audit Committee, Siam Syndicate Technology Co.,Ltd
2016 – Present	Independent Director, Siam Syndicate Technology Co.,Ltd
2002 – Present	Director, Hi-Tech Land (2002) Co., Ltd.

3. Mr. Prapakorn Veerapong

Position Title	Vice Chairman of the Executive Committee, Managing Director and Authorized Director
Age	50 Years old
No. of years in position	17 Years 3 Months
Date of Appointment	15 September 2003
Proportion of Shares Held	4.00 %
Spouse/Immature Children	0.21 %
Family relationship between directors and management	Son to Mr. Preecha Veerapong Younger brother to Mr. Danucha Veerapong And Relative of Mrs. Duangrat Jaengmongkol
Educational Background	- Master of Business Administration, Major in International Trade, Boston University - Bachelor of Business Administration, Major in Finance, University of Hartford, Connecticut, U.S.A.
Professional Training	- The Thai Institute of Directors Association (IOD) program: The Director Accreditation Program (DAP)
Work Experiences	
1994 – 1995	Business Development Officer, Pathra Leasing Co., Ltd.
Position held in Other Listed Entities – None	

Position held in Non-Listed Entities

2019 – Present	Director, Mighty Broker Co., Ltd.
2003 – Present	Director, Thai Preda Industry Co., Ltd.
2003 – Present	Director, Eastern Estate Co., Ltd.
2003 – Present	Director, Prapakorn Business Co., Ltd.
2003 – Present	Director, Prasartporn Junior Co., Ltd.
2002 – Present	Director, Hi-Tech Land (2002) Co., Ltd.
1997 – Present	Chairman of the Board, Thai Preeda Trading Co., Ltd.

4. Mrs. Duangrat Jaengmongkol

Position Title	Member of the Executive Committee, Authorized Director, member of the Nomination and Remuneration Committee, and Company Secretary
Age	73 Years old
Date of Appointment	15 September 2003
No. of years in position	17 Years 3 Months
Proportion of Shares Held	None
Spouse/Immature Children	0.22 %
Family relationship between directors and management	Relative to Mr. Preecha Veerapong Relative to Mr. Danucha Veerapong And Relative to Mr. Prapakorn Veerapong
Educational Background	- Bachelor of Accountancy, Thammasart University - Bachelor of Law, Thammasart University - Mini Master of Management, National Institute of Development and Administration (NIDA)
Professional Training	- The Thai Institute of Directors Association (IOD) program: - The Director Accreditation Program (DAP) (8/2004) - The Director Certification Program (DCP) (91/2007) - Company Secretary Program (CSP) (28/2008) - The Effective Minute taking (EMT) (12/2007) - The Board Nomination & Compensation Program (BNCP) (7/2019)
Work Experiences	
1984-2003	Managing Director, Eastern Commercial Leasing Company Limited (prior to the merger)

Position held in Other Listed Entities – None

Position held in Non-Listed Entities

2019 – Present Director, Mighty Broker Co.,Ltd.

5. Mr. Yohichi Shibata (resigned effective from 15 May 2020)

Position Title Director (non-executive)

Age 61 Years old

Date of Appointment 12 May 2016

No. of years in position 4 Years 3 Days

Proportion of Shares Held None

Family relationship between directors and management - None

Educational Background - Bachelor of Liberal Arts, English Literature, Meiji Gakuin University, Japan

Professional Training - The Thai Institute of Directors Association (IOD) program: The Director Accreditation Program (DAP) (135/2017)

Work Experiences

2007 – 2010 Executive, G One Credit Service Co., Ltd.

2007 – 2009 Executive, G One Insurance Service

2007 Managing Director, Gulliver International Co., Ltd.

Position held in Other Listed Entities

2016 – Present Chief Executive Officer, Premium Group Co.Ltd.

Position held in Non-Listed Entities

2017 – Present Chief Executive Officer, Premium Lease Co.,Ltd.

2016 – Present Director, Premium Asset Management (Thailand) Co., Ltd.

2012 – Present Executive, Premium Financial Service Co., Ltd.

6. Mr. Masayuki Nozawa

Position Title Director, Deputy Managing Director

Age 56 Years old

Date of Appointment 15 May 2020

No. of years in position 7 Months, 15 Days

Proportion of Shares Held None

Family relationship between directors and management - None

Educational Background - Bachelor of Law, Kokugakuin University, Japan

Professional Training - The Thai Institute of Directors Association (IOD) program: The Director Certification Program (DCP) (153/2011)

Work Experiences

2018 – Present Deputy Managing Director, Eastern Commercial Leasing PLC

2016 – 2018	Director and Senior Executive officer, Business Division, ACom Co., Ltd.
2009 – 2016	Director and Executive Officer, Business Division, ACom Co., Ltd.
2006 – 2016	Managing Director, marketing planning, investor relation, customer services, ACom Co., Ltd.
2006	Assistant Manager Oversea Business Department, ACom Co., Ltd.
1996 – 2006	Managing Director, ISI Corporation
1993 – 1996	Marketing Manager, ISI Corporation
1990 – 1993	Section Chief, Credit Card Business Planning, APlus Co., Ltd.
1986 – 1990	Officer, APlus Co., Ltd. Shizuoka Branch
Position held in Other Listed Entities - None	
Position held in Non-Listed Entities	
2019 – Present	Director, Premium Asset Management (Thailand) Co., Ltd.
2019 – Present	Director, Premium Services (Thailand) Co., Ltd.

7. Mr. Sorapas Suttienkul

Position Title	Director, Member of the Audit Committee, and Chairperson of the Nomination and Remuneration Committee
Age	51 Years old
Date of Appointment	26 February 2015
No. of years in position	5 Years, 10 Months
Proportion of Shares Held	None
Family relationship between directors and management - None	
Educational Background	- Master of Business Administration, University of Hartford, Connecticut, U.S.A. - Bachelor of Political Science, Chulalongkorn University - Certification – Financial Management, Faculty of Economics, Chulalongkorn University
Professional Training	- The Thai Institute of Directors Association (IOD) program: The Director Certification Program (DCP) (184/2014) The Advance Audit Committee Program (AACP) (29/2018) The Board Nomination & Compensation Program (BNCP) (7/2019) - The Thai Listed Companies Association program: The Executive Development Program (EDP) (6/2010) - The Thai institutional investors, Thai Investor Association program: TIIP course, Class 9 - Institute of Business and Industrial Development (IBID), Business and

Industrial Development, and Investment Executive course, Class 5

Work Experiences

2018 – 2020	Executive Director, Media Addict Co.,Ltd.
2016 - 2018	Vice Chairman, Executive Committee, Doikham Food Products Co., Ltd.
2016 - 2017	Director, Nomination and Remuneration Committee, Doikham Food Products Co., Ltd
2013 - 2017	Section Chief, Special Representative, Crown Property Bureau
2012 - 2017	Advisor Director, Phyathai Palace Conservation Foundation under the Royal Patronage of Her Royal Highness Princess Benjaratana Rajasuda
2013 - 2016	Company Secretary, Doikham Food Products Co., Ltd.
2008 – 2017	Eminent Director, The King Rama II Foundation under Royal patronage

Position held in Other Listed Entities None

Position held in Non-Listed Entities

2019 –Present	Chairman of Executive Director, Game Crafts Co.,Ltd.
2018 – Present	Advisor, Doikham Food Products Co., Ltd.
2018 - Present	Executive Director, Krungsiam Beverage Co.,Ltd.
2012 – Present	Director, Singhathep Development Co.,Ltd.

8. Mrs. Prapasri Permsup

Position Title	Director, Chairperson of the Audit Committee, member of the Nomination and Remuneration Committee
Age	71 Years old
Date of Appointment	23 April 2018
No. of years in position	2 Year 8 Months
Proportion of Shares Held	None
Family relationship between directors and management – None	
Educational Background	- Master of Business Administration (Public Accounting), St.John's University, New York, USA - Bachelor of Accountancy (Honored), Chulalongkorn University
Professional Training	- The Thai Institute of Directors Association (IOD) program: - The Director Certification Program (DCP) (258/2018) - The Advance Audit Committee Program (AACP) (29/2018) - The Board Nomination & Compensation Program (BNCP) (6/2019) - Certificate, Advance Finance, Thammasart University - Certificate, Executive Development for The Experienced Manager University of Pennsylvania - Certificate, Siam Cement Management Development Programs

University of Pennsylvania

- Certificate, Personnel Management and Labor Relation, Faculty of Economics, Chulalongkorn University
- Certificate, Marketing Management, Thailand Management Association
- Certificate, Internal Auditor, Association of Internal Auditors

Work Experiences

2007 – 2015	Director of Audit Office, Red Cross Society Thailand
1980 – 2007	Assistant Director, Audit Department, Siam Cement PLC, Deputy Managing Director, Cement Thai Accounting, Director of Accounting and Finance, Siam Cement Group
1977 – 1979	Assistant Comptroller, ITT (Thailand) Co., Ltd.
1973 – 1976	Senior Auditor, Coopers & Lybrand
Position held in Other Listed Entities None	
Position held in Non-Listed Entities	
2020 – Present	Director, Christian Foundation for the Blind in Thailand Under the Royal Patronage of H.M. the King
2017 – Present	Member of the Audit and Assessment Committee, Ministry of Public Health

9. Mr. Thailuck Leetavorn

Position Title	Director and Audit Committee Member
Age	72 Years old
Date of Appointment	15 August 2017
No. of years in position	3 Years 4 Months
Proportion of Shares Held	None
Family relationship between directors and management - None	
Educational Background	- Master of Economics, Sul Ross State University, Texas, USA. - Bachelor of Accountancy, Faculty of Commerce and Accountancy (Statistics), Chulalongkorn University
Professional Training	- The Thai Institute of Directors Association (IOD) program: The Directors Accreditation Program (DAP) (37/2005) The Director Certification Program (DCP) (64/2005) The Advance Audit Committee Program (AACP) (29/2018) - The Thai Listed Companies Association program: The Executive Development Program (EDP) (#1) CMA (#4), Capital Market Academy

Work Experiences

2013 – 2016	Independent Director and Audit Committee Member, Porn Prom Metal PCL
2012 – 2013	Independent Director, Porn Prom Metal PCL
2006 – 2009	Director, Chief Executive Officer, Unimit Engineering PCL
1993 - 2005	Chairman of the Board, Unimit Engineering Co.,Ltd.

Position held in Other Listed Entities

2012 – Present	Independent Director and Chairman of the Audit Committee ,Porn Prom Metal PCL
2009 – Present	Director, Unimit Engineering PCL

Position held in Non-Listed Entities - None

10. Mr. Wichai Maithong

Position Title	Director and Independent Director
Age	60 Years old
Date of Appointment	23 April 2018
No. of years in position	2 Year 8 Months
Proportion of Shares Held	None
Family relationship between directors and management - None	
Educational Background	- Master of Business Administration (MBA), Dhurakij Pundit University - Bachelor of Business Administration (BA), Ramkhamhaeng University
Professional Training	- The Thai Institute of Directors Association (IOD) program: The Director Certification Program (DCP) (258/2018) The Advance Audit Committee Program (AACP) (30/2018) Executive Development Program (EDP) (12/2019)
Work Experiences	
2012 - 2019	Director, and Advisor, Risk Management and Internal Control Group of the Association of Listed Companies
2016 – 2017	Manager, Sustainable Development Thai Oil PLC
2008 – 2016	Manager, Organizational Risk Management Thai Oil PLC
1993 - 2008	Administrative Manager, Thai Lube Base PLC
1986 – 1993	Purchasing official, Petroleum Authority of Thailand
Position held in Other Listed Entities	
2018 - Present	Independent Director, Chairman of the Risk Management and Member of Audit Committee, Prosper Engineering PCL

Position held in Non-Listed Entities

2018 - Present	Advisor to the Risk Management Committee, Doikham Food Products Co., Ltd.
2017 - Present	Managing Director, Prism Consulting Co., Ltd.

11. Mrs. Walaiporn Panyatanya

Position Title	Member of the Executive Committee, Deputy Managing Director
Age	66 Years old
Date of Appointment	3 May 2016
Proportion of Shares Held	None
Family relationship between directors and management - None	
Educational Background	- Master of Business Administration, Thammasat University - Bachelor of Commerce and Accountancy, Chulalongkorn University
Work Experiences	
2016 – Present	Deputy Managing Director – Credit Dep., Eastern Commercial Leasing PLC
2011 – 2014	Assistant Credit Section, Land and House Bank PLC
2007 – 2010	Managing Director, UOB Leasing (a company within the UOB Bank Group)
2003 – 2007	Senior Director, UOB Bank PLC
Position held in Other Listed Entities - None	
Position held in Non-Listed Entities	
2018 – Present	Director, ECL Asset Co.,Ltd.

12. Mrs. Charatsang Yuumpai

Position Title	Member of the Executive Committee, Deputy Managing Director and Chief Financial Officer (CFO)
Age	49 Years old
Date of Appointment	1 June 2016
Proportion of Shares Held	None
Family relationship between directors and management - None	
Educational Background	- Bachelor of Business Administration, Major in Finance and Banking, Ramkamhaeng University
Professional Training	Accounting for the Executive CDP 6111-06-058-046-02 total 7 hours Of the NYC Management Co.,Ltd. Cash Analysis & Cash flow management

CDP 6111-06058-055-01 total 7 hours

Of the NYC Management Co.,Ltd.

Work Experiences

2016 – Present	Deputy Managing Director – Accounting and Finance Dep., Eastern Commercial Leasing PLC
2014 – 2016	Director of Accounting and Finance, Eastern Commercial Leasing PLC
2012 – 2014	Assistant Managing Director – Finance and Accounting, Eastern Commercial Leasing PLC
2009 – 2012	Assistant Managing Director – Risk Analysis, Eastern Commercial Leasing PLC
2003 – 2006	Business Development Manager, Eastern Commercial Leasing PLC

Position held in Other Listed Entities - None

Position held in Non-Listed Entities – None

13. Mr. Tiratee Patiparnwoham

Position Title:	Member of the Executive Committee, Deputy Managing Director
Age	35 Years old
Date of Appointment	1 November 2016
Proportion of Shares Held	None
Family relationship between directors and management – None	
Educational Background	- Bachelor of Law, Ramkamhaeng University

Work Experiences

2020 – Present	Deputy Managing Director – Marketing Dep., Eastern Commercial Leasing PLC
2016 – 2020	Director of Marketing 2, ECL
2015 – 2016	Marketing Manager, ECL
2015 – 2016	Marketing Section Chief, ECL
2010 – 2015	Marketing staff, ECL

Position held in Other Listed Entities - None

Position held in Non-Listed Entities – None

14. Miss Kanchana Soponpongpiat
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Position Title:	Member of the Executive Committee, Director of Accounting and Finance
Age	57 Years old

Date of Appointment	1 November 2016
Proportion of Shares Held	None
Family relationship between directors and management - None	
Educational Background	- Bachelor of Accountancy, Ramkamhaeng University
Work Experiences	
2016 – Present	Director of Accounting and Finance
2016	Assistant Director of Accounting and Finance
2015 – 2016	Assistant Company Secretary
2003 – 2014	Accounting Manager, Eastern Commercial Leasing PLC
1996 – 2002	Assistant Finance Manager, SMT Leasing Co., Ltd.
1990 - 1995	Assistant Controller, Eastern Commercial Leasing Co., Ltd.
Position held in Other Listed Entities - None	
Position held in Non-Listed Entities	
2018 – Present	Director, ECL Asset Co.,Ltd.

15. Mr. Sukkasem Titasaro

Position Title:	Member of the Executive Committee, Director of Collection
Age	61 Years old
Date of Appointment	1 June 2017
Proportion of Shares Held	None
Family relationship between directors and management - None	
Educational Background	- Bachelor of Law, Thammasat University - Bachelor of Education, Chulalongkorn University
Work Experiences	
2017 – Present	Director of Collection
2013 - 2016	Assistant Director of Collection, KTB leasing Co., Ltd.
2005 – 2013	Life insurance Manager, AIA Co., Ltd.
1998 – 2005	Assistant Director of Medical Management, Allianz Co.,Ltd.
1994 - 1998	Collection Manager, Krungthai Thanakit Co.,Ltd.
Position held in Other Listed Entities - None	
Position held in Non-Listed Entities – None	

16. Mr. Surawuth Chantasim (resigned effective from 1 November 2020)

Position Title:	Director of Marketing 1
Age	37 Years old
Date of Appointment	1 November 2016
Proportion of Shares Held	None

Family relationship between directors and management – None

Educational Background - Master of Political Science, Thammasat University
 - Bachelor of Political Science, Thammasat University

Work Experiences

2016 – Present Director of Marketing 1, ECL

2015 – 2016 Marketing Manager, ECL

2015 – 2016 Marketing Section Chief, ECL

2005 – 2015 Marketing staff, ECL

Position held in Other Listed Entities - None

Position held in Non-Listed Entities – None

17. Mrs. Pimolwan Wangsinsuksom (resigned effective from 1 November 2020)

Position Title: Member of the Executive Committee, Director of Central
 Administration

Age 55 Years old

Date of Appointment 1 November 2016

Proportion of Shares Held None

Family relationship between directors and management – None

Educational Background - Vocational Certificate in Accounting, Polytechnic Commerce Bangkok

Work Experiences

2016 – Present Director of Central Administration, ECL

2006 – 2016 Administrative Manager, ECL

2004 – 2014 Assistant Company Secretary, ECL

2002 – 2003 Section Chief, Registration and Insurance, ECL

Position held in Other Listed Entities - None

Position held in Non-Listed Entities – None

18. Mr. Mano Boonyasrisawasdi

Position Title: Member of Executive Committee/ Organizational Development
 Director (appointed per ExCom 1/2561)

Age 43 Years old

Date of Appointment 17 January 2018

Proportion of Shares Held None

Family relationship between directors and management – None

Educational Background - Bachelor degree, Faculty of Business Administration, University of
 Thai Chamber of Commerce

Work Experiences

2019 – Present Director of Insurance, ECL

2018 – 2019	Director of Organizational Development, ECL
2017 - 2018	Secretary to the Managing Director, ECL
2008 – 2010	Assistant Managing Director, Inter Spirits (LAOS) Co., Ltd.
2008 – 2010	Managing Director, 99 APlus Group
2001 – 2007	Assistant Managing Director, United Products Co.,Ltd.
2000 – 2007	Sale Manager, SPM Food and Beverage Co., Ltd.

Position held in Other Listed Entities - None

Position held in Non-Listed Entities

2019 – Present	Director, Mighty Broker Co.,Ltd.
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19. Mr. Teera Chunhacha

Position Title: Member of Executive Committee/ Marketing Director – 3 (Eastern)
(appointed per ExCom 2/2561)

Age 40 Years old

Date of Appointment 1 February 2018

Proportion of Shares Held None

Family relationship between directors and management – None

Educational Background - Bachelor degree, Faculty of Business Administration, Ramkhamhaeng University

Work Experiences

2018 – Present Marketing Director – 3 (Eastern), ECL

2015 - 2018 Marketing Manager, ECL

2005 - 2015 Section Chief, Marketing, ECL

Position held in Other Listed Entities - None

Position held in Non-Listed Entities – None

20. Mr. Toonpitak Vongsan

Position Title: Marketing Director (Bangkok)

Age 47 Years old

Date of Appointment 1 October 2020

Proportion of Shares Held None

Family relationship between directors and management – None

Educational Background - Bachelor degree, Faculty of Public Administration Program, Kamphaengphet Rajabhat University)

Work Experiences

2020 – Present Marketing Director (Bangkok), ECL

2011 - 2020 Marketing Manager, ECL

2007 - 2010 Section Chief, Marketing, ECL

Position held in Other Listed Entities - None

Position held in Non-Listed Entities – None

21. Miss Yuvadee Thongthai

Position Title: Credit Director 2

Age 39 Years old

Date of Appointment 1 September 2018

Proportion of Shares Held	None
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Family relationship between directors and management – None

Educational Background - Master's degree, MBA in Finance and Banking Ramkhamhaeng University

- Bachelor's degree, , MBA in Finance and Banking Ramkhamhaeng University

Work Experiences

2018 – Present Director of Credit, ECL

2012 - 2017	Manager of Credit, ECL
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2003 – 2012 Credit Analysis Officer, ECL

Position held in Other Listed Entities - None

Position held in Non-Listed Entities – None

22. Miss Sunee Kultrawuth

Position Title: Credit Director 1

Age 61 Years old

Date of Appointment 1 October 2018

Proportion of Shares Held	None
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Family relationship between directors and management – None

Educational Background - Master's degree, Faculty of Business Management, Thammasat University

- Bachelor's degree, Faculty of Economics, Thammasat University

Work Experiences

2018 – Present Director of Credit, ECL

1988 - 2018 Senior VP, Channels and Digitalization, UOB Bank PLC

Position held in Other Listed Entities - None

Position held in Non-Listed Entities – None

1.2 Duties and Responsibilities of the Company Secretary

The company appointed Mrs. Duangrat Jaengmongkol, Authorized Director, and member of the Executive Committee, as the Company Secretary.

- Educational background, qualification, and training record presented in Attachment 1, section 1.1 Information on directors, management, and company secretary (item 4)
- Duties and responsibilities of company secretary presented under the management structure, section 6.3 company secretary

1.3 Chief Financial Officer (CFO) position

The company has appointed Mrs. Jaratsaeng Uampai, Deputy Managing Director – Accounting and Finance to perform the duties in charge of accounting and finance function, and responsible for all entity's financial reporting function in accordance with the Securities Exchange Commission requirement effective from 30 November 2018.

- Educational background and training record may be referred to attachment 1, section 1.1 Director, management, individual with control interest information (item 12)
- Duties and responsibilities of the CFO may be referred to in management structure, item 6.3.1, CFO

2. Information on directors, management position holding in related entities of the company

Directors and Management	Eastern Commercial Leasing PLC	Thai Preda Industry Co., Ltd.	Eastern Estate Co., Ltd.	Prapakorn Business Co., Ltd.	Prasartporn Junior Co., Ltd.	Thai Preda Trading Co., Ltd.	Hitechland Chonburi 2002 Co., Ltd.	ECL Asset Co., Ltd.	Mighty Broker Co., Ltd.
1. Mr. Preecha Veerapong	X, /	X	/	/	/		/		
2. Mr. Danucha Veerapong	/, ///						/	X	
3. Mr. Prapakorn Veerapong	/, ///	/	/	/	/	X	/		X
4. Mrs. Duangrat Jaengmongkol	/, ///, /X								/
5. Mr. Yohichi Shibata *	/								
6. Mr. Masayuki Nozawa **	/, ///								
7. Mr. Sorapas Suttienkul	/, //, /X								
8. Mrs. Prapasri Permsub	/, XX, //X								
9. Mr. Thailuck Leetavorn	/, //								
10. Mr. Wichai Maithong	/								
11. Mrs. Walaiporn Panyatanya	///							/	

*Mr. Yohichi Shibata resigned effective from 15 May 2020

**Mr. Masayuki Nozawa was appointed effective from 15 May 2020

Note: X Chairman / Director XX Audit Committee Chairman // Audit Committee Member /// Management

/X Nomination and Remuneration Chairman //X Nomination and Remuneration Committee

2. Information on directors, management position holding in related entities of the company

Directors and Management	Eastern Commercial Leasing PLC	Thai Preda Industry Co., Ltd.	Eastern Estate Co., Ltd.	Prapakorn Business Co., Ltd.	Prasartporn Junior Co., Ltd	Thai Preda Trading Co., Ltd.	Hitechland Chonburi 2002 Co., Ltd.	ECL Asset Co., Ltd.	Mighty Broker Co., Ltd.
12. Mrs. Charatsang Yuampai	///								
13. Miss Kanchana Sophonpongpiat	///							/	
14. Mr. Sukkasem Titasaro	///								
15. Mr. Surawut Jantasim *	///								
16. Mr. Tiratee Patiparnvoharn	///								
17. Mrs. Pimolpan Wangsinsuksom *	///								
18. Mr. Mano Boonyasrisawat	///								/
19. Mr. Teera Chunchacha	///								/
20 Mr. Toonpitak Wongsan	///								
21. . Miss Yuwadee Thongthai	///								
22. Miss Sunee Kultrawut	///								

* Mr. Surawut Jantasim and Mrs. Pimolpan Wangsinsuksom resigned effective from 1 November 2020

** Mr. Toonpitak Wongsan was appointed in the position of Marketing Director (Bangkok) effective from 1 October 2020

Note: X Chairman / Director XX Audit Committee Chairman // Audit Committee Member /// Management

/X Nomination and Remuneration Chairman

//X Nomination and Remuneration Committee

3. Details on Head of Internal Audit and Head of Operational Oversight /Compliance

1. Where internal audit function is under outsourcing arrangement

Name of Audit Firm: Improvis Co., Ltd.

Address: 88/199 Mue Ban Dusit Grand Park, Soi 12
Liab Klong Song Road, Bang Chan Sub-District,
Sam Wah District, Bangkok

Telephone: 0-2548-0153, 081-301-6799

Facimile

E-mail: Chalal.Improvis@gmail.com

2. Individual assigned by Improvis Co., Lt. to perform the duty of head of internal audit

Name: Mr. Chalal Lokittajariya

Position title in Improvis Co., Ltd.: Director

Educational background

- Master of Applied Management – Management Technology, National Institute of Development Administration
- Bachelor of Commerce and Accountancy, Chulalongkorn University

Professional certification

- Certified in Risk and Information Systems Control (CRISC):
ISACA Certificate number 1002894
- Certified in IRCA:ISMS (ISO 27001:2013 Lead Auditor)and Certificate
number ENR -00311677

Certificate

- BOT Compliance Officer – Association of Thai Commercial Banks

Work experiences

- Year 2014 – present: Improvis Co., Ltd.
- Year 2012 – 2014: Thanaban Co., Ltd.
- Year 2005 – 2012: Thai Retail Credit Bank PLC
- Year 2003 – 2005: Thanachart PLC
- Year 1996 – 2003: SCB Asset Management Co., Ltd.
- Year 1993 – 1996: Laemthong Bank PLC (UOB PLC presently)
- Year 1985 – 1993 SCB PLC

3. Duties and responsibilities of the head of internal audit

To perform compliance audit on various departments' operations within the Company to be in accordance with rules, relevant regulations, compile, analyze information, and to provide advisory to various departments on such matters related to rules, regulations, and announcements, contact and

coordinate with company secretary, secretary of the Audit Committee, and sub-committee on operational oversight by:

- 3.1 Prepare annual audit plan to be presented to the Audit Committee
- 3.2 Perform audit activities for various departments per established audit plan regarding compliance with established procedures
- 3.3 Review operations of various departments, assess internal control, and risk management including provide process improvement/modification recommendation appropriately, and efficiently
- 3.4 Provide advisory regarding authority, and company's rules, regulation to various departments, and company's various sub-committees.
- 3.5 Contact, coordinate with company secretary for interview appointment with various departments, and submit reports to the Audit Committee

Individual assigned by the Company to be Head of Compliance

The Company has formed a sub-committee of Compliance comprising the working committee (as per item 7.7.5. The functioning of the Board and Sub-Committees (4), Board meeting, 6) the Sub-Committee of Compliance page 88). The Company consequently assigns the position of Chairperson of the sub-committee for operational oversight representing the functioning and coordination with personnel assigned by Improvis Co., Ltd. who shall perform the duties of head of internal audit function with below details:

Head of Compliance

Name: Mr. Sukasem Titasaro

Positions in ECL: Member of the Executive Committee, Director of Collection
Department, Chairperson of the Sub-Committee of Compliance

Educational Background:

- Bachelor of Law, Thammasat University
- Bachelor of Education, Chulalongkorn University

Certificate:

2018 Safety officer at the executive level program, Safety and Health at work promotion association (Thailand) under patronage

2020 guidelines in the fight against fraud and corruption practices and regarding legislatures comprising prevention and suppression of money laundering act, prevention and suppression of funding support for terrorist act for entrepreneurs or car leasing and leasing businesses, Thai High Purchase Association

Work Experiences

2017 – Present	Director of Collection
2013 - 2016	Assistant Director of Collection, KTB leasing Co., Ltd.
2005 – 2013	Life insurance Manager, AIA Co., Ltd.
1998 – 2005	Assistant Director of Medical Management, Allianz Co, Ltd.
1994 - 1998	Collection Manager, Krungthai Thanakit Co., Ltd.

Duties and responsibilities of Head of Compliance

1 . Understand, compile, various laws, and rules and regulations relevant to the company's business engagement as promulgated by authority and/or company's supervisory organization, to be constantly up to date for example laws and/or regulations issued by the National Credit Bureau, Anti-Money Laundering Office, the Revenue Department, Transport Department, Office of the Consumer Protection Board, debt collection act, and accounting act for example.

2. Prepare manual, rules and regulations of each section of the company to correspond with and compliance with laws and regulations

3. Enquire, compile information regarding problem relating to company's operations from various operating units from relevant individuals inside and outside of the company, for the purpose of improvement development, corrective action on interrupting work process, to achieve success and beneficial to the company, with the policy to enable the company to operate efficiently and in compliance with the laws.

4 . Support education, knowledge and understanding of operational compliance at all levels namely the Board and executive, head and employees at all levels.

5. Arrange for responsibility and task assignment to entity's personnel throughout and complete for the tasked individuals to self-supervised and perform in accordance with manual, rules and regulations

6. Distribute written operating manual, with acknowledgement of receipt and strict compliance.

7 . Perform the duties of audit, follow-up on progress, and assessment regarding supervisory efficiency in various processes, and recurring error, discrepancy, and data loss.

8 . Assess, analyze, and decide in intervention, suspension of activities, risk activities as necessary by reporting to the executive committee for further consideration

9. Consider employee training for relevant courses to be provided by external entity appropriately and timely.

10. Report progress of sub-committee on operational oversight and / or approval request from the executive committee

11. Provide advisory regarding existing rules or laws to be beneficial to the investment planning, new line of business expansion, and increasing new products for example.

4. Details about Asset Appraisal Transaction

For the year 2020, there has been no transaction requiring asset appraisal.

13.1 REPORT ON THE BOARD OF DIRECTORS' RESPONSIBILITIES ON FINANCIAL REPORTING

The Board of Directors is responsible for the preparation of the Company's financial reports - alone financial reports, and consolidated financial reports for the Company and its subsidiaries including financial information presented in the annual report. Such financial reports for fiscal year ended on 31 December 2020 has been prepared in accordance with the Thai Financial Reporting Standard 9 effective from 1 January 2020, and with the adoption of accounting practice guideline concerning temporary relaxation measure as supplementary accounting option in support of the impact from the Corona Virus 2019 Pandemic as announced by the Federation of Accounting Professions. The judgmental practice must be applied with due care, and best estimation including adequate essential information disclosure within the notes to financial reports covering important matters in accordance with best practices for directors of listed companies as required by the Securities Exchange of Thailand, to enable reflection of an accurate and transparent financial position, and operating results.

Eastern Commercial Leasing PLC discloses its financial report information on a quarterly and annually basis. The Audit Committee has reviewed interim financial reports and annual financial reports of the company together with the auditor and management of the company by enquiring and listening to explanation including advice and opinion on the various issues relevant to financial reporting of the company prior to submission to the Board of Directors for approval consideration for disclosure submission to the Securities Exchange of Thailand, and the Securities and Securities Exchange Commission (SEC). It is with confidence that the company has been audited of the operations, utilization of resources, safeguarding of assets, prevention and mitigation of error, damage, loss of resources or fraud and corruption, the compliance with laws, rules and regulations in which the auditor from DIA International Audit Co., Ltd. has expressed its opinion correspondingly that it has found no problematic issue or material weaknesses.

The Board of Directors has arranged for and maintained the system of risk management, system of internal control, and internal audit, and good, appropriate, and effective supervision in prevention of fraud or material impropriety. The Board of Directors, and the Audit Committee have performed their duties appropriately with responsibilities, and in accordance with charters, principle of the securities exchange, and other relevant laws, with due care, knowledges and competence. The Audit Committee has adequate independence for the benefit of stakeholders equally.

The Board of Directors were of the opinion that the system of internal control of the company has been adequate, appropriate, and able to establish reasonable confidence that the Company's financial reports – alone, and consolidated for the Company and its subsidiaries for fiscal year ended on 31 December 2020, were accurate, complete, and in accordance with generally accepted accounting principles, including compliance with laws, and regulations of relevant authorities.

For The Board of Directors



(Mr.Preecha Veerapong)

The Chairman of The Board of Directors

13.2 REPORT OF THE INDEPENDENT AUDITOR

To The Shareholders of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated and separate financial statements of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES (“the Group”) and of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED (“the Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2020, and the consolidated and separate statement of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED as at December 31, 2020, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants 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.

Emphasis of matters

I draw attention to Note 1.5 and 3 to the financial statements. Due to the impact of the COVID-19 pandemic, in preparing the financial statements for the year ended December 31, 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy issued by the Federation of Accounting Professions. My opinion is not modified in respect of this matter.

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. These matters were

addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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

Allowance for expected credit losses of hire purchase receivables (consolidated and separate financial statements)

As described in Note 7 to the consolidated financial statements, as at December 31, 2020, the Group had total hire purchase receivables of Baht 5,315.64 million representing 89.10% and 89.51% of total assets respectively, and allowance for expected credit losses of Baht 370.85 million, which are material to the financial statements.

In 2020, the Group has adopted Thai Financial Reporting Standard No. 9 Financial Instruments, which became effective on January 1, 2020. This stipulates a basis for calculating impairment of financial instruments using the expected credit losses method. This basis requires development of a complex calculation model, which involves significant use of management judgement and estimates in order to be compliant with the Thai Financial Reporting Standard. The areas of significant management judgement include the identification of criteria for assessing that there has been a significant increase in credit risk since initial recognition, the selection of future economic variables to be incorporated in the model and use of an overlay adjustment on the allowance for expected credit losses due to limitations of the model. Because of the materiality and the extent of the judgement and estimates mentioned above, I, therefore, focus on auditing the allowance for expected credit losses of hire purchase receivables by.

- Obtain an understanding and evaluate the reasonableness model of expected credit losses by reviewing supporting document of model development documentation and sampling test the accuracy and completeness of the data used for developing the model.
- Evaluate calculation methods and assumptions used to determine the allowance for expected credit losses, as well as the appropriateness of management's discretion in an overlay adjustment.
- Assess and test information systems and internal controls concerning the estimation of the expected credit loss allowance.
- Test calculation of expected credit losses by checking the completeness of the data used in the calculation and classification of receivables.
- Consider disclosure of information relating to the allowance for expected credit losses of receivables in accordance with the lease agreement.

Recognition of revenues from hire purchase interest (consolidated and separate financial statements)

The Group has policy for recognition of revenues from hire purchase interest as stated in notes 5.1.1 to financial statements (in 2020, has revenues from hire purchase interest on the consolidated and separate

financial statements amount of Baht 692.13 million or equal to 77.70% and equal to 77.75% of total revenues respectively). The amounts of revenues from hire purchase interest is material and arose from a lot of minor receivable under hire purchase agreement and long-time installment. Recognition of hire purchase interest is used information technology in processing. Accordingly, I have addressed such recognition of revenues from hire purchase interest as key audit matter.

I have obtained an assurance in respect of recognition of revenues from hire purchase interest, by included;

- Obtained an understanding and assessed the design of the Group's internal control system relating to credit providing for hire purchase agreement entering, receipt, revenues recognition, ceased recognition and tested the general internal control system of information technology.
- Sample tested the hire purchase agreement for checking the record of hire purchase receivable transaction and recognition of revenues from hire purchase interest and ceased recognition that are conformity with the condition as stipulated in agreement and corresponded with the Company's revenues recognition policy.
- Checked the reconciliation of recognition of revenues from hire purchase interest in accordance with report of recognition of deferred revenues in each month with general ledger.

Other Information

Management is responsible for the other information. The other information comprises information 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 do not and 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement appropriately.

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

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

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

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

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

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

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

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

auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

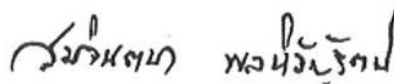
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current 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.

D I A International Audit Co., Ltd.



(Miss Somjintana Pholhirunrat)

C.P.A. Thailand

Registration No. 5599

February 25, 2021

13.3 FINANCIAL STATEMENT FOR THE YEAR 2020 IN COMPARISON WITH THAT OF 2019

STATEMENTS OF FINANCIAL POSITION

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2020

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Assets	Note	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Current assets					
Cash and cash equivalents	6	54,488,493.19	17,858,752.03	50,717,065.98	16,367,132.03
Hire purchase receivables due within 1 year	7	1,877,883,330.50	2,034,113,564.74	1,877,883,330.50	2,034,113,564.74
Loans and sale with right of redemption agreement receiva	9	0.00	24,177,148.80	0.00	24,177,148.80
Other current receivables	10	19,730,348.48	29,350,949.28	19,218,333.67	29,350,949.28
Short-term loans for joint venture	11	221,500,000.00	169,500,000.00	221,500,000.00	169,500,000.00
Properties foreclosed	12	67,964,867.67	43,389,931.50	67,964,867.67	43,389,931.50
Total current assets		2,241,567,039.84	2,318,390,346.35	2,237,283,597.82	2,316,898,726.35
Non-current assets					
Hire purchase receivables due over 1 year	7	3,437,759,857.15	4,866,668,072.53	3,437,759,857.15	4,866,668,072.53
Investments in subsidiaries	14	0.00	0.00	5,000,000.00	2,500,000.00
Investment in joint venture	15	63,435,389.35	53,065,664.76	36,000,000.00	36,000,000.00
Other non-current financial asset	13	2,022,840.45	2,694,292.72	2,022,840.45	2,694,292.72
Other non-current receivables	16	3,401,541.41	28,788.00	3,401,541.41	28,788.00
Long-term loans for joint venture	11	30,000,000.00	62,000,000.00	30,000,000.00	62,000,000.00
Property, plant and equipment	17	42,689,144.48	54,343,404.50	42,561,798.06	54,343,404.50
Right-of-use assets	18	27,728,728.03	0.00	27,728,728.03	0.00
Intangible assets	19	5,928,624.59	5,966,146.24	5,852,332.00	5,966,146.24
Deferred tax assets	35.3	108,358,862.36	52,721,038.59	109,074,597.91	53,436,774.14
Pledged deposit at financial institution	20	1,082,948.99	1,066,000.00	76,000.00	66,000.00
Other non-current assets		2,275,792.14	2,157,449.00	1,910,792.14	2,157,449.00
Total non-current assets		3,724,683,728.95	5,100,710,856.34	3,701,388,487.15	5,085,860,927.13
Total assets		5,966,250,768.79	7,419,101,202.69	5,938,672,084.97	7,402,759,653.48

Notes to financial statements are parts of these financial statements.

STATEMENTS OF FINANCIAL POSITION (Cont'd)

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2020

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Liabilities and shareholders' equity	Note	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Current liabilities					
Bank overdrafts and short-term loans from financial institu	21	320,260,469.94	396,097,052.24	320,260,469.94	396,097,052.24
Trade and other current payables	22	43,801,236.98	66,915,446.06	42,908,050.64	66,890,446.06
Current portion of long-term loans	24	1,777,658,645.18	1,678,882,811.93	1,777,658,645.18	1,678,882,811.93
Short-term loans from related persons	23.3	183,773,223.24	217,982,231.70	183,773,223.24	217,982,231.70
Current portion of lease liabilities	25	8,197,590.97	0.00	8,197,590.97	0.00
Current portion of Debentures	26	0.00	599,423,566.43	0.00	599,423,566.43
Accrued income tax		2,246,701.07	16,093,361.03	2,258,405.46	16,100,037.03
Total current liabilities		2,335,937,867.38	2,975,394,469.39	2,335,056,385.43	2,975,376,145.39
Non-current liabilities					
Long-term loans from financial institutions	24	1,810,869,667.49	2,505,323,981.82	1,810,869,667.49	2,505,323,981.82
Lease Liabilities	25	20,181,809.27	0.00	20,181,809.27	0.00
Debentures	26	0.00	0.00	0.00	0.00
Non-current provisions for employee benefit	27	31,126,259.71	30,371,754.00	31,126,259.71	30,371,754.00
Deferred tax liabilities	35.3	18,508,223.63	22,696,620.34	18,508,223.63	22,696,620.34
Total non-current liabilities		1,880,685,960.10	2,558,392,356.16	1,880,685,960.10	2,558,392,356.16
Total liabilities		4,216,623,827.48	5,533,786,825.55	4,215,742,345.53	5,533,768,501.55

Notes to financial statements are parts of these financial statements.

STATEMENTS OF FINANCIAL POSITION (Cont'd)

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2020

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Note	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital					
Authorized share capital					
1,663,285,866 common shares of Baht 1.00 each		1,663,285,866.00	1,663,285,866.00	1,663,285,866.00	1,663,285,866.00
Issued and paid - up share capital					
1,108,857,244 common shares of Baht 1.00 each		1,108,857,244.00	1,108,857,244.00	1,108,857,244.00	1,108,857,244.00
Paid-in capital					
Premium on common share		279,957,364.10	279,957,364.10	279,957,364.10	279,957,364.10
Reserve for Equity-Settled Share-Based Payment		42,752,220.00	42,752,220.00	42,752,220.00	42,752,220.00
Retained earnings					
Appropriated - Legal reserve	29	45,295,869.00	42,730,600.41	45,295,869.00	42,730,600.41
Unappropriated	4	272,764,244.21	411,016,948.63	246,067,042.34	394,693,723.42
Total shareholders' equity		1,749,626,941.31	1,885,314,377.14	1,722,929,739.44	1,868,991,151.93
Total liabilities and shareholders' equity		5,966,250,768.79	7,419,101,202.69	5,938,672,084.97	7,402,759,653.48

Notes to financial statements are parts of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2020

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Revenues					
Realized selling interest under hire purchase agreement		692,134,927.54	674,329,874.42	692,134,927.54	674,329,874.42
Interest income under sale with right of redemption agreeen		1,430,464.00	3,035,818.00	1,430,464.00	3,035,818.00
Interest income		16,630,282.28	13,464,990.94	16,630,282.28	13,464,990.94
Other income					
Fee and services income		117,693,591.38	165,127,730.91	117,075,807.30	165,127,730.91
Recovered bad debts		17,891,493.22	10,116,784.94	17,891,493.22	10,116,784.94
Gain on sales of investment in joint venture		0.00	2,187,595.94	0.00	0.00
Others		45,043,948.33	46,586,826.23	45,035,142.69	46,586,826.23
Total revenues		890,824,706.75	914,849,621.38	890,198,117.03	912,662,025.44
Expenses					
Finance costs		(216,358,910.96)	(228,320,320.66)	(216,358,910.96)	(228,320,320.66)
Administrative expenses		(449,217,264.08)	(392,356,681.13)	(448,598,094.46)	(395,901,978.90)
Expected credit losses		(158,919,354.48)	0.00	(158,919,354.48)	0.00
Bad debt and doubtful accounts		0.00	(141,538,033.28)	0.00	(141,538,033.28)
Loss on sales of investment in joint venture		0.00	0.00	0.00	(7,247,100.00)
Total expenses		(824,495,529.52)	(762,215,035.07)	(823,876,359.90)	(773,007,432.84)
Profit before share of gain (loss) on investments in joint venture		66,329,177.23	152,634,586.31	66,321,757.13	139,654,592.60
Share of gain (loss) on investment in joint venture by equity met		10,369,724.59	7,496,425.84	0.00	0.00
Profit before income tax		76,698,901.82	160,131,012.15	66,321,757.13	139,654,592.60
Tax expenses	35.1	(15,019,553.36)	(30,041,870.17)	(15,016,385.33)	(29,332,810.62)
Profit for the year		61,679,348.46	130,089,141.98	51,305,371.80	110,321,781.98
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain (loss) on defined employee benefit plan		0.00	(2,960,617.00)	0.00	(2,960,617.00)
Less : Taxable effects		0.00	592,123.40	0.00	592,123.40
Other comprehensive income for the year		0.00	(2,368,493.60)	0.00	(2,368,493.60)
Total comprehensive income for the year		61,679,348.46	127,720,648.38	51,305,371.80	107,953,288.38
Earnings per share					
Basis earnings per share	36	0.0556	0.1173	0.0463	0.0995

Notes to financial statements are parts of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2020

Unit : Baht

Note	Consolidated financial statements					
	Issued and	Premium on	Reserve for Equity-	Retained earnings (Deficit)		Total
	paid-up	share capital	Settled Share-Based	Appropriated	Unappropriated	shareholders' equity
	share capital		Payment			
Balance as at January 1, 2019	1,108,857,244.00	279,957,364.10	42,752,220.00	37,214,511.31	288,812,389.35	1,757,593,728.76
Appropriated for legal reserve	0.00	0.00	0.00	5,516,089.10	(5,516,089.10)	0.00
Total comprehensive income for the year	0.00	0.00	0.00	0.00	130,089,141.98	130,089,141.98
Re-measuring for post-employment benefit obligations	0.00	0.00	0.00	0.00	(2,368,493.60)	(2,368,493.60)
Balance as at December 31, 2019	<u>1,108,857,244.00</u>	<u>279,957,364.10</u>	<u>42,752,220.00</u>	<u>42,730,600.41</u>	<u>411,016,948.63</u>	<u>1,885,314,377.14</u>
Balance as at January 1, 2020	1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	411,016,948.63	1,885,314,377.14
Cumulative effect of change in accounting policy	4	0.00	0.00	0.00	(197,366,784.29)	(197,366,784.29)
Balance as at January 1, 2020 - as restated	1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	213,650,164.34	1,687,947,592.85
Appropriated for legal reserve	0.00	0.00	0.00	2,565,268.59	(2,565,268.59)	0.00
Total comprehensive income for the year	0.00	0.00	0.00	0.00	61,679,348.46	61,679,348.46
Balance as at December 31, 2020	<u>1,108,857,244.00</u>	<u>279,957,364.10</u>	<u>42,752,220.00</u>	<u>45,295,869.00</u>	<u>272,764,244.21</u>	<u>1,749,626,941.31</u>

Notes to financial statements are parts of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Cont'd)
EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2020

Unit : Baht

	Note	Separate financial statements					
		Issued and paid-up share capital	Premium on share capital	Reserve for Equity- Settled Share-Based Payment	Retained earnings (Deficit)		Total shareholders' equity
					Appropriated	Unappropriated	
Balance as at January 1, 2019		1,108,857,244.00	279,957,364.10	42,752,220.00	37,214,511.31	292,256,524.14	1,761,037,863.55
Appropriated for legal reserve		0.00	0.00	0.00	5,516,089.10	(5,516,089.10)	0.00
Total comprehensive income for the year		0.00	0.00	0.00	0.00	110,321,781.98	110,321,781.98
Re-measuring for post-employment benefit obligations		0.00	0.00	0.00	0.00	(2,368,493.60)	(2,368,493.60)
Balance as at December 31, 2019		<u>1,108,857,244.00</u>	<u>279,957,364.10</u>	<u>42,752,220.00</u>	<u>42,730,600.41</u>	<u>394,693,723.42</u>	<u>1,868,991,151.93</u>
Balance as at January 1, 2020		1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	394,693,723.42	1,868,991,151.93
Cumulative effect of change in accounting policy	4	0.00	0.00	0.00	0.00	(197,366,784.29)	(197,366,784.29)
Balance as at January 1, 2020 - as restated		1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	197,326,939.13	1,671,624,367.64
Appropriated for legal reserve		0.00	0.00	0.00	2,565,268.59	(2,565,268.59)	0.00
Total comprehensive income for the year		0.00	0.00	0.00	0.00	51,305,371.80	51,305,371.80
Balance as at December 31, 2020		<u>1,108,857,244.00</u>	<u>279,957,364.10</u>	<u>42,752,220.00</u>	<u>45,295,869.00</u>	<u>246,067,042.34</u>	<u>1,722,929,739.44</u>

Notes to financial statements are parts of these financial statements.

STATEMENTS OF CASH FLOWS
EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2020

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit for the period	61,679,348.46	130,089,141.98	51,305,371.80	110,321,781.98
Adjustments to net profit to cash receipt (disbursement)				
Tax expenses	15,019,553.36	30,041,870.17	15,016,385.33	29,332,810.62
Depreciation and amortized expenses	22,614,560.46	13,000,484.04	22,604,079.47	13,000,484.04
Amortized expenses	67,192,303.32	60,418,799.37	67,192,303.32	60,418,799.37
Expected credit losses	158,919,354.48	0.00	158,919,354.48	0.00
Bad debt and doubtful accounts	0.00	141,538,033.28	0.00	141,538,033.28
Difference from decrease rentals	4,626.87	0.00	4,626.87	0.00
Share of (gain) loss on investment in joint venture by equity meth	(10,369,724.59)	(7,496,425.84)	0.00	0.00
(Gain) Loss on sales of property, plant and equipment	(91,067.55)	493,633.26	(91,067.55)	493,633.26
(Gain) Loss on disposal of property, plant and equipment	200,507.06	0.00	200,507.06	0.00
(Gain) Loss on impairment of properties foreclosed	14,178,437.69	14,663,150.14	14,178,437.69	14,663,150.14
Amortization loans issuing costs	8,335,838.40	10,236,012.30	8,335,838.40	10,236,012.30
Amortized portion of deferred transaction costs	576,433.57	2,231,876.66	576,433.57	2,231,876.66
(Gain) Loss on sales of investment in joint venture	0.00	(2,187,595.94)	0.00	7,247,100.00
(Gain) Loss on impairment of Other non-current financial asset	671,452.27	1,188,329.51	671,452.27	4,767,007.28
Employee benefit provisions	2,843,985.52	8,424,143.96	2,843,985.52	8,424,143.96
Finance costs	207,254,468.30	217,282,833.93	207,254,468.30	217,282,833.93
Profit (Loss) from operation before changes in current investment	549,030,077.62	619,924,286.82	549,012,176.53	619,957,666.82
(Increase) Decrease in hire purchase receivables	1,209,157,734.17	(1,034,701,357.78)	1,209,157,734.17	(1,034,701,357.78)
(Increase) Decrease in loans and sale with right of redemption receivables	24,225,600.00	445,090.00	24,225,600.00	445,090.00
(Increase) Decrease in other current receivables	8,541,483.74	2,960,605.01	9,053,498.55	2,960,605.01
(Increase) Decrease in properties foreclosed	(38,753,373.86)	(26,782,876.70)	(38,753,373.86)	(26,782,876.70)
(Increase) Decrease in other non-current receivables	(99,181,510.27)	(109,409,821.61)	(99,181,510.27)	(109,409,821.61)
Pledged deposit at financial institution	(16,948.99)	(1,000,000.00)	(10,000.00)	0.00
Other non-current assets	(118,343.14)	(79,658.00)	246,656.86	(79,658.00)
Increase (Decrease) in trade and other current payables	(15,498,393.25)	(10,958,166.11)	(16,366,579.59)	(10,983,166.11)
Increase (Decrease) in employee benefits	(2,089,479.81)	0.00	(2,089,479.81)	0.00
Cash generated (paid) from operation	1,635,296,846.21	(559,601,898.37)	1,635,294,722.58	(558,593,518.37)
Interest paid	(212,593,883.76)	(217,835,890.02)	(212,593,883.76)	(217,835,890.02)
Corporate income tax paid	(39,350,737.72)	(49,070,376.49)	(39,342,541.30)	(49,070,376.49)
Net cash provided by (used in) operating activities	1,383,352,224.73	(826,508,164.88)	1,383,358,297.52	(825,499,784.88)

Notes to financial statements are parts of these financial statements.

STATEMENTS OF CASH FLOWS (Cont'd)
EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2020

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Payments for loans to joint venture	(20,000,000.00)	(31,500,000.00)	(20,000,000.00)	(31,500,000.00)
Payments for acquire of investment in joint venture	0.00	(12,000,000.00)	0.00	(12,000,000.00)
Proceeds from sales of investment in joint venture	0.00	7,542,900.00	0.00	7,542,900.00
Payments for acquire of investments in subsidiaries	0.00	0.00	(2,500,000.00)	(2,500,000.00)
Payments for acquire of other long-term investments	0.00	(1,851,300.00)	0.00	(1,851,300.00)
Payments for acquire of intangible assets	(79,870.00)	(5,167,680.00)	0.00	(5,167,680.00)
Proceeds from sales of property, plant and equipment	2,102,130.86	5,211,105.05	2,102,130.86	5,211,105.05
Payment for acquire of property, plant and equipment	(3,879,495.62)	(29,107,228.45)	(3,745,245.62)	(29,107,228.45)
Net cash provided by (used in) investing activities	(21,857,234.76)	(66,872,203.40)	(24,143,114.76)	(69,372,203.40)
Cash flows from financing activities - increase (decrease)				
Increase (Decrease) in bank overdrafts	(35,597,582.30)	7,591,237.00	(35,597,582.30)	7,591,237.00
Proceeds from short-term loans from financial institutions	1,940,000,000.00	1,402,714,000.00	1,940,000,000.00	1,402,714,000.00
Payment for short-term loans from financial institutions	(1,980,239,000.00)	(1,316,062,000.00)	(1,980,239,000.00)	(1,316,062,000.00)
Proceeds from short-term loans from related persons	310,000,000.00	220,000,000.00	310,000,000.00	220,000,000.00
Payment for short-term loans from related persons	(345,000,000.00)	(175,000,000.00)	(345,000,000.00)	(175,000,000.00)
Proceeds from long-term loans from financial institutions	1,295,700,000.00	2,231,877,962.47	1,295,700,000.00	2,231,877,962.47
Payment for long-term loans from financial institutions	(1,899,714,319.48)	(1,486,595,490.84)	(1,899,714,319.48)	(1,486,595,490.84)
Payments for acquire lease liabilities	(10,014,347.03)	0.00	(10,014,347.03)	0.00
Payments for acquire of debentures	(600,000,000.00)	0.00	(600,000,000.00)	0.00
Net cash provided by (used in) financial activities	(1,324,865,248.81)	884,525,708.63	(1,324,865,248.81)	884,525,708.63
Net increase (decrease) in cash and cash equivalents	36,629,741.16	(8,854,659.65)	34,349,933.95	(10,346,279.65)
Cash and cash equivalents, as at January 1	17,858,752.03	26,713,411.68	16,367,132.03	26,713,411.68
Cash and cash equivalents, as at December 31	54,488,493.19	17,858,752.03	50,717,065.98	16,367,132.03

Notes to financial statements are parts of these financial statements.

13.4 NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION

1.1. EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED ("The Company") was incorporated as a public limited company in Thailand on September 15, 2003, and as a listed company in the Stock Exchange of Thailand on March 22, 2004.

1.2. Head office is located at 976/1, Soi Rama 9 Hospital, Rim Klong Samsean Road, Bangkapi, Huaykwang, Bangkok.

1.3. The Company has 5 branches

1. Branch is located at 728/10, Sukhumvit Road, Bang-plasroy, Mueng, Chonburi.
2. Branch is located at 307, Ta-Chalab Road, Talad, Mueng, Chanthaburi.
3. Branch is located at 624/4, Kanchanaphisek Road, Bang Phai, Bang Khae, Bangkok.
4. Branch is located at 131/36, Moo.9, Nong Prue, Bang Lamung, Chonburi.
5. Branch is located at 89 AIA Capital Center Tower, 12A floor, Room No.12A05, Ratchadapisek Road, Din Daeng, Din Daeng, Bangkok.

The Company has cancelled Srinakarin branch with the Ministry of Commerce on January 10, 2020.

The Company has cancelled Rayong branch with the Ministry of Commerce on July 9, 2020.

The Company has cancelled Ratchada – Ramindra branch with the Ministry of Commerce on July 9, 2020.

The Company has cancelled Sriracha branch with the Ministry of Commerce on July 9, 2020.

1.4. The Company engaged in business of credit services to personal and juristic person in the form of hire purchase, loans and sale with right of redemption agreement.

1.5. Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. PREPARATION OF FINANCIAL STATEMENTS BASIS

2.1. Financial statements preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in

compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

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

2.2. Preparation of consolidated financial statements basis

2.2.1 Investments in subsidiaries

- On November 20, 2019, the Company entered into Mighty Broker Co., Ltd. in order to engage in business of insurance broker, which held at 100%.
- The consolidated financial statements incorporate the financial statements of Eastern Commercial Leasing Public Company Limited and its subsidiaries, control is achieved where the Company has the power to govern the financial and operating policies until the control is ceased as follows:

		Shareholding percentage (%)		
	<u>Established in</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>Type of business</u>
Subsidiaries				
Mighty Broker Co., Ltd.	Thailand	100.00	100.00	Insurance broker
(Registration on November 20, 2019)				

- The consolidated financial statements have been prepared in conformity with the same accounting policy for the same accounts and accounting events of the Company and subsidiaries.
- The balance of accounts and transactions between the Company and its subsidiaries, unrealized gain between of the Company and net assets of subsidiaries have been eliminated from the consolidated financial statements.
- The separate financial statements present investments in subsidiaries under the cost method.

2. PREPARATION OF FINANCIAL STATEMENTS BASIS (CONT'D)

2.2.2 Investment in joint venture

- Investment in joint venture is accounted for in the consolidated financial statements under the equity method.
- Investment in joint venture is accounted for in the separate financial statements under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. However, the new standard involves changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows.

Financial Reporting Standards

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting Standard

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

3. New financial reporting standards (CONT'D)

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Group's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Classification and measurement of investments in unquoted equity instruments - The Group measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value comprehensive income.
- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group recognises allowance for expected credit losses on hire purchase receivables, financial lease receivables and loan receivables using a general approach, with the allowance equal to the expected credit losses in the next 12 months, except in cases where credit risk has increased significantly since the initial recognition date and cases where the financial assets are impaired, when the allowance equal to the expected credit losses over the lifetime of the financial assets. The Group applies a simplified approach to determine the lifetime expected credit losses of loans receivable.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change in accounting policy is described in Note 4 to financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings or other components of owners' equity as at January 1, 2020, and the comparative information was not restated.

The cumulative effect of the change in accounting policy is described in Note 4 to financial statements.

3. New financial reporting standards (CONT'D)

b) Accounting Guidances

Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy

The Federation of Accounting Professions announced the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the Bank of Thailand No. BOT.RPD. (23) C.276/2563 “Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy” and the circular of the Bank of Thailand No. BOT.RPD. (01) C.380/2563 “Measures to provide additional assistance to debtors during the COVID-19 situation” or any other measures announced by the Bank of Thailand. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations, personal loan businesses under the supervision of the Bank of Thailand and certain entities not under the supervision of the Bank of Thailand, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses. Entities providing assistance to debtors in accordance with the Bank of Thailand’s measures and electing to apply this Accounting Guidance have to apply all temporary relief measures in this guidance.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for entities providing assistance to debtors impacted by situations that affect the Thai economy during the period from 1 January 2020 to 31 December 2021 or until the Bank of Thailand makes changes, with which the entities are to comply. The guidance applies to large debtors, small and medium debtors and retail debtors who have the ability to run a business or to pay debts in the future and who have been impacted directly or indirectly by such situations, considering the following guidelines.

- Debtors who were not yet non-performing (Stage 1 or Stage 2) on or after 1 January 2020
- Debtors who became non-performing (Stage 3) on or after 1 January 2019, unless the entity is able to prove that the debtors becoming non-performing before 1 January 2019 are non-performing loans affected by the economic conditions

3. New financial reporting standards (CONT'D)

In addition, as at 19 June 2020 the BOT issued the circular of the BOT No.BOT.RPD.(01)C.648/2563 "Measures to provide additional assistance to small-sized debtors during the COVID-19 situation".

Since the Group is an entity providing assistance to affected debtors in accordance with the Bank of Thailand's guidelines, it applies these procedures.

- Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement without compliance monitoring and the debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring. If it provides assistance to debtors in accordance with the circular of the Bank of Thailand No. BOT.RPD. (01) C. 380/2563, classification of the debtor remains at the same stage as before.
- Non-performing loans (NPL) are classified as performing loans if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.
- The guidelines specified in the appendix of the circular of the Bank of Thailand relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is moving to Stage 2.
- Expected credit losses are determined based on the outstanding balance of the drawn down portion only.
- A newly calculated effective interest rate is applied to determine the present value of loans that have been restructured in accordance with guidelines to assist debtors specified in the circulars of the Bank of Thailand, if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan. In addition, provided that the provision of assistance is in compliance with the circular of the Bank of Thailand No. BOT.RPD. (01) C.380/2563, the Group recognises interest income on the basis of this new effective interest rate during the grace period, or in accordance with the Bank of Thailand's new guidelines if there are changes.
- Consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience, in cases where a general approach is used in determining expected credit losses.

3. New financial reporting standards (CONT'D)

Measures to assist debtors of the Group

The Group has measures to assist debtors who are affected from the situation of Thai economic by dividing into two measures as follows:

- To suspend the repayment of principal and interest for three months.
- To extend the installment period by changing agreement in order to make declining installment.

From aforementioned measures to assist was considered for the debtors who had registered to exercise the right since April 1, 2020 to June 30, 2020.

Therefore, the Group has extended the registration period to exercise the right for the suspension of principal repayment until January 2021 and the extension of the installment period by revising the contract to reduce the installment payment by extending the registration period which do not designate the expiration date.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, impairment of assets, reversal of deferred tax assets, account for reduction in lease payments and fair value measurement of unquoted equity investments.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, impairment of assets, reversal of deferred tax assets and fair value measurement of unquoted equity investments. This has no significant impact on the Group's financial statements.

3. New financial reporting standards (CONT'D)

However, the Group has elected to continue to apply the following temporary relief measures on accounting alternatives:

- Not to account for any reduction in lease payments by lessors (if any) as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.

The Group is evaluating the impact on the financial statements and will consider recording the impact after the relief measures expire.

Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards that included in amendments to references to the Conceptual Framework in Financial Reporting Standards, Definition of a business, Definition of material and Interest Rate Benchmark Reforms.

The management of the Group believes that impact of these standards to the financial statements in the year when they are adopted will not significant.

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 2.2 to the interim consolidated financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at January 1, 2020. Therefore, the comparative information was not restated

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (CONT'D)

(Unit : Baht)

	Consolidated financial statements			
	The impacts of			
	Financial reporting standards related to financial instruments			
	December 31, 2019		TFRS 16	January 1, 2020
Statement of financial position				
Assets				
Current assets				
Hire purchase receivables due				
within 1 year	2,034,113,564.74	(50,668,915.99)	0.00	1,983,444,648.75
Loans and sale with right of				
redemption agreement receivables	24,177,148.80	(365,806.56)	0.00	23,811,342.24
Other non-current receivables	38,695,974.51	(1,134,462.60)	0.00	37,561,511.91
Non-current assets				
Hire purchase receivables due				
over 1 year	4,866,668,072.53	(194,539,295.22)	0.00	4,672,128,777.31
Right-of-use assets	0.00	0.00	37,946,964.43	37,946,964.43
Deferred tax assets	52,721,038.59	49,341,696.08	0.00	102,062,734.67

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (CONT'D)

(Unit : Baht)

	Consolidated financial statements			
	The impacts of			
	Financial reporting standards related to financial			
	December 31, 2019	instruments	TFRS 16	January 1, 2020
Liability and shareholders' equity				
Current liability				
Current portion of lease liabilities	0.00	0.00	9,148,024.01	9,148,024.01
Non-current liability				
Lease Liabilities due over 1 year	0.00	0.00	28,798,940.42	28,798,940.42
Shareholders' equity				
Retained earnings - unappropriated	411,016,948.63	(197,366,784.29)	0.00	213,650,164.34

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (CONT'D)

(Unit : Baht)

	Separate financial statements			
	The impacts of			
	Financial reporting standards related to financial instruments			
	December 31, 2019	TFRS 16	January 1, 2020	
Statement of financial position				
Assets				
Current assets				
Hire purchase receivables due				
within 1 year	2,034,113,564.74	(50,668,915.99)	0.00	1,983,444,648.75
Loans and sale with right of				
redemption agreement receivables	24,177,148.80	(365,806.56)	0.00	23,811,342.24
Other non-current receivables	38,695,974.51	(1,134,462.60)	0.00	37,561,511.91
Non-current assets				
Hire purchase receivables due				
over 1 year	4,866,668,072.53	(194,539,295.22)	0.00	4,672,128,777.31
Right-of-use assets	0.00	0.00	37,946,964.43	37,946,964.43
Deferred tax assets	53,436,774.14	49,341,696.08	0.00	102,778,470.22

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (CONT'D)

(Unit : Baht)

	Separate financial statements			
	The impacts of			
	Financial reporting			
	standards related			
	to financial			
	December 31, 2019	instruments	TFRS 16	January 1, 2020
Liability and shareholders' equity				
Current liability				
Current portion of lease liabilities	0.00	0.00	9,148,024.01	9,148,024.01
Non-current liability				
Lease Liabilities due over 1 year	0.00	0.00	28,798,940.42	28,798,940.42
Shareholders' equity				
Retained earnings - unappropriated	394,693,723.42	(197,366,784.29)	0.00	197,326,939.13

4.1 Financial instruments

Details of the impact on retained earnings as at January 1, 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit : Baht)

	Consolidated/Separate financial statements
Recognition of an allowance for expected credit losses on financial assets	(197,366,784.29)
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	(197,366,784.29)

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (CONT'D)

The classification and measurement basis, and carrying values of financial assets in accordance with TFRS 9 as at January 1, 2020, and with the carrying amounts under the former basis, are as follows:

(Unit : Baht)

	Consolidated financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through		Amortized cost	Total
		Fair value through profit or loss	other comprehensive income		
Financial assets as at January 1, 2020					
Cash and cash equivalents	17,858,752.03	-	-	17,858,752.03	17,858,752.03
Hire purchase receivables	6,900,781,637.27	-	-	6,655,573,426.06	6,655,573,426.06
Loans and sale with right of redemption agreement receivables	24,177,148.80	-	-	23,811,342.24	23,811,342.24
Other non-current receivables	38,695,974.51			37,561,511.91	37,561,511.91
Short-term loans for joint venture	169,500,000.00	-	-	169,500,000.00	169,500,000.00
Other non-current financial asset	2,694,292.72	2,694,292.72	-	-	2,694,292.72
Long-term loans for joint venture	62,000,000.00	-	-	62,000,000.00	62,000,000.00
Pledged deposit at financial institution	1,066,000.00	-	-	1,066,000.00	1,066,000.00
Total financial assets	7,216,773,805.33	2,694,292.72	-	6,967,371,032.24	6,970,065,324.96

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (CONT'D)

(Unit : Baht)

	Separate financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through		Amortized cost	Total
		Fair value through profit or loss	other comprehensive income		
Financial assets as at January 1, 2020					
Cash and cash equivalents	16,367,132.03	-	-	16,367,132.03	16,367,132.03
Hire purchase receivables	6,900,781,637.27	-	-	6,655,573,426.00	6,655,573,426.00
Loans and sale with right of redemption agreement receivables	24,177,148.80	-	-	23,811,342.24	23,811,342.24
Other non-current receivables	38,695,974.51			37,561,511.91	37,561,511.91
Short-term loans for joint venture	169,500,000.00	-	-	169,500,000.00	169,500,000.00
Other non-current financial asset	2,694,292.72	2,694,292.72	-	-	2,694,292.72
Long-term loans for joint venture	62,000,000.00	-	-	62,000,000.00	62,000,000.00
Pledged deposit at financial institution	66,000.00	-	-	66,000.00	66,000.00
Total financial assets	7,175,586,210.82	2,694,292.72	-	6,964,879,412.18	6,967,573,704.9

As at January 1, 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (CONT'D)

4.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit : Baht)
	Consolidated and Separate financial statements
Operating lease commitments as at December 31, 2019	17,093,969.72
Less: Short-term leases and leases of low-value assets	(1,180,704.00)
Add: Extension option of the lease term	25,941,560.69
Less: Deferred interest expenses	(3,907,861.98)
Increase in lease liabilities due to TFRS 16 adoption	37,946,964.43
Liabilities under finance lease agreements as at December 31, 2019	0.00
Lease liabilities as at 1 January 2020	37,946,964.43
The above lease liabilities comprise of:	
Current lease liabilities	9,148,024.01
Non-current lease liabilities	28,798,940.42
	37,946,964.43

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (CONT'D)

The adjustments of right-of-use assets due to TFRS 16 adoption as at January 1, 2020 are summarised below:

	(Unit : Baht)
	Consolidated and Separate financial statements
Land	4,230,315.85
Buildings	31,199,541.48
Office equipment	2,517,107.10
Total right-of-use assets	37,946,964.43

5. SIGNIFICANT ACCOUNTING POLICIES

5.1. Income and Expenses Recognition

5.1.1 Hire purchase interest income

Accounting policies adopted before 1 January 2020

The Group recognises interest income from hire purchase agreements on an accrual basis throughout the term of the contract, using the effective interest rate method, with the calculation based on the gross book value of the receivables.

Costs directly attributable to the initial recognition of the loan receivables are amortised using the effective interest rate method and presented as adjustments on interest income throughout the term of the agreement, to reflect the effective rate of return.

When the receivables are later credit-impaired, the Group continues to recognise interest income using the effective interest rate, based on the net book value (gross book value net of allowance for expected credit losses) of the receivables. When the debtor is no longer credit-impaired, the Group changes to calculate interest income based on the gross book value.

Accounting policies adopted since 1 January 2020

The Group recognized hire purchase interest income as unrealized interest which is recognized on the effective interest rate method over the hire purchase term. Revenues from installments will be stopped to recognize if the overdue 4 installments.

5.1.2 The Group recognized interest income under sale with right of redemption agreement receivables on an accrual basis.

5.1.3 The Group recognized other revenues and expenses are recognized on an accrual basis.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2. Cash and cash equivalents

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

5.3. Investment in subsidiary

Investments in subsidiary is accounted for in the separate financial statements using the cost method Less impairment(if any).

5.4. Investment in an associated company

a) Investment in associated company is accounted for in the financial statements in which the equity method is applied using the equity method.

b) Investment in associated company is accounted for in the separate financial statements using the cost method Less impairment(if any).

5.5. Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation except land are stated at cost.

Impairment of assets will be provided (if any).

The Group depreciated all type of assets on over the estimated useful lives of the assets as follows:

	<u>Number of years</u>
Building and improvement	20
Temporary building	2 – 3
Furniture, fixture and office equipment	3 – 5
Office equipment	5
Vehicles	5

The Group include costs of asset dismantlement, removal and restoration as parts of cost of property, plant and equipment, the depreciation charge has to be determined separately for each significant parts of property, plant and equipment with a cost that is significant in relation to the total cost of assets item. In addition, the entity is required to estimate the recoverable amount in the current expected to be obtained from asset to bring the age and condition at the end of useful lives. Besides, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year-end.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.6. Intangible assets

Intangible assets are initially recognised at cost. Following initial recognition, the intangible assets are stated at cost less accumulated amortisation and allowance for impairment loss on assets (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The finite useful lives of intangible assets, computer software is 10 years.

No amortisation is provided for computer software under installation.

5.7. Impairment of non-financial assets

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

In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.8 Properties foreclosed

These represent assets repossessed from hire purchase and financial lease receivables and are stated at the lower of cost (which mostly comprises the net outstanding balance) and estimated net realisable value. Allowance is made for the decline in value of the repossessed assets.

5.9 Employee benefits

5.9.1 The Group recognized salaries, wages, bonus and contribution to social security fund as expenses in the period in which they are incurred.

5.9.2 Provident fund

The Group has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Group and employees made contribution into such provident fund. The Group's contribution payments to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

5.9.3 Employee benefits

The Group provide for post-employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the statements of financial position is estimated on an actuarial basis using Projected Unit Credit Method of which calculated by the Independent Actuary by using Actuarial Technique. The calculation was made from determining the present value of future cash flows expected to be required to settle the obligation and determines discount rate by reference to market yield of government bonds should have term to maturity approximately equal to the terms of such obligations. In determine the future cash flows expected to be required to settle is used from employees'salaries, turnover, length of services and other factors. Changes in actuarial gains or loss are recognised in the period in which they are incurred in other comprehensive income.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.10. Income tax

Income tax expense for the year comprises current income tax and deferred tax.

Current tax

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

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Nevertheless, unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

The Group recognized deferred tax directly to shareholders' equity, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Group intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

5.11. Accounting estimates

Preparation of financial statements in conformity with Thai Financial Reporting Standards required the management to make several estimation and assumption which affect the reported amounts in the financial statements and notes to related thereto. Consequent actual results may differ from those estimates.

5.12. Provisions

The Group recognizes a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.13. Measurement of fair values

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

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

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

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

5.14. Related person and parties transaction

Enterprise and individuals that directly, or indirectly control or are controlled by, or are under common control with the Group. Associates and individuals owning that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group which has a power in planning and operating control.

5.15. Earnings per share

Basic earnings per share as presented in the statements of comprehensive income is the basic earnings (loss) per share which is determined by dividing the net profit (loss) for the year by the weighted average number of common shares issued and paid-up during the year.

Diluted earnings per share is calculated by dividing profit (loss) for the period by the weighted average number of ordinary shares outstanding during the period plus the number of ordinary share issued in the conversion of potential ordinary shares to ordinary shares as assumption that the conversion is made at the beginning of year or at the issuance date of the potential ordinary shares.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.16. Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

Classification and measurement of financial liabilities

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group recognises an allowance for expected credit losses for hire purchase receivables, financial lease receivables and loan receivables using a general approach. The Group considers changes in credit risk and groups its receivables into 3 stages as described below.

- Stage 1 : Receivables with no significant increase in credit risk (Performing) - The Group recognises expected credit losses in an amount equal to the expected credit losses in the next 12 months. For receivables under loan agreements with remaining periods of less than 12 months, recognition is based on the probability of default over the remaining period.
- Stage 2: Receivables with a significant increase in credit risk (Under-performing) - The Group recognises expected credit losses in an amount equal to the expected credit losses over the lifetime of the receivable.
- Stage 3 : Receivables that are credit-impaired (Non-performing) - The Group recognises expected credit losses in an amount equal to the expected credit losses over the lifetime of the receivable.

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in credit-impaired when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

If the credit quality of a receivable improves in a subsequent period and the assessment is that it is no longer a receivable whose credit risk has significantly increased since initial recognition, as assessed in a previous period, the Group will change the basis for recognising expected credit losses from the lifetime expected credit losses to the 12-month expected credit losses, or the remaining period if that is less than 12 months.

In order to estimate expected credit losses, the Group considers historically collected loss data, adjusted on the basis of current observable data. In addition, the Group applies forward-looking macroeconomic information that is supportable and reasonable and appropriately exercises judgement. At least once a year the Group also considers whether to adjust forward-looking information and the weighting of the probability of each scenario used in determining the expected credit losses. Most of the information used by the Group is announced by the Bank of Thailand or other government agencies and adjusted to reflect the Group's internal perspective. The Group calculates expected credit losses based on three probability-weighted scenarios, which are a base scenario, best-case scenario and worst-case scenario. For the base scenario, the Group applies an unbiased market perspective that incorporates forecasts of macroeconomic factors.

For factoring, floor-plan loan and other receivables, the Group applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix of ageing that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

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

Accounting policies adopted before 1 January 2020

Hire purchase receivables

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Allowance for doubtful accounts

The Group provided the allowance for doubtful accounts based on receivables aging report which calculated from receivables under hire purchase agreement, sale with right of redemption agreement and receivables under lawsuit deducted by deferred hire purchase interest and collaterals. The collaterals are calculated from the credit value at the rate of 30% - 80% by considering the comparative of repayable opportunity received from receivables and selling of collaterals.

In addition, the Group will consider the repayment ability of each receivables for overdue receivables and receivables under debt compromise agreement overdue.

The basis of provision of allowance for doubtful accounts of hire purchase receivable and sale with right of redemption agreement receivable in each period are as follows:

	<u>Percentage</u>
Less Deferred hire purchase interest and collaterals	
Normal receivable and overdue 1 installment	1
Overdue 2 - 3 installments	2
Overdue 4 - 6 installments	20
Overdue 7 - 12 installments	50 – 100
Overdue exceed 12 installments	100

The above policy are determined which do not conform with the allowance for doubtful accounts provision for consumer finance as requirement of the Securities and Exchange Commission and the Institute of Certified Accountants and Auditors of Thailand (currently named the Federation of Accounting Professions) that required the Group to provide the allowance for doubtful accounts in whole amount without collaterals deducting. But the Company has taken the collateral to deduct such allowance for hire purchase receivables (prosecuted receivables) and receivables under loans agreement and sale with right of redemption agreement since the Group provided the allowance for doubtful accounts from the actual bad debt statistics in the past 5 years that the Company has the average yearly actual bad debt approximately 70 - 100% of provided doubtful accounts.

5.17. Leases

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.17.1 The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. At the commencement date of the lease, the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease.

Right-of-use assets

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

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

	<u>Number of years</u>
Land	3 - 4
Building	1 - 7
Equipment	4

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

Lease liabilities

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Short-term leases and leases of low-value assets

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

Accounting policies adopted before 1 January 2020

Leases of plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

5.17.2 The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

5.18. Significant accounting judgements and estimates

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

Post-employment benefits under defined benefit plans

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases

Determining the lease term with extension and termination options - The Group as a lessee

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

Estimating the incremental borrowing rate - The Group as a lessee

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

Lease classification - The Group as lessor

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

Allowance for expected credit losses

Accounting policies adopted since 1 January 2020

Judgement is used in estimating the allowance for expected credit losses of debtors who are having problems making principal and/or interest payments, with management taking into consideration analysis of debtor status performed on an individual and a group basis, the probability of default, estimated losses arising from the default, historical collection experience, collateral value, statistical data and economic factors. These are used in determining assumptions and forward-looking scenarios, as well as probability weighted outcomes. In addition, the management sets aside an additional allowance for expected credit losses to account for the uncertainties around future events that have not yet been reflected in the model (Management overlay), based on the assessment and judgement of the management.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Allowance for doubtful accounts

Accounting policies adopted before 1 January 2020

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of non-financial assets

In the assessment of non-financial assets impairment, the management is required to exercise judgment in assessment of the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

Land, building and equipment/Depreciation

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

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

Deferred tax assets

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

Fair value of financial instruments

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

6. CASH AND CASH EQUIVALENTS

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Cash on hand	289,280.25	842,193.00	287,301.00	842,193.00
Current accounts	38,742,588.83	14,832,794.82	38,713,327.33	14,812,794.82
Savings deposit	15,456,624.11	2,183,764.21	11,716,437.65	712,144.21
Total	54,488,493.19	17,858,752.03	50,717,065.98	16,367,132.03
Allowance for expected credit losses	0.00	0.00	0.00	0.00
Net	54,488,493.19	17,858,752.03	50,717,065.98	16,367,132.03

7. HIRE PURCHASE RECEIVABLES

7.1 As at December 31, 2020 and 2019, the balances of hire purchase receivables classified by contractual due date are as follows.

(Unit : Baht)

	Consolidated and Separate financial statements			
	Due within 1 year		Due over 1 year	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Hire purchase receivables	2,485,618,997.73	2,719,330,219.20	4,271,320,170.42	5,740,486,048.64
Less Unrealized interest income	(514,464,560.64)	(653,522,341.38)	(555,981,680.04)	(828,371,358.40)
Net	1,971,154,437.09	2,065,807,877.82	3,715,338,490.38	4,912,114,690.24
Less Allowance for expected credit losses				
(2019 : Allowance for doubtful accounts)	(93,271,106.59)	(31,694,313.08)	(277,578,633.23)	(45,446,617.71)
Hire purchase receivables – net	1,877,883,330.50	2,034,113,564.74	3,437,759,857.15	4,866,668,072.53

7. HIRE PURCHASE RECEIVABLES (CONT'D)

7.2 As at December 31, 2020, the balances of hire purchase receivables and allowance for expected credit losses by a general approach classified by the stage of credit risk are as follows.

(Unit : Baht)

	Consolidated and Separate financial statements	
	December 31, 2020	
	Balance of receivables	
	net of unearned interest income	Allowance for expected credit losses
Receivables with no significant increase in credit risk	4,588,522,802.54	98,097,721.33
Receivables with a significant increase in credit risk	625,670,701.97	90,369,613.81
Receivables that are credit-impaired	472,299,422.96	182,382,404.68
Total	5,686,492,927.47	370,849,739.82

As at December 31, 2019, the balances of hire purchase receivables classified by aging and allowance for doubtful accounts are as follows.

(Unit : Baht)

	Consolidated and Separate financial statements	
	December 31, 2019	
	Number of receivable	
As at December 31, 2019		
Undue 1 installment	24,638	5,941,169,213.49
Overdue 2 - 3 installments	2,892	737,488,994.83
Overdue 4 - 6 installments	682	177,975,773.12
Overdue 7 - 12 installments	376	113,504,859.30
Overdue exceed 12 installments	29	7,783,727.32
Total	28,617	6,977,922,568.06
<u>Less</u> Allowance for doubtful accounts		(77,140,930.79)
Hire purchase receivables – net		6,900,781,637.27

7. HIRE PURCHASE RECEIVABLES (CONT'D)

As at December 31, 2020, parts of hire purchase receivables (before less by unrealized interest) amount of Baht 5,657,098,213.80 were used as collateral against long-term loans from a bank as stated in note 21 and note 24. (As at December 31, 2019, parts of hire purchase receivables amount of Baht 6,665,325,711.44 were used as collateral against bank overdrafts and long-term loans from a bank).

7. HIRE PURCHASE RECEIVABLES (CONT'D)

7.3 Allowance for expected credit loss

Allowance for expected credit loss for the year ended December 31, 2020 is as follows:

(Unit : Baht)

	Consolidated and Separate financial statements				
	Allowance for expected credit loss			Allowance for doubtful	Total
	Performing	Under-Performing	Non-Performing (Stage	accounts	
	(Stage 1)	(Stage 2)	3)		
Balance as at December 31, 2019	0.00	0.00	0.00	77,140,930.79	77,140,930.79
Impact of adoption of TFRS 9	113,627,576.10	95,521,733.62	113,199,832.28	(77,140,930.79)	245,208,211.21
Balance as at January 1, 2020	113,627,576.10	95,521,733.62	113,199,832.28	0.00	322,349,142.00
Changes in staging	14,452,535.07	(33,403,159.03)	18,950,623.96	0.00	0.00
Changes in risk parameters	(43,588,033.98)	42,790,959.45	121,282,830.31	0.00	120,485,755.78
New financial assets originated or purchased	26,939,320.74	13,263,822.95	14,157,358.91	0.00	54,360,502.60
Financial assets derecognized	(8,791,026.28)	(6,143,809.77)	(19,169,887.97)	0.00	(34,104,724.02)
Written off	(4,542,650.32)	(21,659,933.41)	(66,038,352.81)	0.00	(92,240,936.54)
Balance as at December 31, 2020	98,097,721.33	90,369,613.81	182,382,404.68	0.00	370,849,739.82

7. HIRE PURCHASE RECEIVABLES (CONT'D)

Bad debts and doubtful accounts for the year ended December 31, 2019 is as follows:

	(Unit : Baht)
	Consolidated and Separate financial statements
	December 31, 2019
Bad debts	76,607,240.76
Doubtful accounts	64,930,792.52
Total bad debts and doubtful accounts	141,538,033.28

8. Troubled debt restructuring/debts under the measures to assist debtors

As at December 31, 2020 and 2019, the balances of hire purchase receivables of the Group for which troubled debt restructuring agreements have been made and which are debts under the measures to assist debtors were as follows.

	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Total number of agreements at end of period/year	26,752	28,617
Troubled debt restructuring		
Number of agreements	67	-
Balance (Million Baht)	34.01	-
Debts under the measures to assist debtors		
Debts granted a moratorium		
Number of agreements	124	-
Balance (Million Baht)	82.33	-
Pre-emptive debt restructuring		
Number of agreements	191	-
Balance (Million Baht)	91.81	-

9. LOANS AND SALE WITH RIGHT OF REDEMPTION AGREEMENT RECEIVABLES

	(Unit : Baht)	
	Consolidated and	
	Separate financial statements	
	December 31, 2020	December 31, 2019
Loans and sale with right of redemption		
agreement receivables	0.00	24,225,600.00
Total	0.00	24,225,600.00
<u>Less</u> Allowance for expected credit losses		
(2019 : Allowance for doubtful	0.00	(48,451.20)
accounts)		
Loans and sale with right of redemption		
agreement receivables - net	0.00	24,177,148.80

During the year, the Group received the payment form Loans and sale with right of redemption agreement receivables in fully amount.

9. LOANS AND SALE WITH RIGHT OF REDEMPTION AGREEMENT RECEIVABLES(CONT'D)

As at December 31, 2019, the balances of loans and sale with right of redemption agreement receivables classified by aging and allowance for doubtful accounts are as follows.

(Unit : Baht)

	Consolidated and Separate financial statements	
	Number of receivable	December 31, 2019
As at December 31, 2019		
Undue 1 installment	41	24,225,600.00
Overdue 2 - 3 installments	0	0.00
Overdue 4 - 6 installments	0	0.00
Overdue 7 - 12 installments	0	0.00
Overdue exceed 12 installments	0	0.00
Total	41	24,225,600.00
<u>Less</u> Allowance for doubtful accounts		(48,451.20)
Loans and sale with right of redemption agreement receivables - net		24,177,148.80

As at December 31, 2019, the Company has loans receivable to 8 individuals (amount 41 contract) by entering into sale with right of redemption and loans agreement with the agreement period of 1 - 6 months at the interest rate of 7.20 - 12.00% per annum

10. OTHER CURRENT RECEIVABLES

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Accrued value added tax	6,215,345.76	6,985,980.71	6,215,345.76	6,985,980.71
Accrued insurance premium				
discount income	2,586,694.42	6,190,113.00	2,128,287.45	6,190,113.00
Loans receivable to employee	1,242,002.00	1,789,214.00	1,242,002.00	1,789,214.00
Others	10,907,423.36	14,527,641.57	10,853,815.52	14,527,641.57
Total	20,951,465.54	29,492,949.28	20,439,450.73	29,492,949.28
<u>Less</u> Allowance for expected				
credit losses				
(2019 : Allowance for				
doubtful accounts)	(1,221,117.06)	(142,000.00)	(1,221,117.06)	(142,000.00)
Other current receivables - net	19,730,348.48	29,350,949.28	19,218,333.67	29,350,949.28

11. LOANS FOR JOINT VENTURE

	(Unit : Baht)	
	Consolidated and	
	Separate financial statements	
	December 31, 2020	December 31, 2019
Short – term loans	221,500,000.00	169,500,000.00
Long – term loans	30,000,000.00	62,000,000.00
Total	251,500,000.00	231,500,000.00

As at December 31, 2020 and 2019, loans to ECL ASSET Co., Ltd (joint venture) to engage in business of providing credit, mortgage, sales with right of redemption of assets in the form of real estate by issued promissory note 3-12 months and interest at 6.25% - 6.50% per annum

12. PROPERTIES FORECLOSED

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Properties foreclosed	117,273,335.96	75,869,962.10
<u>Less</u> Provision for impairment - properties foreclosed	(49,308,468.29)	(32,480,030.60)
Properties foreclosed - net	67,964,867.67	43,389,931.50

13. OTHER NON-CURRENT FINANCIAL ASSET

No.	Company's name	Type of business	Paid-up share capital		Percentage of investment		Consolidated		Separate financial statements at cost method	
			(Thousand Baht)		(%)		(Baht)		(Baht)	
			Dec 31,2020	Dec 31,2019	Dec 31,2020	Dec 31,2019	Dec 31,2020	Dec 31,2019	Dec 31,2020	Dec 31,2019
1	Premium Services (Thailand) Co., Ltd. (Formerly named Eastern Premium Services Co., Ltd.)	Motor vehicles maintenance body repairing and printing	32,912.00	32,912.00	15.00	15.00	3,882,622.23	3,882,622.23	7,461,300.00	7,461,300.00
<u>Less</u> Loss on measurement of investments (2019 : allowance for impairment Other non-current financial asset)							(1,859,781.78)	(1,188,329.51)	(5,438,459.55)	(4,767,007.28)
Other non-current financial asset- net							<u>2,022,840.45</u>	<u>2,694,292.72</u>	<u>2,022,840.45</u>	<u>2,694,292.72</u>

13.1 On October 16, 2019, Premium Services (Thailand) Co., Ltd. increase its share capital from issued and paid - up shares amount of 224,400 shares, amount of Baht 12,342,000 that Eastern Commercial Leasing Public Company Limited agreed to invest in that increase share capital.

13.2 On July 31, 2019, the Company has disposed investments in Premium Service (Thailand) Company Limited For 147,900 shares, as a result, it incurred the decrease in shareholding proportion from 54.55% to 15% of the paid-up share capital. After the decrease of shareholding proportion that the Company has no significant influence over such company, the Company therefore reclassified investments accounts from investments in joint venture to Other non-current financial asset.

13.3 On November 16, 2016, the Company entered into joint venture agreement with Premium Service (Thailand) Company Limited in order to engage in business of motor vehicles maintenance, which held at 51% and on September 6, 2018, the increase its capital from the percent age of shareholding from 51% to 54.55%. Under the joint venture agreement, the Company agreed with another party to determine that both party commonly power to control such company.

14. INVESTMENT IN SUBSIDIARIES

No.	Company's name	Type of business	Paid-up share capital		Percentage of investment		Separate financial statements (Baht)	
			(Thousand Baht)		(%)		cost method	
			Dec 31,2020	Dec 31,2019	Dec 31,2020	Dec 31,2019	Dec 31,2020	Dec 31,2019
1	Mighty Broker Co., Ltd.	Insurance broker	5,000.00	2,500.00	100.00	100.00	5,000,000.00	2,500,000.00
Total							5,000,000.00	2,500,000.00

14.1 Mighty Broker Co., Ltd. was registered as a company limited on November 20, 2019, share capital from registered shares amount of 50,000 shares of Baht 100 each , share capital from issued and paid - up shares in fully amount.

15. INVESTMENT IN JOINT VENTURE

Investment in joint venture - under equity method										
No.	Company's name	Type of business	Relationship	Paid-up share capital		Percentage of investment		Consolidated		Separate financial statements
				(Thousand Baht)		(%)		(Baht)		at cost method
				Dec 31,2020	Dec 31,2019	Dec 31,2020	Dec 31,2019	Dec 31,2020	Dec 31,2019	(Baht)
1	ECL Asset Co., Ltd.	providing credit, mortgage, sales with right of redemption of assets in the form of real estate	Joint venture	60,000.00	60,000.00	60.00	60.00	63,435,389.35	53,065,664.76	36,000,000.00
Total								63,435,389.35	53,065,664.76	36,000,000.00

15. INVESTMENT IN JOINT VENTURE (CONT'D)

15.1. On May 23, 2019, ECL Asset Co., Ltd. has increased its share capital that Eastern Commercial Leasing Public Company Limited and Global Best Real Estate Loan Co., Ltd. agreed to invest in that increase share capital at the existing investment proportion.

15.2. ECL Asset Co., Ltd., is a joint venture by Eastern Commercial Leasing Public Company Limited (ECL) and Global Best Real Estate Loan Co., Ltd. Has jointly agreed for investment in order to engage in mortgaging credit, sale with right of redemption, asset as properties businesses on March 23, 2018 at the ratio of 60:40 which has representative from the joint companied to be director of such joint venture. The company and the joint venture have authorized to monitor stated company concurrently.

As at December 31, 2020, the Company recorded investment in joint venture at cost in separate financial statements and recognized share of profit in joint venture 1 companies for the year ended ended December 31, 2020, amount of Baht 10.37 million.

16. OTHER NON-CURRENT RECEIVABLES

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Receivables under lawsuit	87,604,537.18	109,613,350.44
<u>Less</u> Allowance for expected credit losses		
(2019 : Allowance for doubtful accounts)	(84,239,947.37)	(109,613,350.44)
Net	3,364,589.81	0.00
Receivables under debt compromise agreement	4,288,136.36	12,353,152.41
<u>Less</u> Allowance for expected credit losses		
(2019 : Allowance for doubtful accounts)	(4,288,136.36)	(12,353,152.41)
Net	0.00	0.00
Receivables - net	3,364,589.81	0.00
Others	333,280.60	295,982.00
<u>Less</u> Allowance for expected credit losses		
(2019 : Allowance for doubtful accounts)	(296,329.00)	(267,194.00)
Total	3,401,541.41	28,788.00

16. OTHER NON-CURRENT RECEIVABLES (CONT'D)

Receivables under lawsuit and allowance for expected credit losses.

(Unit : Baht)				
	Number of receivable		Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Receivable after unrealized				
interest income	118	124	87,604,537.18	109,613,350.44
Receivable for provide				
Allowance for expected credit losses				
(2019 : Allowance for doubtful accounts)			87,604,537.18	109,613,350.44
%			96% - 100%	100%
Allowance for expected credit losses				
(Allowance for doubtful accounts)			(84,239,947.37)	(109,613,350.44)

Overdue receivable under debt compromise agreement and allowance for expected credit losses as at December 31, 2020.

(Unit : Baht)					
	Consolidated and Separate financial statements				
	Number of receivable	Receivables less by unrealized interest	Receivables for provide allowance for expected credit losses	% of allowance for expected credit losses	Allowance for expected credit losses
Undue 3 installments	5	1,099,168.02	1,099,168.02	100%	1,099,168.02
Overdue 4 – 11 installments	4	630,330.07	630,330.07	100%	630,330.07
Overdue 12 installments					
onwards	6	2,558,638.27	2,558,638.27	100%	2,558,638.27
Total	15	4,288,136.36	4,288,136.36		4,288,136.36

16. OTHER NON-CURRENT RECEIVABLES (CONT'D)

Overdue receivable under debt compromise agreement and allowance for doubtful accounts as at December 31, 2019.

(Unit : Baht)

Consolidated and Separate financial statements					
	Number of receivable	Receivables less by unrealized interest	Receivables for provide allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
Undue 3 installments	18	5,653,581.50	5,653,581.50	100%	5,653,581.50
Overdue 4 – 11 installments	15	3,850,391.60	3,850,391.60	100%	3,850,391.60
Overdue 12 installments onwards	5	2,849,179.31	2,849,179.31	100%	2,849,179.31
Total	38	12,353,152.41	12,353,152.41		12,353,152.41

17. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

	Consolidated financial statements							
	December 31, 2020							
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Assets under construction
Cost								
As at December 31, 2019	7,324,162.50	8,977,783.71	2,130,792.03	13,328,061.96	16,385,717.79	14,041,589.87	38,847,242.89	0.00
Acquisition	0.00	0.00	0.00	511,586.62	849,647.99	157,970.00	1,995,879.05	364,411.96
Transfer in (out)	0.00	0.00	0.00	364,411.96	0.00	0.00	0.00	(364,411.96)
Written off	0.00	0.00	0.00	(1,192,408.62)	(414,203.02)	(310,010.21)	(6,078,614.60)	0.00
As at December 31, 2020	7,324,162.50	8,977,783.71	2,130,792.03	13,011,651.92	16,821,162.76	13,889,549.66	34,764,507.34	0.00
Accumulated depreciation								
As at December 31, 2019	0.00	7,841,555.55	325,244.79	6,095,616.42	11,567,565.74	7,772,966.33	13,088,997.42	0.00
Depreciation	0.00	449,839.11	106,755.10	3,597,633.69	2,579,858.51	1,967,708.69	4,620,390.17	0.00
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Written off	0.00	0.00	0.00	(1,049,855.61)	(352,499.63)	(245,208.11)	(4,136,102.73)	0.00
As at December 31, 2020	0.00	8,291,394.66	431,999.89	8,643,394.50	13,794,924.62	9,495,466.91	13,573,284.86	0.00
Net book value								
As at December 31, 2019	7,324,162.50	1,136,228.16	1,805,547.24	7,232,445.54	4,818,152.05	6,268,623.54	25,758,245.47	0.00
As at December 31, 2020	7,324,162.50	686,389.05	1,698,792.14	4,368,257.42	3,026,238.14	4,394,082.75	21,191,222.48	0.00

17. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(Unit : Baht)

	Separate financial statements							
	December 31, 2020							
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Assets under construction
Cost								
As at December 31, 2019	7,324,162.50	8,977,783.71	2,130,792.03	13,328,061.96	16,385,717.79	14,041,589.87	38,847,242.89	0.00
Acquisition	0.00	0.00	0.00	377,336.62	849,647.99	157,970.00	1,995,879.05	364,411.96
Transfer in (out)	0.00	0.00	0.00	364,411.96	0.00	0.00	0.00	(364,411.96)
Written off	0.00	0.00	0.00	(1,192,408.62)	(414,203.02)	(310,010.21)	(6,078,614.60)	0.00
As at December 31, 2020	7,324,162.50	8,977,783.71	2,130,792.03	12,877,401.92	16,821,162.76	13,889,549.66	34,764,507.34	0.00
Accumulated depreciation								
As at December 31, 2019	0.00	7,841,555.55	325,244.79	6,095,616.42	11,567,565.74	7,772,966.33	13,088,997.42	0.00
Depreciation	0.00	449,839.11	106,755.10	3,590,730.11	2,579,858.51	1,967,708.69	4,620,390.17	0.00
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Written off	0.00	0.00	0.00	(1,049,855.61)	(352,499.63)	(245,208.11)	(4,136,102.73)	0.00
As at December 31, 2020	0.00	8,291,394.66	431,999.89	8,636,490.92	13,794,924.62	9,495,466.91	13,573,284.86	0.00
Net book value								
As at December 31, 2019	7,324,162.50	1,136,228.16	1,805,547.24	7,232,445.54	4,818,152.05	6,268,623.54	25,758,245.47	0.00
As at December 31, 2020	7,324,162.50	686,389.05	1,698,792.14	4,240,911.00	3,026,238.14	4,394,082.75	21,191,222.48	0.00

17. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	(Unit : Baht)								
	Consolidated and Separate financial statements								
	December 31, 2019								
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Assets under construction	Total
Cost									
As at December 31, 2018	7,324,162.50	8,977,783.71	1,972,952.03	5,947,921.60	14,480,312.47	10,632,123.99	38,055,359.67	0.00	87,390,615.97
Acquistion	0.00	0.00	157,840.00	3,625,955.81	2,284,602.30	3,776,779.21	15,399,866.58	3,862,184.55	29,107,228.45
Transfer in (out)	0.00	0.00	0.00	3,862,184.55	0.00	0.00	0.00	(3,862,184.55)	0.00
Written off	0.00	0.00	0.00	(108,000.00)	(379,196.98)	(367,313.33)	(14,607,983.36)	0.00	(15,462,493.67)
As at December 31, 2019	7,324,162.50	8,977,783.71	2,130,792.03	13,328,061.96	16,385,717.79	14,041,589.87	38,847,242.89	0.00	101,035,350.75
Accumulated depreciation									
As at December 31, 2018	0.00	7,392,945.48	223,621.35	3,131,538.59	8,871,146.45	6,274,903.61	17,664,118.79	0.00	43,558,274.27
Depreciation	0.00	448,610.07	101,623.44	3,025,314.25	3,031,315.44	1,756,822.88	4,527,741.26	0.00	12,891,427.34
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Written off	0.00	0.00	0.00	(61,236.42)	(334,896.15)	(258,760.16)	(9,102,862.63)	0.00	(9,757,755.36)
As at December 31, 2019	0.00	7,841,555.55	325,244.79	6,095,616.42	11,567,565.74	7,772,966.33	13,088,997.42	0.00	46,691,946.25
Net book value									
As at December 31, 2018	7,324,162.50	1,584,838.23	1,749,330.68	2,816,383.01	5,609,166.02	4,357,220.38	20,391,240.88	0.00	43,832,341.70
As at December 31, 2019	7,324,162.50	1,136,228.16	1,805,547.24	7,232,445.54	4,818,152.05	6,268,623.54	25,758,245.47	0.00	54,343,404.50

17. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation for the year ended December 31, 2020 and 2019, amounted to Baht 13,322,185.27 and Baht 12,891,427.34 respectively.

As at December 31, 2020, has fixed assets at cost of Baht 12,651,852.51 and net book value of Baht 1,298.00 which were fully depreciated but are still being operated (as at December 31, 2019, cost of Baht 10,697,900.39 and net book value of Baht 1,051.00).

Land and construction were mortgaged as guarantee for bank overdrafts and long-term loans from a bank as mentioned in notes 21 and 24.

18. RIGHT-OF-USE ASSETS

	(Unit : Baht)			
	Consolidated and Separate financial statements			
	December 31, 2020			
	Land	Building	Equipment	Total
Cost				
As at December 31, 2019	0.00	0.00	0.00	0.00
Adjustments due to the initial adoption of TFRS16	4,230,315.85	32,877,157.80	2,517,107.10	39,624,580.75
write off	0.00	(3,136,038.11)	0.00	(3,136,038.11)
As at December 31, 2020	4,230,315.85	29,741,119.69	2,517,107.10	36,488,542.64
Accumulated depreciation				
As at December 31, 2019	0.00	0.00	0.00	0.00
Depreciation	1,237,374.77	7,230,946.73	826,243.23	9,294,564.73
write off	0.00	(534,750.12)	0.00	(534,750.12)
As at December 31, 2020	1,237,374.77	6,696,196.61	826,243.23	8,759,814.61
Net book value				
As at December 31, 2020	2,992,941.08	23,044,923.08	1,690,863.87	27,728,728.03
Write off depreciation for the year				
As at December 31, 2020	1,237,374.77	7,230,946.73	826,243.23	9,294,564.73
Decrease of rental/cancelled branch	(48,193.41)	(40,234.35)	(31,153.43)	(119,581.19)
Depreciation after decrease of rental/cancelled branch	1,189,181.36	7,190,712.38	795,089.80	9,174,983.54

19. INTANGIBLE ASSETS

	(Unit : Baht)		
	Consolidated financial statements		
	Computer software	Computer software under installation	Total
Cost			
As at December 31, 2019	1,505,680.00	5,100,000.00	6,605,680.00
Acquisition	79,870.00	0.00	79,870.00
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2020	1,585,550.00	5,100,000.00	6,685,550.00
Accumulated amortization			
As at December 31, 2019	639,533.76	0.00	639,533.76
Amortization for the year	117,391.65	0.00	117,391.65
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2020	756,925.41	0.00	756,925.41
Net book value			
As at December 31, 2019	866,146.24	5,100,000.00	5,966,146.24
As at December 31, 2020	828,624.59	5,100,000.00	5,928,624.59
Amortization for the year			
As at December 31, 2020	117,391.65	0.00	117,391.65
As at December 31, 2019	109,056.70	0.00	109,056.70

19. INTANGIBLE ASSETS (CONT'D)

	(Unit : Baht)		
	Separate financial statements		
	Computer software	Computer software under installation	Total
Cost			
As at December 31, 2019	1,505,680.00	5,100,000.00	6,605,680.00
Acquisition	0.00	0.00	0.00
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2020	1,505,680.00	5,100,000.00	6,605,680.00
Accumulated amortization			
As at December 31, 2019	639,533.76	0.00	639,533.76
Amortization for the year	113,814.24	0.00	113,814.24
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2020	753,348.00	0.00	753,348.00
Net book value			
As at December 31, 2019	866,146.24	5,100,000.00	5,966,146.24
As at December 31, 2020	752,332.00	5,100,000.00	5,852,332.00
Amortization for the year			
As at December 31, 2020	113,814.24	0.00	113,814.24
As at December 31, 2019	109,056.70	0.00	109,056.70

19. INTANGIBLE ASSETS (CONT'D)

	(Unit : Baht)		
	Consolidated and Separate financial statements		
	Computer software	Computer software under installation	Total
Cost			
As at December 31, 2018	1,438,000.00	0.00	1,438,000.00
Acquisition	67,680.00	5,100,000.00	5,167,680.00
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2019	1,505,680.00	5,100,000.00	6,605,680.00
Accumulated amortization			
As at December 31, 2018	530,477.06	0.00	530,477.06
Amortization for the year	109,056.70	0.00	109,056.70
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2019	639,533.76	0.00	639,533.76
Net book value			
As at December 31, 2018	907,522.94	0.00	907,522.94
As at December 31, 2019	866,146.24	5,100,000.00	5,966,146.24
Amortization for the year			
As at December 31, 2019	109,056.70	0.00	109,056.70
As at December 31, 2018	106,740.84	0.00	106,740.84

20. PLEDGED DEPOSIT AT FINANCIAL INSTITUTION

As at December 31, 2020, the Group's has fixed deposit in the accompanying consolidated and separate financial statements amount of Million Baht 1.08 and Million Baht 0.08 respectively is used as guarantee from Office of Insurance Commission and as guarantee against loans from bank and electricity usage as mentioned in note 37 (as at December 31, 2019, the Group's has fixed deposit in the accompanying consolidated and separate financial statements amount of Million Baht 1.07 and Million Baht 0.07 respectively).

21. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTION

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Bank overdrafts	260,469.94	35,858,052.24
Short-term loans - promissory notes	320,000,000.00	360,239,000.00
Total	320,260,469.94	396,097,052.24

21.1 As at December 31, 2020, the Company has overdrafts line with 5 banks totaling Baht 100 million (As at December 31, 2019, has overdrafts line with 5 banks totaling Baht 100 million) mortgaging land with its construction in note 17.

21.2 As at December 31, 2020, has loans from 4 banks by issuing promissory notes due on term of payment for credit line total amount of Baht 560 million (As at December 31, 2019, has loans from 3 banks by issuing promissory notes due on term of payment for credit line total amount of Baht 540 million) as detailed below:

21.2.1 Loans from the 1st bank for credit line amount of Baht 200 million.

21.2.2 Loans from the 2nd Foreign bank for credit line amount of Baht 300 million, the interest is charged at the rate of 1.70% per annum. These loans are guaranteed by related parties in foreign countries.

21.2.3 Loans from the 3rd bank for credit line amount of Baht 40 million the Company has no withdrawn of loans, the interest is charged at the rate of 3.10% per annum. These loans are guaranteed by transferring the right on part of hire purchase receivable in note 7.

21.2.4 Loans from the 4th bank for credit line amount of Baht 20 million were withdrawn and the remaining debt obligation amount of Baht 20 million at the interest is charged at the rate of 2.00% per annum. These loans has no collateral.

22. TRADE AND OTHER CURRENT PAYABLES

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Credit payable	0.00	2,600.00	0.00	2,600.00
Accrued interest expenses	1,631,017.68	9,246,833.51	1,631,017.68	9,246,833.51
Advance receipt	16,196,162.84	25,033,668.02	15,470,146.84	25,033,668.02
Revenue Department payable	17,111,241.60	17,963,897.68	17,111,168.38	17,963,897.68
Accrued expenses	4,565,327.27	4,032,819.72	4,411,301.91	4,007,819.72
Others	4,297,487.59	10,635,627.13	4,284,415.83	10,635,627.13
Total	43,801,236.98	66,915,446.06	42,908,050.64	66,890,446.06

23. TRANSACTION WITH RELATED PERSONS AND PARTIES

Parts of assets, liabilities, revenues and expenses arose from the transactions with related Parts of assets, liabilities, revenues and expenses arose from the transactions with related

Relationship of the Group and related persons is summarized as follows:

<u>Related person name</u>	<u>Relationship</u>	<u>Particulars and pricing policy</u>
Mr. Preecha Veeraphong	Major shareholder and president	Loans is repayable on maturity, interest is prepaid at the rate of 3.15 per annum
Mr. Prapakorn Veeraphong	Major shareholder and managing director	At the lease liabilities as agreed, averaged by the independent appraiser
Premium Financial Services Co., Ltd. (Japaneses)	Shareholder at 25.40% shareholding	Remuneration under joint-business agreement and consultant contract at the agreed price. Borrowing guarantee fee at the rate of 1.20 per annum.

23. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT'D)

<u>Related person name</u>			<u>Relationship</u>	<u>Particulars and pricing policy</u>
Premium Asset Management (Thailand) Co., Ltd. (Formerly named PFS (Thailand) Co., Ltd.)			Held by Premium Group Co., Ltd. at 48% shareholding	Rental income at the agreed price and closed to the same space
ECL Asset Co., Ltd.			Associate	Loans are charged the interest at the rate of cost plus margin less than 1.75%
				Rental income at the agreed price.
NNC One Co., Ltd.			Has shareholder and common directors with ECL Asset Co., Ltd. (joint venture)	Sale land to ECL Asset Co., Ltd. (joint venture) in the price of Baht 35 million which is lower than the appraisal value of the independent appraiser (appraisal value amount of Baht 85.20 million)
Mighty Broker Co., Ltd.			Subsidiaries	Rental income at the agreed price.
				Commission income at the agreed price.

23.1 In the second quarter of 2018, ECL Asset Co., Ltd. (joint venture) has acquired land from NNC One Co., Ltd. In the price of Baht 35 million which is lower than the appraisal value of the independent appraiser (appraisal value amount of Baht 85.20 million) and ECL Asset Co., Ltd. (joint venture) has provided loans by entering into hire purchase agreement for selling such plot of land to an individual in the price of Baht 50 million. The interest is payable on monthly basis at the rate 15% per annum and the principal is repayable when the maturity of two years. Such loans were repaid by the joint venture to the leader by cash amount of Baht 15 million, such land was repurchased by the remaining amount of Baht 35 million

23. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT'D)

from NNC One Co., Ltd. For which such individual has made the sale with right of redemption. During the year 2020, Hire purchase receivables as the situation is due for payment that the buyer has not repayment to the company that entered into the land sale agreement as the situation with a company, due in June 2021.

23.2 Loans for joint venture

(Unit : Baht)				
Consolidated and Separate financial statements				
	Balance			Balance
	December 31, 2019	Increase	Decrease	December 31, 2020
ECL Asset Co., Ltd.				
- Short-term loans	169,500,000.00	415,000,000.00	(363,000,000.00)	221,500,000.00
- Long-term loans	62,000,000.00	42,000,000.00	(74,000,000.00)	30,000,000.00
Total	231,500,000.00			251,500,000.00

23.3 Short-term loans from related person

(Unit : Baht)				
Consolidated and Separate financial statements				
	Balance			Balance
	December 31, 2019	Increase	Decrease	December 31, 2020
Mr. Preecha Veeraphong	220,000,000.00	310,000,000.00	(345,000,000.00)	185,000,000.00
<u>Less</u> Prepaid interest expenses	(2,017,768.30)	(4,517,207.95)	5,308,199.49	(1,226,776.76)
Total	217,982,231.70			183,773,223.24

As at December 31, 2020, loans from 1 related person by issuing bills of exchange matured in January 2021 to May 2021 at the interest rate of 3.15 per annum.

23. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT'D)

23.4 Other receivables

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Premium Financial Services Co., Ltd.		
Borrowing guarantee fee	1,348,442.03	1,379,372.58
Mighty Broker Co., Ltd.		
Accrued commission income	281,216.52	0.00

23.5 Lease liabilities

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Hitec Land Chonburi (2002) Co., Ltd.	3,236,458.75	0.00
Mr. Prapakorn Veeraphong	1,657,431.48	0.00

23. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT'D)

23.6 Revenues and expenses are as follows:

	(Unit : Baht)	
	Consolidated and	
	Separate financial statements	
	December 31, 2020	December 31, 2019
Premium Asset Management (Thailand) Co., Ltd (PFS		
(Thailand) Company Co., Ltd)		
Rental income	0.00	120,000.00
ECL Asset Co., Ltd.		
Rental income	480,000.00	280,000.00
Premium Financial Services Co., Ltd.		
Remuneration under joint business agreement	2,400,000.00	7,200,000.00
Consulting services	400,000.00	1,200,000.00
Borrowing guarantee fee	3,630,930.55	3,516,638.95
Mighty Broker Co., Ltd.		
Rental income	60,000.00	0.00
commission income	501,829.20	0.00

24. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Loans from 8 banks consist of:

As at December 31, 2020					
(Unit : Million Baht)			(Unit : Baht)		
	Credit amount	Credit remaining	Interest rate	December 31, 2020	December 31, 2019
1st bank	500	185.59	3.90 - 4.90%, MLR-1.75%	314,410,500.00	254,587,000.00
2nd bank	3,540	240.00	Fixed Rate (IRS)(3.90 ^銭 4.58%)	1,452,116,000.00	1,780,960,000.00
3rd bank	200	0.00	MLR - 2.00%	127,772,000.00	194,444,000.00
4th bank	2,050	162.89	MLR - (2.25% ^銭 2.625%)	960,264,000.00	1,303,206,530.00
5th bank	0.00	0.00	4%, (MLR - 1.50%)	0.00	4,520,000.00
6th bank	150	0.00	BBL's MLR - 1.70%	30,208,332.95	67,708,333.07
7th bank	1,000	100.00	MLR - 1.50%	459,066,666.55	588,125,955.91
8th bank	250	0.00	2.00%	250,000,000.00	0.00
Total	7,690	688.48		3,593,837,499.50	4,193,551,818.98
<u>Less</u> Deferred loans issuing costs				(5,309,186.83)	(9,345,025.23)
Net				3,588,528,312.67	4,184,206,793.75
<u>Less</u> Current portion of long-term debts				(1,777,658,645.18)	(1,678,882,811.93)
Long-term loans from financial institutions				1,810,869,667.49	2,505,323,981.82

The loans agreement have various limitation that must comply with the maintain of financial ratio etc.

Moments in long-term loan for the year ended December 31, 2020, are as follows:

	(Unit : Baht)
	Consolidated and Separate financial statements
Balance as at December 31, 2019	4,193,551,818.98
Additional proceeds during the period	1,300,000,000.00
Repayment during the period	(1,899,714,319.48)
Balance as at December 31, 2020	3,593,837,499.50

24. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS (CONT'D)

- 24.1 The first bank, loans from bank amount of Baht 500 million which were withdrawn. Where the repayment is made that the credit line can be reutilized. (remaining is Baht 185.59 million) These loans are guaranteed by transferring the right on part of hire purchase receivable as stated in note 7.
- 24.2 The second bank, loans from bank amount of Baht 3,540 million which were gradually withdrawn of each not exceeds 75% of hire purchase receivable. The principal and interest are monthly repayable within 4 years from the loans withdrawal date in fully amount. Credit line total amount of Baht 3,540 million dividend into credit line amount of Baht 240 million (remaining is Baht 240 million) and credit line amount of Baht 3,300 million from the loans withdrawal date in fully amount. The loans are guaranteed by transferring the right on payment of hire purchase receivable as stated and mortgaging land with its construction as stated in note 7 and 17.
- 24.3 The third bank, loans from bank amount of Baht 200 million which were withdrawn in fully amount, guaranteed by transferring the right on payment of same hire purchase receivable as stated in note 7.
- 24.4 The fourth bank, loans from bank amount of Baht 2,050 million which were gradually withdrawn of each not exceeds 75% of hire purchase receivable under hire purchase agreement. The principal and interest are monthly repayable within 4 years from the loans withdrawal date. Credit line total amount of Baht 2,050 million dividend into credit line amount of Baht 1,650 million from the loans withdrawal date in fully amount and credit line amount of Baht 400 million were already withdrawn, when the repayment is made that the withdrawal can be renewed (remaining is Baht 162.89 million) The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 7.
- 24.5 The fifth bank, loans from bank amount of Baht 50 million which were withdrawn in fully amount. The debt was fully paid in the third quarter of 2020, in note 7.
- 24.6 The sixth bank, loans from bank amount of Baht 150 million which were withdrawn in fully amount. which were gradually withdrawn of each not exceeds 80% of hire purchase receivable. The principal and interest are monthly repayable within 4 years from the loans withdrawal date. The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 7.

24. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS (CONT'D)

24.7 The seventh bank, loans from bank amount of Baht 1,000 million dividend into credit line amount of Baht 500 million (remaining is Baht 100 million) and credit line amount of Baht 500 million from the loans withdrawal date in fully amount. which were gradually withdrawn of each not exceeds 75-80% of hire purchase receivable. The principal and interest are monthly repayable within 4 years. The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 7.

24.8 The eighth bank, loans from bank amount of Baht 250 million which were withdrawn in fully amount. The principal and interest are monthly repayable within 2 years from the loans withdrawal date with a grace period for the first 12 months. The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 7.

25. LEASE LIABILITIES

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Lease liabilities	30,891,966.73	0.00
Less: Deferred interest expense	(2,512,566.49)	0.00
Total	28,379,400.24	0.00
Less Current portion of lease liabilities	(8,197,590.97)	0.00
Lease liabilities - net of current portion	20,181,809.27	0.00

The Group has entered into the land lease agreements, lease agreements to lease building and lease agreements to lease equipment for use in their operation. The terms of the agreements are generally between 1 to 6 years.

25. LEASE LIABILITIES (CONT'D)

Future minimum lease payments required under the lease agreements were as follows:

	Consolidated and Separate financial statements			
	December 31, 2020			
	Less than			
	1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	9,317,707.02	21,574,259.71	0.00	30,891,966.73
Deferred interest expenses	(1,120,116.05)	(1,392,450.44)	0.00	(2,512,566.49)
Present value of future minimum				
lease payments	8,197,590.97	20,181,809.27	0.00	28,379,400.24

The following are the amounts relating to lease contracts recognised in the income statements for the year ended 31 December 2020:

	(Unit : Baht)
	Consolidated and Separate financial statements
Depreciation expenses of right-of-use assets	9,174,983.54
Interest expenses on lease liabilities	1,485,408.83
Expense relating to short-term leases	0.00
Expenses relating to leases of low-value assets	739,096.50

Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 10.01 million

26. DEBENTURES

Debentures in the form of specific name, unsubordinated, unsecured and holders representative are summarised below:

				(Unit : Baht)	
				Consolidated and	
				Separate financial statements	
Debentures	Interest rate	Terms	Due date	December 31, 2020	December 31, 2019
Debentures # 1/2018	4.40% per annum	2 years	October 5, 2020	0.00	600,000,000.00
Total debentures, at face value				0.00	600,000,000.00
Less: Unamortized portion of deferred transaction costs				0.00	(576,433.57)
				0.00	599,423,566.43
Less: Current portion of debentures				0.00	(599,423,566.43)
Debentures				0.00	0.00

Under rights and responsibilities of debenture issuer to comply with certain covenants and restrictions including maintenance of a interest bearing debt to equity ratio of consolidated financial statements with no excess of 5:1 along with debentures' periods.

During the year, Debentures due date in fully amount.

27. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

The changes in present value of employee benefit obligations for the year ended December 31, 2020 and 2019, as follows:

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2020	December 31, 2019
Non-current provisions for employee benefit as at January 1	30,371,754.00	18,986,993.04
Recognition in profit or loss :		
Current cost of service and interest	2,843,985.52	2,760,837.96
Previous service costs and interest	0.00	5,663,306.00
Employee compensation - Retirement	(568,606.67)	0.00
Employee compensation - Layoff	(1,520,873.14)	0.00
Recognition in other comprehensive income :		
Re-measuring for post-employment benefit obligations	0.00	2,960,617.00
Non-current provisions for employee benefit as at December 31	31,126,259.71	30,371,754.00

Long-term employee benefit expense for the year ended December 31, 2020 and 2019.

Actuarial assumptions to use for calculation:

	<u>2020</u>	<u>2019</u>
	Percentage	Percentage
Discount rate	1.65	1.65
Salary increase rate	5.00%	5.00%
Mortality rate	Thailand TMO2017 tables	Thailand TMO2017 tables

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2020, are summarized below:

	(Unit : Baht)	
	Increase	Decrease
Discount rate (changed at 0.5%)	(704,214.00)	770,389.00
Salary increase rate (changed at 0.5%)	894,877.00	(820,800.00)
Turnover rate (changed at 10%)	(906,187.00)	1,020,819.00

28. WARRANTS

On January 8, 2019, At the Extraordinary General Meeting of the shareholders No.1/2019, the resolution to issue warrants to purchase ordinary shares (ECL-W3) for 554,428,622 units to the existing shareholders without offering price at the ratio of 2 existing shares per 1 unit of warrant and had the right to purchase ordinary shares in the price of Baht 1.85 each. The exercise period of warrants is 2 years from the issuance date. (Due date February 5, 2021)

29. LEGAL RESERVE

According to the Public Company Limited Act B.E. 2535, the Company is required to set aside a legal reserve at least 5% of annual net profit after deduction with deficit brought forwards (if any) until the reserve reach an amount of 10% of the authorized share capital. Such legal real reserve is not available for dividend distribution.

30. PROVIDENT FUND

The Company and employees have jointed to be member of provident fund in accordance with the Provident Fund Act B.E. 2530. Under the fund regulation, the employees have to contribute to the fund at the rate of 3% - 15% of their salaries and the Company's contribution at the rate of 3% - 10%. The benefits will be paid to the members upon the condition of length of work on their retirement, death or resignation from the members.

For the year ended December 31, 2020 and 2019, the Company paid the contribution to the fund of Baht 5,786,975.00 and Baht 5,997,029.00 respectively.

31. DIRECTORS' REMUNERATION AND MANAGEMENT BENEFIT EXPENSES

31.1 Directors' remuneration

Directors' remuneration is contributed to directors of the Company under Section 90 of the Public Company Act excluding salaries and related fringe benefit paid to directors.

31.2 Management benefit expenses

Management benefit expenses focuses expenses relating to salaries, remunerations and other benefits to the directors and management, in accordance with the definitions of the Office of the Securities and Exchange

Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels.

32. FINANCIAL INFORMATION BY SEGMENT

32.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, hire purchase receivables, Loans and sale with right of redemption agreement receivables, loans, Pledged deposit at financial institution, Bank overdrafts and short-term loans from financial institutions, Trade and other current payables, Short-term loans from related persons, Long-term loans from financial institutions and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group has the risk with hire purchase receivables, cash and cash equivalents and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

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

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

32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

Maximum exposure to credit risk

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

The Group disclose this information since 2020, due to the adoption of financial reporting standard since 1 January 2020. As at 31 December 2020, the exposure to credit risk are as follow:

(Unit: Baht)

	Consolidated financial statements	Separate financial statements
	2020	2020
Cash and cash equivalents	54,488,493.19	50,717,065.98
Pledged deposit at financial institution	1,082,948.99	76,000.00
Hire purchase receivables	5,315,643,187.65	5,315,643,187.65
Total exposure to credit risk	5,371,214,629.83	5,366,436,253.63

Credit quality analysis

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

Collateral and any operations to increase creditability

The Group has held collateral and any operations to increase creditability of exposure to credit risk.

The details of the collateral held by the Group for each type of financial assets are as follows:

(Unit: Baht)

	Consolidated and Separate financial statements	
	Exposure to risk with collateral	Type of collateral
	31 December 2020	
Hire purchase receivables	5,315,643,187.65	Car- Motorcycle -truck

32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

Market risk

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

Interest rate risk

The Group enters into a variety of derivatives to manage its risk exposure, including Bank deposit, Hire purchase receivables, loans, Bank overdrafts, loans and debentures.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

(Unit: Million baht)

	Consolidated financial statements					
	31 December 2020					
	Fixed interest rate			Floating interest rate	Non-interest bearing	Total
	Within 1 year	Over 1-5 years	Over 5 year			
Financial assets						
Cash and cash equivalents	-	-	-	15.46	39.03	54.59
Hire purchase receivables	1,877.88	3,437.76	-	-	-	5,315.64
Short-term loans for joint venture	221.50	-	-	-	-	221.50
Long-term loans for joint venture	30.00	-	-	-	-	30.00
Other non-current financial asset	-	-	-	-	2.02	2.02
Pledged deposit at financial institution	1.02	0.06	-	-	-	1.08
	<u>2,130.40</u>	<u>3,437.82</u>	<u>-</u>	<u>15.46</u>	<u>41.05</u>	<u>5,624.83</u>
Financial liabilities						
Bank overdrafts and short-term loans						
from financial institutions	320.26	-	-	-	-	320.26
Trade and other current payables	-	-	-	-	43.80	43.80
Short-term loans from related persons	183.77	-	-	-	-	183.77
Long-term loans	1,001.56	1,013.29	-	1,573.68	-	3,588.53
lease liabilities	8.20	20.18	-	-	-	28.38
	<u>1,513.79</u>	<u>1,033.47</u>	<u>-</u>	<u>1,573.68</u>	<u>43.80</u>	<u>4,164.74</u>

32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

(Unit: Million baht)

	Separate financial statements					
	31 December 2020					
	Fixed interest rate					
	Within	Over	Over	Floating	Non-interest	
	1 year	1-5 years	5 year	interest rate	bearing	Total
Financial assets						
Cash and cash equivalents	-	-	-	11.72	39.00	50.72
Hire purchase receivables	1,877.88	3,437.76	-	-	-	5,315.64
Short-term loans for joint venture	221.50	-	-	-	-	221.50
Long-term loans for joint venture	30.00	-	-	-	-	30.00
Other non-current financial asset	-	-	-	-	2.02	2.02
Pledged deposit at financial institution	0.01	0.06	-	-	-	0.07
	2,129.39	3,437.82	-	11.72	41.02	5,619.95
Financial liabilities						
Bank overdrafts and short-term loans						
from financial institutions	320.00	-	-	0.26	-	320.26
Trade and other current payables	-	-	-	-	42.91	42.91
Short-term loans from related persons	183.77	-	-	-	-	183.77
Long-term loans	1,001.56	1,013.29	-	1,573.68	-	3,588.53
lease liabilities	8.20	20.18	-	-	-	28.38
	1,513.53	1,033.47	-	1,573.68	42.91	4,163.85

32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

(Unit: Million baht)

Consolidated financial statements						
31 December 2019						
	Fixed interest rate			Floating interest rate	Non-interest bearing	Total
	Within 1 year	Over 1-5 years	Over 5 year			
Financial assets						
Cash and cash equivalents	2.19	-	-	-	15.67	17.86
Hire purchase receivables	2,034.11	4,866.67	-	-	-	6,900.78
Loans and sale with right of redemption agreement receivables	24.18	-	-	-	-	24.18
Short-term loans for joint venture	169.50	-	-	-	-	169.50
Long-term loans for joint venture	62.00	-	-	-	-	62.00
Other non-current financial asset	-	-	-	-	2.69	2.69
Pledged deposit at financial institution	1.00	0.07	-	-	-	1.07
	<u>2,292.98</u>	<u>4,866.74</u>	<u>-</u>	<u>-</u>	<u>18.36</u>	<u>7,178.08</u>
Financial liabilities						
Bank overdrafts and short-term loans						
from financial institutions	360.24	-	-	35.86	-	396.10
Trade and other current payables	-	-	-	-	66.92	66.92
Short-term loans from related persons	217.98	-	-	-	-	217.98
Long-term loans	898.87	1,136.82	-	2,148.52	-	4,184.21
Debentures	599.42	-	-	-	-	599.42
	<u>2,076.51</u>	<u>1,136.82</u>	<u>-</u>	<u>2,184.38</u>	<u>66.92</u>	<u>5,464.63</u>

32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

(Unit: Million baht)

	Separate financial statements						
	31 December 2019						
	Fixed interest rate						
	Within	Over	Over	Floating	Non-interest		
	1 year	1-5 years	5 year	interest rate	bearing	Total	
Financial assets							
Cash and cash equivalents	0.72				15.65	16.37	
Hire purchase receivables	2,034.11	4,866.67	-	-	-	6,900.78	
Loans and sale with right of redemption agreement receivables	24.18	-	-	-	-	24.18	
Short-term loans for joint venture	169.50	-	-	-	-	169.50	
Long-term loans for joint venture	62.00	-	-	-	-	62.00	
Other non-current financial asset	-	-	-	-	2.69	2.69	
Pledged deposit at financial institution	-	0.07	-	-	-	0.07	
	2,290.51	4,866.74	-	-	18.34	7,175.59	
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	360.24	-	-	35.86	-	396.10	
Trade and other current payables	-	-	-	-	66.89	66.89	
Short-term loans from related persons	217.98	-	-	-	-	217.98	
Long-term loans	898.87	1,136.82	-	2,148.52	-	4,184.21	
Debentures	599.42	-	-	-	-	599.42	
	2,076.51	1,136.82	-	2,184.38	66.89	5,464.60	

32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

Analysis of effect to changes in interest rates

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

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the management of sufficient cash and cash equivalent, to reduce the effect of fluctuation of cash flows. The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Million baht)

	Consolidated financial statements				
	31 December 2020				
	At call	Within 1 year	1 – 5 years	Over 5 years	Total
Financial liabilities					
Bank overdrafts and short-term loans from					
financial institutions	300.26	20.00	-	-	320.26
Trade and other current payables	-	43.80	-	-	43.80
Short-term loans from related persons	-	183.77	-	-	183.77
Long-term loans	-	1,777.66	1,810.87	-	3,588.53
lease liabilities	-	8.20	20.18	-	28.38
Total	300.26	2,033.43	1,831.05	-	4,164.74

32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

(Unit: Million baht)

	Separate financial statements				
	31 December 2020				
	At call	Within 1 year	1 – 5 years	Over 5 years	Total
Financial liabilities					
Bank overdrafts and short-term loans from					
financial institutions	300.26	20.00	-	-	320.26
Trade and other current payables	-	42.91	-	-	42.91
Short-term loans from related persons	-	183.77	-	-	183.77
Long-term loans	-	1,777.66	1,810.87	-	3,588.53
lease liabilities	-	8.20	20.18	-	28.38
Total	300.26	2,032.54	1,831.05	-	4,163.85

Fair values financial instruments

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

- For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, Short-term loans, Bank overdrafts and short-term loans, the carrying amounts in the statement of financial position approximate their fair value.
- For fixed rate hire purchase and fixed rate debentures and long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.

As at 31 December 2020, the Group had the assets and liabilities that were measured and disclosed at fair value using different levels of inputs as follows:

32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

(Unit: Million baht)

	Consolidated financial statements				
	2020				
	Fair values				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	54.49	54.49	-	-	54.49
Hire purchase receivables	5,315.64	-	-	-	-
Short-term loans for joint venture	221.50	-	221.50	-	221.50
Other non-current financial asset	2.02	-	-	2.02	2.02
Long-term loans for joint venture	30.00	-	30.00	-	30.00
Pledged deposit at financial institution	1.08	1.08	-	-	1.08
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	320.26	320.26	-	-	320.26
Trade and other current payables	43.80	43.80	-	-	43.80
Short-term loans from related persons	183.77	-	183.77	-	183.77
Long-term loans	3,588.53	-	3,609.30	-	3,609.30
lease liabilities	28.38	-	-	28.38	28.38

32. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

(Unit: Million baht)

	Book value	Separate financial statements			
		2020			
		Fair values			
		Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	50.72	50.72	-	-	50.72
Hire purchase receivables	5,315.64	-	-	-	-
Short-term loans for joint venture	221.50	-	221.50	-	221.50
Other non-current financial asset	2.02	-	-	2.02	2.02
Long-term loans for joint venture	30.00	-	30.00	-	30.00
Pledged deposit at financial institution	0.08	0.08	-	-	0.08
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	320.26	320.26	-	-	320.26
Trade and other current payables	42.91	42.91	-	-	42.91
Short-term loans from related persons	183.77	-	183.77	-	183.77
Long-term loans	3,588.53	-	3,609.30	-	3,609.30
lease liabilities	28.38	-	-	28.38	28.38

The Group's management is currently assessing the fair value of the hire purchase receivables, believing that the fair value is close to the carrying value presented in the statement of financial position.

33. FINANCIAL INFORMATION BY SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company's operation involve virtually a single credit providing business in the form of hire purchasing to ordinary person and juristic person and operated in one geographical segment in domestic, hence, all of revenues, gain and assets presented in the financial statements are related to the said business and geographical segment.

34. EXPENSES ANALYZED BY NATURE

The significant expenses analyzed by nature are as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Employees benefit expenses	123,355,736.06	150,812,806.63	123,116,142.95	150,812,806.63
Directors' remuneration	6,592,000.00	8,960,000.00	6,592,000.00	8,960,000.00
Management benefit expenses	33,819,730.00	36,434,400.00	33,819,730.00	36,434,400.00
Depreciation	22,614,560.46	13,000,484.04	22,604,079.47	13,000,484.04
Amortized commission expenses	67,192,303.32	60,418,799.37	67,192,303.32	60,418,799.37
Loss on impairment of other long-term investments	671,452.27	1,188,329.51	671,452.27	4,767,007.28
Expected credit losses	158,919,354.48	0.00	158,919,354.48	0.00
Bad dept and Doubtful accounts	0.00	141,538,033.28	0.00	141,538,033.28

35. INCOME TAX

35.1 Income tax expenses for the year ended December 31, 2020 and 2019, can be summarized as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Current tax:				
Income tax for the period	25,502,493.75	45,431,796.03	25,500,909.73	45,438,472.03
Deferred tax:				
Deferred tax on temporary differences and reserved temporary differences	(10,482,940.39)	(15,389,925.86)	(10,484,524.40)	(16,105,661.41)
Income tax expenses presented in statement of comprehensive income	<u>15,019,553.36</u>	<u>30,041,870.17</u>	<u>15,016,385.33</u>	<u>29,332,810.62</u>
Income tax realized in other comprehensive income				
Deferred tax recognized to actuarial loss	<u>0.00</u>	<u>592,123.40</u>	<u>0.00</u>	<u>592,123.40</u>

35.2 Reconciliation amount between income tax expenses and multiplication of accounting profits and tax rates used for the year ended December 31, 2020 and 2019, can be presented as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Accounting profit before income tax	76,698,901.82	160,131,012.15	66,321,757.13	139,654,592.60
Income tax rates	20%	20%	20%	20%
Accounting profit before income tax multiply by tax rates	15,339,780.36	32,026,202.43	13,264,351.43	27,930,918.52
Taxable effect for:				
Prohibited taxable items	10,162,713.39	13,405,593.60	12,236,558.30	17,507,553.51
Temporary differences from effect of deferred income tax	<u>(10,482,940.39)</u>	<u>(15,389,925.86)</u>	<u>(10,484,524.40)</u>	<u>(16,105,661.41)</u>
Income tax expenses presented in statement of income	<u>15,019,553.36</u>	<u>30,041,870.17</u>	<u>15,016,385.33</u>	<u>29,332,810.62</u>
Effective income tax rate (%)	<u>19.58%</u>	<u>18.76%</u>	<u>22.64%</u>	<u>21.00%</u>

35. INCOME TAX (CONT'D)

35.3 Deferred tax assets and liabilities components as at December 31, 2020 and 2019, consist of the following transaction.

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Deferred tax assets				
Allowance for expected credit losses - hire purchase receivable	74,169,947.96	15,428,186.16	74,169,947.96	15,428,186.16
Allowance for expected credit losses - loans and sale with right of redemption receivable	0.00	9,690.24	0.00	9,690.24
Allowance for expected credit losses - Receivables under lawsuit	16,150,031.07	20,987,078.29	16,150,031.07	20,987,078.29
Allowance for expected credit losses - debt compromise receivables	857,627.27	2,470,630.48	857,627.27	2,470,630.48
Allowance for expected credit losses - other receivables	87,665.80	81,838.80	87,665.80	81,838.80
Allowance for expected credit losses - Receivables under lawsuit – car loan	697,958.40	935,591.80	697,958.40	935,591.80
Provision for impairment of assets – foreclosed	9,331,693.66	6,496,006.12	9,331,693.66	6,496,006.12
Non-current provisions for employee benefit	6,225,251.94	6,074,350.80	6,225,251.94	6,074,350.80
Provision for impairment of investment	371,956.36	237,665.90	1,087,691.91	953,401.46
Reserve for allowance for doubtful accounts -				
Accrued value added tax	215,823.41	0.00	215,823.41	0.00
Lease	250,906.48	0.00	250,906.48	0.00
Total	108,358,862.36	52,721,038.59	109,074,597.91	53,436,774.14
Deferred tax liabilities				
The difference of the realized accounting and tax revenues	3,856,980.41	0.00	3,856,980.41	0.00
Deferred commission	14,651,243.22	22,696,620.34	14,651,243.22	22,696,620.34
Total	18,508,223.63	22,696,620.34	18,508,223.63	22,696,620.34
Net	89,850,638.72	30,024,418.25	90,566,374.27	30,740,153.80

36. EARNINGS PER SHARE

Basic earnings per share is determined by dividing the net profit (loss) for the period attributable to the shareholders (excluding other comprehensive income) by the weighted average number of common shares issued and paid-up during the period.

Diluted earnings per share is calculated by dividing the profit for the period attributable to shareholders (excluding other comprehensive income) by sum of the weighted average number of ordinary shares issue during the period which is increased shares by the weighted average number of additional ordinary shares that would result from the conversion of all dilutive potential ordinary shares to ordinary shares at the beginning of the year or at the potential ordinary shares issuance date.

Basic earnings per share for the year ended December 31, 2020 and 2019, can be presented as follows:

(Unit : Baht)

Consolidated financial statements						
For the year ended						
	December 31, 2020			December 31, 2019		
	Profit (Loss)	Number of share	Earnings per share	Profit (Loss)	Number of share	Earnings per share
Basis earnings per share	61,679,348.46	1,108,857,244	0.0556	130,089,141.98	1,108,857,244	0.1173

(Unit : Baht)

Separate financial statements						
For the year ended						
	December 31, 2020			December 31, 2019		
	Profit (Loss)	Number of share	Earnings per share	Profit (Loss)	Number of share	Earnings per share
Basis earnings per share	51,305,371.80	1,108,857,244	0.0463	110,321,781.98	1,108,857,244	0.0995

37. COMMITMENT AND CONTINGENT LIABILITIES

37.1 As at December 31, 2020, contingent liabilities from bank's issuance of letter of guarantee for electricity usage amount of Baht 76,000.00 (as at December 31, 2019, of Baht 66,000.00).

37.2 As at December 31, 2020, contingent liabilities from Office of Insurance Commission amount of Million Baht 1.00 (as at December 31, 2019, of Million Baht 1.00).

37.3 As at December 31, 2020, liable on payment under rental agreement within 1 year in amount of Baht 0.42 million and over 1 year in amount of Baht 0.21 million.

38. SIGNIFICANT CONTRACT

Co-business investment contract

38.1 The Company and Premium Financial Services Co., Ltd. ("PFS") are investors entered into contract for co-business investment for the period of 2 years and renewed for the next 1 year each with the objective to develop the business of the Company by taking Know-How of PFS and appointed the representative of PFS to be director and employee for rendered the services for the Company. The remuneration is determined in the amount of Baht 600,000.00 per month (exclude tax/this amount is included salaries and other expenses of which the Company has paid to the representative of PFS from get into employee position of the Company). The termination of a contract is on April 26, 2020 without renewal.

38.2 As at June 8, 2018, Warranty business consultant contract for the period of 1 year and renewed for the next 1 year in the next times. The remuneration is determined in the amount of Baht 100,000.00 per month. The termination of a contract is on May 31, 2020 without renewal.

39. CAPITAL MANAGEMENT

The objective of financial management is to preserve the ability to continue its operation as a going concern and capital structure to be properly appropriated.

As at December 31, 2020, the Company has debt to equity ratio as summarized below:

	Consolidated financial statements	Separate financial statements
Debt to equity ratio	2.41	2.45

40. EVENTS AFTER REPORTING PERIOD

According to the Board of Director meeting of the Company No. 1/2021 held on February 25, 2021, the meeting passed a resolution to request the approval from the General Shareholder Meeting to pay dividend to the shareholders at rate of Baht 0.10 per share for 1,108,859,002 shares, totally amount of Baht 110.89 million. (Nevertheless, this do include the exercise of warrants for 1,758 shares). The dividend is scheduled to pay on May 14, 2021.

41. RECLASSIFICATION

The financial statements for the year ended December 31, 2019, have been reclassified for comparison purpose to conform to the financial statements for the year ended December 31, 2020, as follows:

(Unit : Baht)

	Consolidated and Separate financial statements		
	Before reclassify		After reclassify
	Debit/(Credit)	Reclassify	Debit/(Credit)
Statements of financial position			
As at December 31, 2019			
Other current receivables	38,695,974.51	(9,345,025.23)	29,350,949.28
Current portion of long-term loans	1,684,748,534.00	(5,865,722.07)	1,678,882,811.93
Long-term loans from financial institutions	2,508,803,284.98	(3,479,303.16)	2,505,323,981.82
Statements of cash flows			
As at December 31, 2019			
Amortization loans issuing costs	0.00	10,236,012.30	10,236,012.30
(Increase) Decrease in other current receivables	(6,384,420.22)	9,345,025.23	2,960,605.01
Proceeds from long-term loans from financial institutions	2,251,459,000.00	(19,581,037.53)	2,231,877,962.47

42. APPROVAL OF INTERIM FINANCIAL STATEMENTS APPROVAL

These interim financial statements were approved and authorized for issue by the Company's Board of directors on February 25, 2021.

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