



ANNUAL REPORT 2020



รายงานประจำปี 2563
บริษัท กรู๊ปลีส์ จำกัด (มหาชน)
GROUP LEASE PUBLIC COMPANY LIMITED

ANNUAL REPORT 2020



GROUP LEASE PUBLIC COMPANY LIMITED

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Investors may view additional information from the Annual Information Disclosure Form (Form 56-1) of the Company shown in www.sec.or.th or the Company's website at www.grouplease.international

Message from Chairman

On October 15, 2020, I was appointed to be the Chairman of the Board of Directors of Group Lease Public Company Limited (the "Company") as I have knowledge, skills, abilities, and expertise in the business of the Company because I have been driving the business of the Company and its subsidiaries for more than nine years. For the Company, I was appointed as a director since 2016. Hence, I have good knowledge and understanding of the role, duties, and responsibilities of the Company's director. Throughout the period of the past year, I and the Board of Directors, including the Audit Committee, have focused on performing duties under the Good Governance Policy, which follows the guidelines of the Securities and Exchange Commission, the Rules and Regulations of the Stock Exchange of Thailand including various related laws, as well as the Code of Conduct for Business Operations as we would like to operate the business with transparency, verifiability, and ability to maximize the benefits to both short-term and long-term shareholders including investors, business partners, creditors, employees and other stakeholders of the Company.

Throughout the past year, the Company's Board of Directors has acknowledged the report of the operations result of the Company and its subsidiaries from the information of the management at each of the Board of Directors' monthly meetings. From the description of the management, it shows that the result of the operations is still at a reasonable level; even though there is some subsidiary whose performance was not so good in the year 2020, it had various events which were beyond the control of the Company, including the outbreak of the Coronavirus Disease 2019 or COVID, which is a disease that causes damage to every social class in every country around the World. As a result, many companies were gradually shutting down due to a lack of preparation for the plan to support the situation; as mentioned above, no one expected it to happen. The Company is also one of the companies affected by the COVID epidemic. However, because the Company can adapt itself and the employee capability, including the Board of Directors and the Management, have potential in management and are always ready for business improvement, we jointly considered various possible risks. Finally, we could prepare a plan to prevent and support such situations. The Board of Directors and I have performed duties under the Principles of Good Governance. Moreover, we have worked with transparency and verifiability, including adhering to rules, regulations, and relevant laws. As a result, I believe that the Company's business will operate in a good direction and will have steady progress and the ability to overcome various problems and obstacles.

Lastly, I would like to express sincere gratitude to our business partners, customers, management, and employees, including the other stakeholders who continuously operate, support, promote and cooperate with the Company to conduct the Company's business. The Board of Directors and I would like to insist that we will perform our duty, including the assigned missions, with responsibility, transparency, and adherence to Good Governance to ensure that the Company will grow steadily and sustainably in the future. We sincerely hope that we will continuously get good support from all parties forever.

Mr. Riki Ishigami

Chairman of the Board of Directors
Group Lease Public Company Limited

Report of the Audit Committee

The Audit Committee of Group Lease Public Company Limited comprises of 5 Independent Directors who have not involved in any management function in the Company's operation and all 5 Independent Directors possess the required qualifications in compliance to the rules of the Stock Exchange of Thailand (the "SET") and the Securities and Exchange Commission (the "SEC"). The list of Audit Committee appears as follow:

Name	Position	Duration of the position	No. of meeting attendance
			Total No. of meeting
1. Mr. Skol Harnsuthivarin	Chairman of Audit Committee	Present	12/12
2. Dr. Pholdej Therdphithakvanij	Audit Committee	Present	12/12
3. Mrs. Sumalee Chokdeeanant	Audit Committee	Resigned on 26 October 2020	8/8
4. Mr. Viboon Engkagul	Audit Committee	Resigned on 24 November 2020	12/12
5. Mr. Troy Andrews Schooneman	Audit Committee	Resigned on 29 November 2020	9/11*

Remark*

- Mr. Troy Andrews Schooneman's term of office was expired on 23 February 2020.
- The Audit Committee Meeting No.2/2020 held on 27 February 2020, Mr. Troy cannot attend the said meeting so he has attended the total no. of meeting for 11 times.
- The Board of Director Meeting No.2/2020 held on 28 February 2020 had considered renewal term of office of Mr. Troy for 2 years (since 23 February 2020 – 23 February 2022)

Audit Committee has carried out their duties as assigned by the Board of Directors and complied to the Audit Committee Charter which was set in accordance with the good governance for Audit Committee set forth by the SET which for the year 2020 can be summarized as follows:

- **Financial Statement**

The Audit Committee has considered and reviewed significant information in the Company's separate quarterly and yearly 2020 and consolidated financial statements of Group Lease Public Company Limited and its subsidiaries with the management and the external auditor and they are of the view that those financial statements are accurate, reliable and has disclosed significant information completely, sufficiently in a timely manner and had complied with the rules, laws, financial reporting standard as well as the generally accepted accounting principles (for the Company's separate and consolidated financial statements ended 30 September 2020 and the financial statements ended 31 December 2020, the Company requested to postpone the submission of the said financial statements to SET. Later on, the Company submitted the financial statements ended 30 September 2020 and the financial statements ended 31 December 2020 to the SET on 19 March 2021 and 4 August 2022, respectively).

- **Internal Control System and Compliance to the Law and good Corporate Governance**

The Audit Committee has considered the sufficiency of the internal control system, the compliance of the laws and good corporate governance of the Company and its subsidiaries based on the Management Letter of the external auditor, report from the

Internal Audit Department including the supplementary information acquired from the meeting with the Company's top management and is of the view that the company has internal control system, compliance to the law and corporate governance which are appropriate and sufficient for its business operation.

- **Transactions that may cause conflicts of interest**

Audit Committee has considered the related party transactions or the transactions which may have conflict of interest based on justification, transparency and sufficient disclosure in compliance with the rules and regulations set forth by the SET and the SEC. Audit Committee is of the opinion that the Company's related transactions have done under the normal commercial condition for the best interest of the Company (for the Q3/2020 related party transactions and the 2020 related party transactions, they have been considered by the new Audit Committee which has been appointed since 28 April 2021).

- **The Selection and nomination of external auditor**

Audit Committee has considered the appropriate qualifications, independence quality, performance and remunerations of the external auditor and selected KPMG Phoomchai Audit Ltd. to recommend the Board of Directors to propose for appointment by the shareholders as the Company's external auditor for the year 2020.

The Audit Committee has carried out its duties prudently and independently striving for the Company to operate its business under good corporate governance, transparency and fairness and auditable for the interest of the Company and justified to its shareholders, the stakeholders including the employees, management and other related persons. Audit Committee has made its self-assessment for the year 2020 to assess its duties performing in order to ensure that the duties carried out are efficient and can achieve the assigned objectives successfully.

Audit Committee
Group Lease Public Company Limited

Policy and Business Overview

Group Lease Public Company Limited or GL was established on May 6, 1986, to serve the automobile hire purchase business in Bangkok and provincial areas. In 1990, a new group of shareholders acquired the business and focused on the hire purchase business of motorcycles while slowing down the hire purchase of automobiles. Later, the Company expanded into hire purchase of other products such as trucks, machineries, and printing presses as well as expanded into financial leasing, claim transfer agreement, installment sales loan and personal loans. Since the year 2004, the core business of the Company has been concentrated on the hire purchase of motorcycles only.

In 2007, a new shareholder, APF Group, completed a takeover and became the major shareholder, which it still maintains today. During the first four years after APF's takeover, the Company focused on improving the business in Thailand as that was the Company's only market at the time. In 2011, the Company decided that expanding outside of Thailand and focusing on the ASEAN market was the best avenue for increasing shareholder value and profitability for the firm, so the Company reorganized management and began a rapid expansion into the ASEAN market using their recently created new business model, which they first deployed in Cambodia. In 2015, the Company followed up its successfully entry in Cambodia by entering fellow ASEAN country Laos. The business model was continually improved upon and transformed GL to be a 'Digital Finance Platform Provider.'

Since 2017, the Company had multiple successful new market entrances and had operations in seven countries, namely, Thailand, Singapore, Cambodia, Laos, Indonesia, Myanmar and Sri Lanka. The Company and its subsidiary in Thailand are principally engaged in the activity of hire-purchase and loan (with vehicle registration as guarantee) such as motorcycle and automobile. Overseas subsidiaries are principally a business management, consulting including financing services to the corporates, other investment holding company, hire purchase, microfinance business and consumer finance business under joint financing arrangements. Such financing is provided under Digital Finance Platform which is a combination of a Technology Oriented model coupled with an internally developed software 'E-Finance' and Site-Job Oriented model using our widespread and high density Point of Sales (POS) network. The Technology Oriented software network and POS network has a low operating cost, is capital light, and quickly expandable to meet demand.

Vision, Objectives or Strategies in Business Operation

Currently, the Company's vision is to be a "Digital Finance Platform Provider for Billions" in ASEAN and beyond.

The objectives or strategies for business operation (during 2018-2022) are to be the leading GLOCAL (global and local at the same time) finance company that supports emerging entrepreneurs and shares in our consumers' growth while being a leader in client and employee satisfaction. Our low cost and high technology network will enable us to locally meet the needs of our customers while being easily expandable worldwide. This can be fulfilled by developing innovative products to satisfy unmet customer demands, enhancing relationship with local partners, optimizing (POS) network including developing of strategic business partners to reinforce local business operations for current and future product expansion as well as developing strategic funding partners in each market with local currency. The Company shall also focus on the compliance with good corporate governance and social responsibilities

Changes and Important Development

In 2012, the Company had made investment in a subsidiary, Group Lease Holdings Pte Ltd. or GLH which is a holding company located in Singapore, to use as an investment expansion base in other countries since the rules in Singapore are modern and international and the financial transaction cost is low.

In 2013, the Company expanded into Cambodia by acquiring GL Finance Plc. or GLF with the first Finance Leasing License from the National Bank of Cambodia, received exclusive rights of HONDA motorcycle leasing in Cambodia, and signed a MOU to form a business partnership with Siam Kubota Corporation Co., Ltd., the leading manufacturer of agricultural equipment in Cambodia. GLF began to implement its newly created 'Digital Finance Platform' in the motorcycle hire purchase business in Cambodia. GLF also acquired exclusive financing rights from Honda in Cambodia and operated Point of Sales in Honda Dealer shops and Kubota agricultural machinery dealer shops all over Cambodia

In 2013, there was a change in par value of the Company's shares from 5 THB to 0.50 THB without any effect on the Company's registered capital. As a result, the amount of shares were increased and purpose was to increase the liquidity of the Company's shares. The change of par value and the split of shares did not affect the existing shareholders' rights and the total value of registered capital remained unchanged.

In 2014, the Company acquired 100% of Thanaban Co., Ltd. a Thai competitor in our industry. This acquisition allowed the Company to accelerate our business expansion immediately.

In 2015, Thanaban had developed new product called 'Motor for Cash' to enhance the potential for competition and also improved our credit approval process for new contract so that it can reduce cost and operating time. We also expanded financial service for second-hand motorcycle called 'Smartbike'. Moreover, new service called 'Car for Cash' had also been developed and started in December 2015. In 2016, Thanaban had expanded continuously new branches as well as the second-hand motorcycle partnership and in 2017, Thanaban had altogether 64 branches and total 326 second-hand motorcycle partnerships. For the year 2018, Thanaban initiated new products, MotoBuy while emphasized and gave more importance on the screening of potential customers to improve loan quality and maximize operation efficiency. The Bank of Thailand regulated that from 1 February, 2019 onward, the business on personal loan that has vehicle registration as guarantee shall need a license and be under the supervision of the Bank of Thailand. Thanaban has already applied for such license.

In May 2015, using the same successful, proven business model in Cambodia, the Company began operating business in Laos. Due to this strategy, operations in Laos began contributing to consolidated net profits within four months. In total, we concluded 2015 with the highest amount of revenue, highest amount of net profit, and our largest portfolio ever. Through continuous growth and expansion of business in Cambodia and Laos under our 'Digital Finance Platform', the Company expanded its product line to include agricultural machines, energy equipment and other products. The new business model brought new income from product suppliers and dealers in the form of consulting and interest income generated by allowing them to distribute their products through our Digital Finance platform.

In 2016, following the same strategy, we began operating in Indonesia, which the most populated country in ASEAN, and reached profitability in the first quarter of operations. We also entered Sri Lanka and Myanmar in 2016 through acquisitions with Commercial Credit and Finance Plc and BG Microfinance Myanmar Co, respectively which gave us insight into a new product for us, microfinance group loans. Additionally, we acquired part of a Singaporean company, Began Innovation Technology Pte, to position us with additional knowledge and skills to further expand into the Myanmar market.

We also expanded into three new markets: Indonesia, Sri Lanka, and Myanmar. In Indonesia, we expanded organically and in Sri Lanka and Myanmar, we entered those markets via acquisition with Commercial Credit and Finance PLC and BG Microfinance Myanmar Co respectively. Additionally, we acquired part of a Singaporean company, Began Innovation Technology Pte, which operates IT Platform Building business, to position us with additional knowledge and skills to further expand into the Myanmar market.

In 2017, the Company worked to improve and build our current markets and continued to achieve profit. However, in the third quarter, the Company recorded a significant loss due to provisions related to persons and loans questioned by the Thai SEC and related to our investment in Sri Lanka. During the fourth quarter, we had no such exceptional items and were back to profitable. The Company's current strategy is to focus on our current markets and continue to expand and improve current operations there.

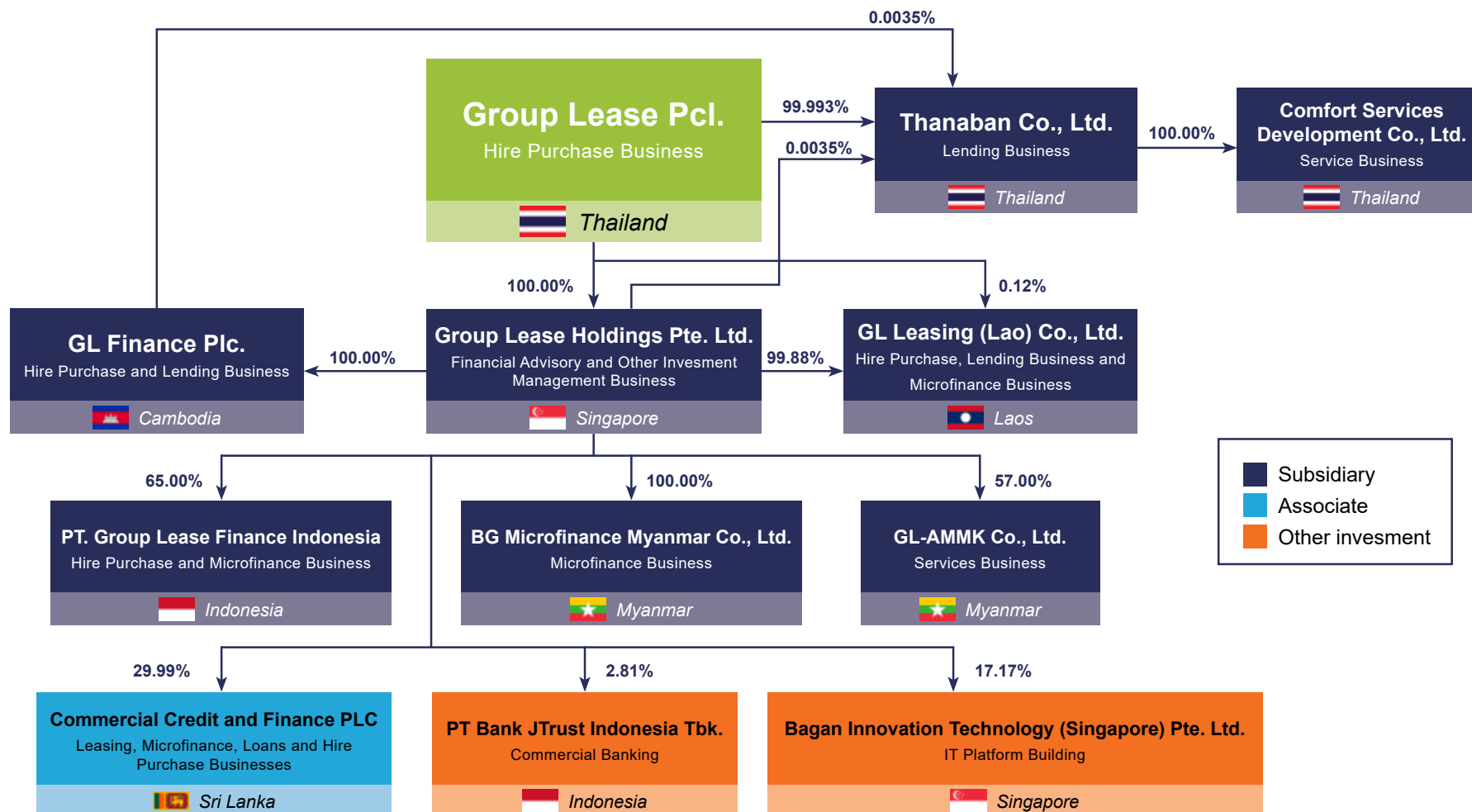
On 3 July 2018, the Company opened a new wholly own subsidiary in Thailand, having Thanaban Co., Ltd. as shareholder, named Comfort Service Development Co., Ltd. ("CSD") with a registered capital of 4 million Baht. CSD operates registration services business such as the changing of registration data of motorcycles and cars, changing of location of the registration plate, type of the plate, annual tax renewal and compulsory insurance, etc. serving as supplementary services on various types of registrations to our customers.

In 2018, we revised our 2017 financial statement to comply with the Thai SEC. We remained profitable and focused on our current markets. Also in 2017, the Company found itself involved in a legal dispute with one of its creditors which has continued through now (litigation details appear in the notes to financial statement for FY2019 ending 31 December 2019 No. 34.1-34.3). However, the Company and its subsidiaries are currently able to operate business as normal. In 2018 and going forward, our strategy is to continue to improve our efficiency through digital optimization, strengthen our corporate governance with international best practices, use our global network and connections to improve our local and close to the customer operations, and continue to expand our platform of products so that we meet the needs of the customer at multiple life stages. Over the next five years, the Company will upgrade its "Digital Finance" model to "Life Cycle Finance" and evolve from being a "Leasing Company" to "Multi Finance Company".

In 2019, the Company's subsidiaries expanded into new products for its hire-purchase, microfinance and loan services by the cooperation with new dealers such as 3-wheeler car from Bajaj in Myanmar and Cambodia, Howo Truck in Laos and Oppo mobile phone in Myanmar, and some other new products in the future. The Company will continue to grow and meet our mission of providing innovative finance products to emerging entrepreneurs to improve their economic development.

The Shareholding Structure of the Group Companies

The group companies' structure and their respective business and shareholdings are as follows:



Nature of Business

The Company and its subsidiaries in Thailand and overseas currently operate the businesses which nature can be described as follows:

Hire Purchase and lending

The Company and its subsidiaries are principally engaged in the activity of hire purchase and lending through Digital Finance Platform business model. We facilitate the financing services between consumers and suppliers / dealers for a variety of products such as motorcycles, agricultural machinery, truck and other vehicles, etc. Customers benefit from convenience throughout the entire processes starting from asking for loan approval to paying monthly installments through the electronic payment systems (E-payment system). For suppliers/dealers our reliable and efficient platform also facilitate them in the entire product selling process varying from marketing, customers' scoring which knowledge derived from our long experience on financing business to money collection through our POS networks and integrated e-finance system. As a result, we earn revenues from interest income on hire-purchase from the customers and the consulting service and interest income on lending from the suppliers/dealers.

Microfinance

Microfinance is a financial assistance concept that provides small loans to individuals or communities who have no access to banking facilities, for the purpose of establishing or developing their own enterprise. In the purpose of improving the quality of life for people and communities in remote areas, the Company provides loans to customer along with the training programs such as self-development, positive thinking, leadership skills and career development to help and enhance people or community's sustainable growth.

Business management and consulting

Since 2017, the Company has cooperated with Century Finance Company Limited, a Myanmar finance company for a variety of products such as motorcycles, three-wheeler, agricultural machinery and truck. The Company set up a subsidiary in Myanmar, GL-AMMK, by using our expertise and efficiency in digital finance combine and complement with Century Finance's extensive network throughout Myanmar to provide a broad range of financial services to the booming Myanmar markets, especially for people in the rural areas.

Century Finance's lending business grew rapidly along with the Myanmar's economic growth causing the subsidiary company (GL-AMMK) to receive more business management and consulting service income. For this year, the Company aims to expand its business by providing new products to customers.

Financing to corporates and investment

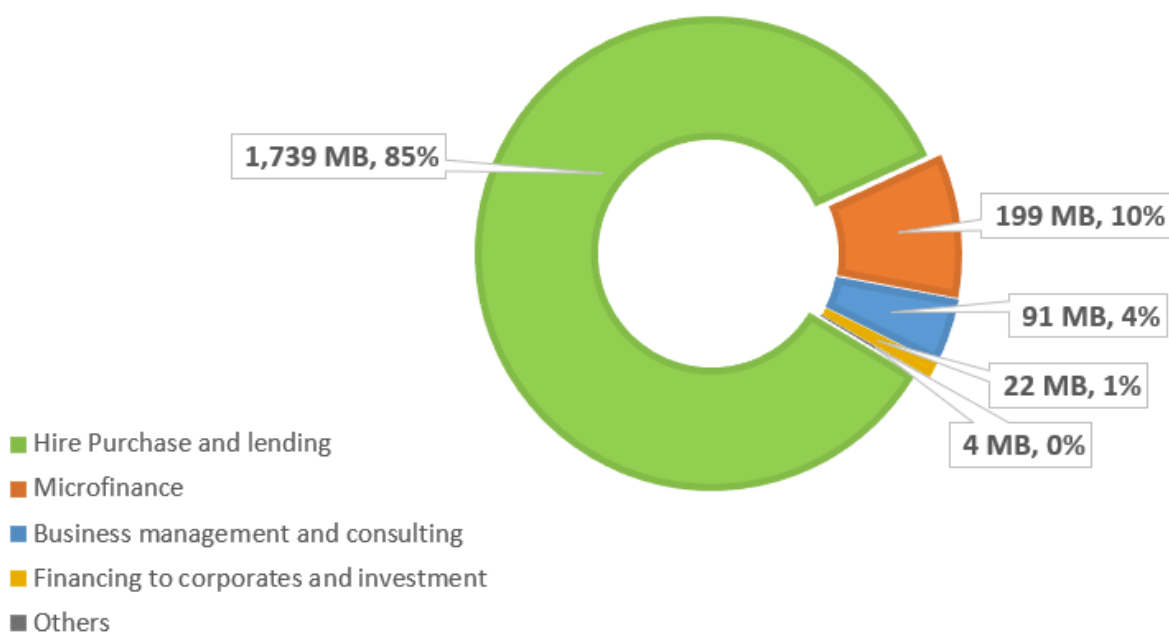
The Company provides financing to small and medium-sized enterprises that need the fund for business operation. The Company realizes the importance of small and medium-sized enterprises that their business might be the key to drive the overall economic growth. In addition, the Company also invests in debt and equity securities to generate more revenue for the Company.

Revenue Structure of the Group Company

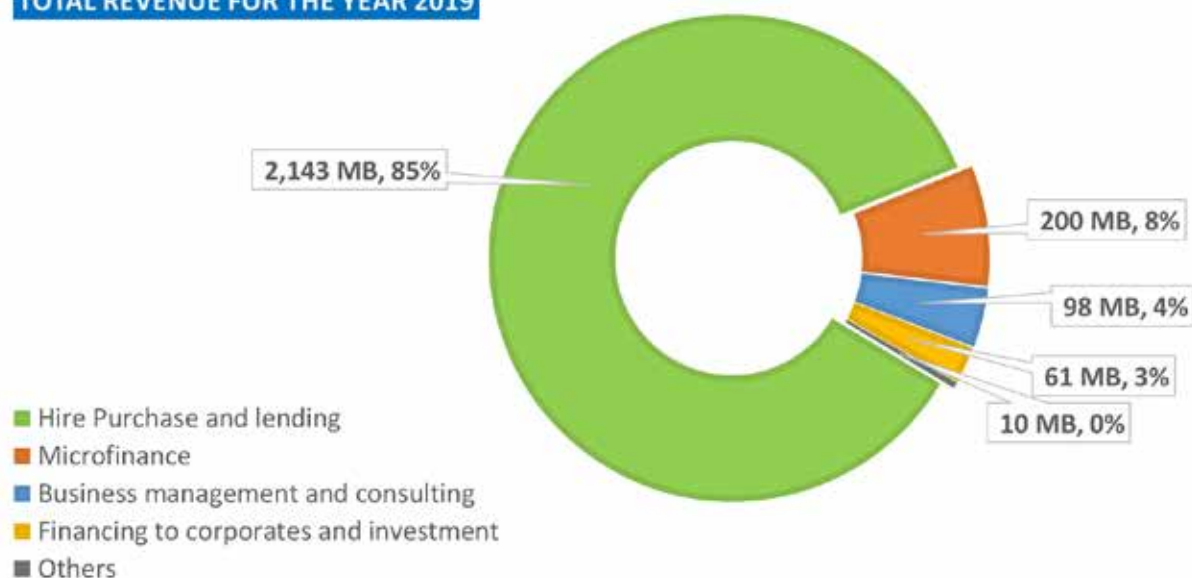
The Group Company are organized into business units based on its products and services as disclosed in Note no. 27 of the consolidated financial statements for the year ended 31 December 2020.

Revenue generated by the Group Company' operating segments are as follow;

TOTAL REVENUE FOR THE YEAR 2020



TOTAL REVENUE FOR THE YEAR 2019



Competition Situation

The competition situation on hire-purchase business has been very high due to the entering into this industry by many listed and non-listed companies in the Stock Exchange of Thailand. Our competitive strategy is to provide rapid services and principally focus on fulfilling the satisfaction of the individual customers as well as the dealers. Market survey and regular visiting to our customers and dealers could enhance the Company to acquire the real needs of the customers which able to provide us the useful data for the efficient improvement that can better meet the needs of the customers. For instance, currently we found that customers need on-site service so we provided hire-purchase service at their home or office. Such service has proven to be our competitive advantage.

Additionally, in order to maintain the satisfactory level in our services, the Company realizes the importance of getting the problems solved which arising from complaints filed by the customers. Therefore, special unit was set up to receive complaints through various channels such as telephone, e-mail and internet, etc. In 2020, there were only less than 1 percent of complaints filed to the Company which is considered a satisfactory level.

Moreover, we have expanded internationally, which very few of our competitors have done. This allows us to participate in the growth of ASEAN and other markets, rather than being dependent on one economy. As individual countries do not meet growth expectations, which happen, we can use the strength of our other markets to take advantage of those local slowdowns while our local competitors cannot do so.

We will continue to focus on using our “Digital Finance Platform” to meet the needs of individual customers and dealers which will allow us to outperform our competitors and achieve above average growth and profit returns.

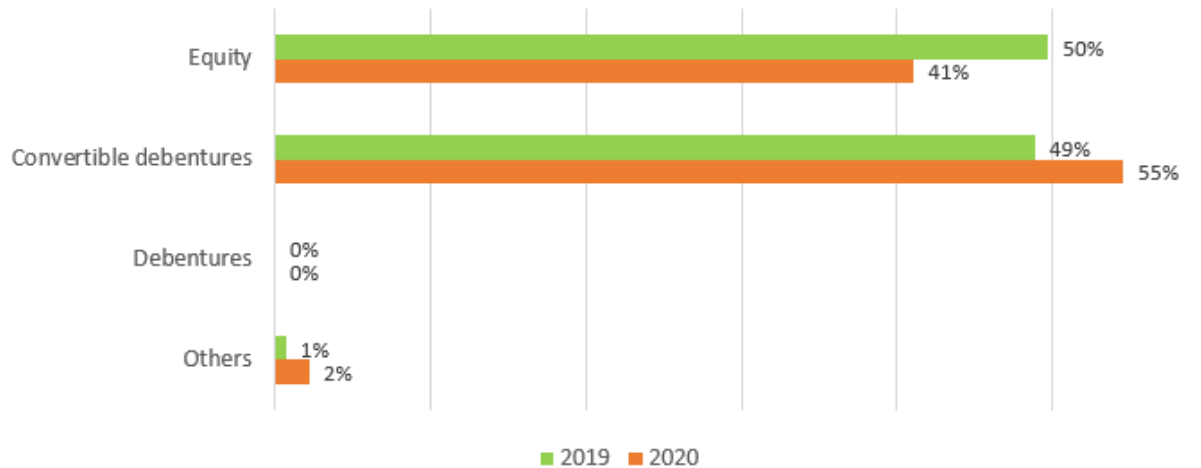
Procurement of Fund

Source of fund:

The Company has a policy to find funding sources by focusing on long-term fund in line with the nature of the company's lending service business. In the past, the Company has issued additional shares offering, debentures and convertible debentures which are the low-cost funding sources and low risk from fluctuations in market interest rates.

In addition, the group company also finance from long-term and short-term loans by borrowing from local financial institutions of each country.

Sources of fund of the Company group as of 31 December 2020 and 2019 comprised of:



	Equity	Convertible debentures	Debentures	Others	Total
	<i>(million Baht)</i>				
2020	4,039	5,367	-	213	9,619
2019	5,481	5,386	-	76	10,943

Risk Factors

Risk factors that may affect the Company's business operation can be listed as follows:

1) Risk from external sources of finance:

In order to operate the hire purchase business continuously, the Company must have sufficient sources of finance to support the operation. Currently, the Company's sources of finance come from two main sources—borrowing from the external party and cash from the Company's operation.

As of 31 December 2020, the Company had external sources of funds roughly Baht 5,580 million, consisting of convertible debentures roughly THB 5,367 million and the remaining amount, THB 213 million, were short-term loans from commercial banks and deposits from customers.

Based on the business operation in the past, the Company mainly uses the sources of finance from financial institutions including offering convertible debentures. The Company always has a good repayment history and never missed any payments. Moreover, the Company have been complied with the financial conditions under the loan agreements such as maintaining the debt to equity ratio, maintaining the ratio of hire purchase receivables to loan receivables, etc. in order to reduce the risk of not receiving funding from external financing sources.

2) Credit risk

The Company and the Company's subsidiaries are exposed to credit risk in relation to hire purchase and installment receivables, asset-backed loan receivables and loan receivables. The Management controls the aforementioned credit risk by establishing the appropriate credit control policies and procedures. Therefore, the Company and the Company's subsidiaries are not expected to incur any significant losses from providing credit. Furthermore, the Company and the Company's subsidiaries have never provided credit by concentration on any focused group due to diversity and large customers base. The maximum amount that the Company may lose from providing credit is the amount mentioned in the hire purchase and installment sales contracts, the asset-backed loan receivables and loan receivables as presented in the statement of financial position.

3) Interest rate risk

The Company and the Company's subsidiaries are exposed to the interest rate risk in relation to financial institution deposits, hire purchase and installment sales receivables, asset-backed loan receivables, loans receivables, pledged fixed deposit at financial institutions, bank overdraft and short-term loans from financial institutions, short-term and long-term loan, debentures and convertible debentures. Most of the Company's financial assets and liabilities bear debts.

Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are closed to the market rate.

4) Risk from exchange rate

The Company's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. During the current year, the Company applied hedge accounting for net investment in foreign operations. The Company hedges currency risk arising from the translation of the financial statements of foreign subsidiaries with the convertible debentures denominated in the same foreign currency. Currently the Company has managed to match the cash outflow used in financing activities with the cash inflow from business operation in the same currency.

The Company and the Company's subsidiaries are exposed to significant foreign exchange risk in relation to buying or selling, and borrowing or lending in foreign currencies. During the 2020 financial year, the Company has adopted accounting standards relating to hedging of net investment in foreign operations. In this regard, the Company hedges the foreign exchange rate risk arising from the translation of the financial statements of the Company's subsidiaries which are foreign subsidiaries with the convertible debentures denominated in the same foreign currency. Currently, the Company can match the cash outflow used in financing activities with the cash inflow from business operation with the same exchange rate.

5) Risk from inconsistency between loan tenure and motorcycle high purchase period

Term of the hire purchase contracts, 12 – 48 months (average from the history of repayment of customers under the hire purchase contracts is approximately 30 months), the Company has a policy to enter into a long-term loan agreement with a financial institution which is an external financing sources to be compatible with the installment period under the aforementioned hire purchase contract for the liquidity of business operations. However, the Company has prepared a cash flow forecasting which covers a forecasting of a hire purchase loan growth ratio in order to enable the Company to be able to analyze, evaluate liquidity and plan to look for the financing sources to support and comply with conditions of the aforementioned hire purchase loan and enable business continuity.

6) Risk from the operation that generates the non-performing loans

Currently, motorcycle leasing business is not restricted by any government agency and is not subject to any special laws. Therefore, all entrepreneurs in the motorcycle leasing business can fully expand the business as per their capability. Therefore, this business may have a risk from non-performing loans if there is a lack of caution in credit approval or a lack of good internal control system.

However, the Group has rigorously scrutinized credit at every step as well as paying attention to the quality of credit by examining customer information, that is, the Company has developed a database of more than 500,000 customers. In addition, the Company is also a member of the National Credit Information Company Limited and the Motorcycle Leasing Association of Thailand so it enables the Company to effectively screen the debtor's quality by checking the repayment history from three databases. The company had taken conservative business operation policy to decrease portfolio and improve the quality of the portfolio by tightening our screening of potential customers to improve loan quality. And also, especially in Laos and Myanmar, the management face decrease of the local currency value and Political uncertainty in Myanmar and Sri Lanka.

7) Risk for loss on sales of repossessed motorcycles

The Company will repossess motorcycles if the customer does not pay the installment as specified in the hire purchase agreement. The repossessed motorcycles will be sold by auction to the motorcycle's dealers in the Bangkok Metropolitan Area and provincials including the interested customers. The net receivable of each motorcycle is normally higher than the price of repossessed motorcycle so if the Company cannot claim that loss from the debtor or guarantor, the sale of repossessed motorcycles will be recorded a loss.

The table presents loss on sales of repossessed motorcycles

Unit: Million Baht	2020	2019	2018
Loss on sales of repossessed motorcycles;	(218.46)	(286.83)	(329.16)

However, to reduce such risk, in the first place, the Company has set up strict guidelines and systems in approving the credit by checking the information from the Company's database, National Credit Bureau (NCB) and Motorcycle Hire-Purchase Association in determining the quality of the borrowers before granting the loan. The Company also develops well defined collection service to quickly and efficiently repossess motorcycles to prevent any buildup of repossessed assets.

8) Risk from competition and new competitors entering the motorcycle hire purchase business

To operate a motorcycle hire purchase business, a large investment in materials or tools is not required but a significant source of funds for financing is needed. However, the key of success is not only having the lowest cost of funds but having expertise in credit quality evaluation and collection follow-up. Many competitors have failed in this business because they lack in these capacities.

To provide the motorcycle hire purchase services, motorcycle dealers (dealers) play an important role in guiding customers who apply for motorcycle leasing to choose a motorcycle leasing loan provider. Therefore, the Company has a risk arising from the motorcycle dealers not recommending customers to use the Company's credit services.

To encourage dealers to recommend us, we provide them with a fast process on credit analysis and approval using our efficient information technology system and experienced staff who have expertise in the business. Also, with our own information technology system, which specially developed to suit the business and personal expertise, the Company can also provide the customers and dealers with fast service in checking the outstanding balance for the closing of accounts.

9) Risk from losing litigation case

Currently, the Company has many litigation cases which are being considered by the court (please see details in Article 5 Legal Disputes). The Company has a risk if the court makes a final judgement that the Company loses the case because the Company has to comply with the court's judgement and it might incur some financial and or other impacts on the Company as well. However, the Company is trying its best to process each litigation case to its utmost advantages.

10) Risk from the COVID-19 Pandemic

Now the number of new cases of infection of the Coronavirus cases (COVID-19) is continuing to increase and there is no medicine to cure such virus (while preparing this report) so there is an impact on the Company's business operation; however, the Group's business operation still can be operated. According to the Company's business operation policy, the main customers of the new motorcycle hire purchase business are mostly fixed income earners so these customers still have the ability to settle loan provided by the Company. However, the number of new contracts may be reduced due to the situations in the country so the consumers are more cautious in spending money.

General Information

General Information

Company Name	: Group Lease Public Company Limited (GL)
Head Office Address	: 63 Soi 1, Thetsabannimitrtai Road, Ladyao, Chatuchak Bangkok 10900
Core Business	: Hire Purchase Business
Registration Number	: 0107537000327 (old number: Bor Mor Jor. 279)
Telephone	: +662 (0) 2580-7555
FAX	: +662 (0) 2954-2902-3
Home Page	: www.grouplease.co.th / www.grouplease.international
E-mail	: glpcl@grouplease.co.th / ir@grouplease.co.th
Registered Capital	: 922,545,040.00 Baht divided into 1,845,090,080 ordinary shares at 0.50 Baht par value
Paid-up Capital	: 762,769,079 Baht divided into 1,525,538,158 ordinary shares (as of 30 December 2020)

Corporations in which Group Lease PCL holds more than 10% of shares

- | | |
|--------------------------|--------------------------------------------------------------------|
| Company name | : Group Lease Holdings Pte. Ltd. (GLH) |
| Address | : 80 Raffles Place #32-01, UOB Plaza, Singapore (048624) |
| Core Business | : Financial Advisory and other Investment Management business |
| Amount and type of share | : Ordinary shares of 214,437,694 shares or equal to SGD214,447,594 |
- | | |
|--------------------------|-------------------------------------------------------------------------------------------------------|
| Company name | : GL Finance Plc. (GLF) (held 100% by GLH) |
| Address | : 270-274 Kampuchea Krom Blvd, Sangkat Mittapheap, Khan 7 Makara, Phnom Penh, the Kingdom of Cambodia |
| Core business | : Hire-purchase and loan provider |
| Telephone | : +855 (0) 23 990 325 |
| FAX | : +855 (0) 23 990 327 |
| Home Page | : www.gl-f.com |
| Amount and type of share | : Ordinary shares of 51,500 shares or equal to US\$10,300,000 |
- | | |
|---------------------|------------------------------------------------------------------------------------|
| Company name | : Thanaban Company Limited (held 100% by GL) |
| Address | : 63 Soi 1, Thetsabannimitrtai Road, Ladyao, Chatuchak
Bangkok 10900 |
| Core business | : Lending Business |
| Registration Number | : 0105521022758 |
| Telephone | : +662 (0) 2580-4488 |
| Home Page | : www.thanabanbike.com |
| Registered Capital | : 565,000,000 Baht divided into 5,650,000 ordinary shares
at 100 Baht par value |
| Paid-up Capital | : 565,000,000 Baht divided into 5,650,000 ordinary shares |

4. Company name : GL Leasing (Lao) Company Limited (GLL)
 (held 99.88% by GLH and 0.12% by GL)
 Address : Premier Building 2nd floor, unit No. 10, Phiawat, Sisattanak District, Vientiane Capital, Lao PDR
 Core business : Hire-purchase, lending and microfinance business
 Telephone : +856 (0) 21 226 060
 FAX : +856 (0) 21 226 064
 Home Page : www.gl-lao.com
 Amount and type of share : Ordinary shares of 5,230,090 shares or equal to US\$5,119,151 (41,840,720,000 Kips)

5. Company name : PT. Group Lease Finance Indonesia (PTGLFI)
 (held 65% by GLH)
 Address : Gedung Sahid Sudirman Center, Jl. Jenderal Sudirman Kav. 86, Jakarta Pusat, Jakarta 10220
 Core business : Hire-purchase & Microfinance Business
 Telephone : +62 80673980
 FAX : +62 80673980
 Amount and type of share : Ordinary shares of 100,000 shares or equal to US\$7,590,133 (100 billion Rupia Indonesia)

6. Company name : BG Microfinance Myanmar Co., Ltd. (held 100% by GLH)
 Address : 15 F Sakura Tower, No. 339 Bogyoke Aung, San Road Kyauktada Township, Kyauktayar, Yangon 11182, Myanmar
 Core business : Microfinance Business
 Amount and type of share : Ordinary shares of 18,849,080 shares or equal to US\$20,840,969 (18,849,080,000 Kyat)

7. Company name : GL-AMMK Co., Ltd. (held 57% by GLH)
 Address : No. 1, Thitsar Street, Yankin Township, Yangon, Myanmar
 Core business : Operational services for financing business
 Amount and type of share : Ordinary shares of 3,000,000 shares or equal to US\$3,000,000 (4,080,000,000 Kyat)

8. Company name : Comfort Service Development Co., Ltd. (held 100% by TNB)
 Address : 63 Soi 1, Thetsabannimitai Road, 1 Floor Ladyao, Chatuchak, Bangkok 10900
 Core Business : Registration services Business
 Registration Number : 0105561113835
 Telephone : +662 (0) 2580-4488
 Registered Capital : 4,000,000 Baht divided into 800,000 ordinary shares at 5 Baht par value
 Paid-up capital : 4,000,000 Baht divided into 800,000 ordinary shares

9. Company name : Commercial Credit and Finance Plc. (held 29.99% by GLH)
 Address : No. 106, Yatinuwara Veediya, Kandy, Sri Lanka
 Core business : Leasing, Microfinance, Lending and Hire purchase business
 Telephone : 0112000000
 Home Page : www.ccll.lk
 Amount and type of share : Ordinary shares of 318,074,365 shares or equal to US\$11,487,304 (2,150,640,315 LKR)

10. Company name : Bagan Innovation Technology (Singapore) Pte. Ltd.
 (held 17.17% by GLH)
 Address : Singapore
 Core business : IT Platform Business
 Amount and type of share : Ordinary shares of 15,278 shares or equal to US\$3,393,423

Other References

Share Registrar	: Thailand Securities Depository Co., Ltd. 93 Rachadapisek Road, Din Daeng, Bangkok 10400 Tel : 0-2009-9000 Fax : 0-2009-9991 Call center : 0-2009-9999 Website : http://www.set.or.th/tsd
Auditor	: Mr. Chokechai Ngamwutikul, CPA Registration No. 9728 KPMG Phoomchai Audit Ltd. 48 - 51 Floor, Empire Tower, No. 1 South Sathorn Road Yannawa, Sathorn, Bangkok 10120 Tel. 0-2677-2000 Email Address : info@kpmg.co.th
Legal Advisor	: DLA Piper (Thailand) Ltd. 47 Floor, Empire Tower, No. 1 South Sathorn Road Yannawa, Sathorn, Bangkok 10120 Tel. 0-2645-8800

Shareholders

List of top 10 shareholders as of 30 December 2020 are as follows:

	Name	Amount (shares)	%
1	Engine Holdings Asia Pte.Ltd. ¹	402,565,553	26.39
2	Thailand Securities Depository Co., Ltd. for depositor	194,708,554	12.76
3	SIX SIS LTD	185,852,842	12.18
4	Thai NVDR Co., Ltd.	179,262,311	11.75
5	UOB KAY HIAN PRIVATE LIMITED	98,150,000	6.43
6	Mr. Koji Ito	36,006,237	2.36
7	Mr. Jesada Lertnantapanya	33,356,200	2.19
8	South East Asia UK (Type C) Nominees Limited	13,960,057	0.92
9	Mrs. Sopa Pruekdamrongchai	10,047,600	0.66
10	Mr. Sinthu Vesvarut	6,425,000	0.42
	Total	1,154,398,883	75.67

Remark: ¹ Engine Holdings Asia Pte. Ltd. undertakes investment business. Shareholder is Wedge Holdings Co., Ltd. which is a listed company incorporated in Japan holding 58 million shares (or 100% of the paid-up capital)

Issuance of Other Securities

Other securities issued were Debenture and Convertible Debenture which details as follows:

1. Type	:	Convertible Debenture
Amount of unit	:	1,300 units
Face value	:	USD100,000 per 1 convertible debenture
Amount of the ordinary shares reserved for the exercise	:	115,050,000 shares
Conversion to common stock	:	1 convertible debenture (face value of USD 100,000 or equal to 3,540,000 Baht) can be redeemed by converting it to 88,500 shares of common stock
Conversion price	:	Baht 40 per share
Term	:	5 years since the date of issuance
Interest rate	:	5.00% per annum
Issue date	:	1 August 2016
Maturity date	:	1 August 2021

Remark: JTA filed a civil case for avoidance of the voidable act of the Investment Agreement against the Company and sought damages for the amount of the repayment of the 2nd Investment Agreement and interest. This civil case caused the underlying ground and liability for the Company's position for repayment to be undetermined. Currently, such litigation case is still pending on the court.

In addition to the ongoing civil case, JTA has breached the representations, warranties and undertakings including the object and purpose of the 2nd Investment Agreement, which has caused severe damage to the Company.

The Company terminated the 2nd Investment Agreement on 23 July 2021 and subsequently filed another civil case to seek damages from JTA's breach. And accordingly, the Company has no contractual obligation to pay the interest and principal on the maturity date as specified under the 2nd Investment Agreement. The actual settlement amount will be determined by the court case 83/2561.

The Company will review the position again once the relevant court in both civil cases has rendered the final decision.

2. Type	:	Convertible Debenture
Amount of unit	:	500 units
Face value	:	USD100,000 per 1 convertible debenture
Amount of the ordinary shares reserved for the exercise	:	24,753,449 shares
Conversion to common stock	:	1 convertible debenture (face value of USD 100,000 or equal to 3,465,480 Baht) can be redeemed by converting it to 49,507 shares of common stock
Conversion price	:	Baht 70 per share
Term	:	3 years since the date of issuance
Interest rate	:	5.00% per annum
Issue date	:	20 March 2017
Maturity date	:	20 March 2020

Remark: During the second quarter of 2021, the Company has fully paid this convertible debenture and related accrued interest to JTA.

3. Type	:	Convertible Debenture
Amount of unit	:	200 units
Face value	:	USD100,000 per 1 convertible debenture
Amount of the ordinary shares reserved for the exercise	:	9,901,380 shares
Conversion to common stock	:	1 convertible debenture (face value of USD 100,000 or equal to 3,465,480 Baht) can be redeemed by converting it to 49,507 shares of common stock
Conversion price	:	Baht 70 per share
Term	:	3 years since the date of issuance
Interest rate	:	5.00% per annum
Issue date	:	30 March 2017
Maturity date	:	30 March 2020

Remark: During the first quarter of 2020, the Group and Creation Investments Sri Lanka LLC (the holder of convertible debenture 2/2017), agreed to reschedule the repayment of the principal and interest due and to change the maturity date of this convertible debenture from 30 March 2020 to the last business day of September 2020 with the interest rate of 7% per annum. As at 31 March 2020, the Group reclassified this convertible debenture to short-term loans and interest payable of Baht 670.5 million. During the second quarter of 2020, this short-term loans and interest payable has been fully paid.

Dividend Payment Policy

The dividend payment policy of Group Lease Public Company Limited states that dividend shall be paid not less than 40 percent from the net profit after tax and other legal reserves.

In considering the dividend payment, other factors such as The Company's operating result, financial position and liquidity, business expansion and any other related business management factors should also be taken into consideration. Payment of dividend has to be considered and approved by the shareholders. However, the Board of Directors is able to approve interim dividend payment and the shareholders shall be acknowledged in the next shareholders' meeting.

Dividend policy of the Company's subsidiary is to pay dividend from the net profit from the operating result after tax and other legal reserves. The Board of each subsidiary shall consider from the profit from operating result, financial condition and fund requirement and propose to the shareholder for dividend payment approval.

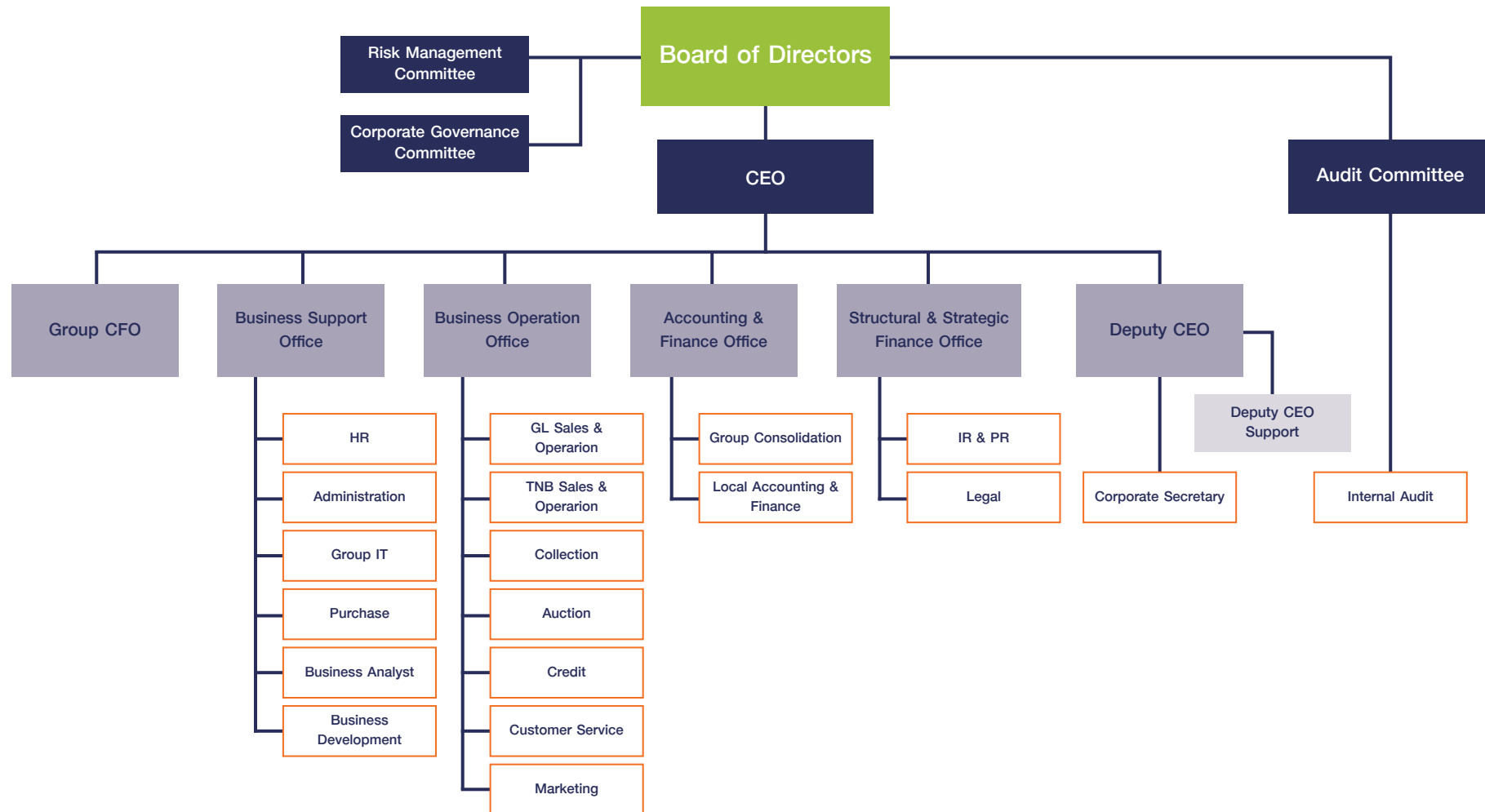
Dividend payment records for the past years are as follows:

Separated Financial Statement					
Year	2020	2019	2018	2017	2016
Earnings per share	(1.84)*	0.17*	0.16*	(1.10)	0.32
Dividend per share	N/A	N/A	N/A	-0-	0.274
% of dividend per net profit	N/A	N/A	N/A	-0-	86.13

* The Company had a retained deficit (unappropriated) for 2020, 2019 and 2018 of Baht 3,150.92 million, Baht 278.21 million and Baht 540.32 million, respectively.

Management Structure

Organization Chart



Board of Directors

Number and Proportion In 2020, the Company's Board of Directors consisted of 12 members. However, in October and November 2020, there was 3 Independent Directors/Audit Committees resigned so that as at 31 December 2020, the Board member was reduced to 9 members in which 3 persons are Executive Directors, 4 persons are Non-executive Directors and 2 persons are Independent Directors which made a ratio of 22% of the total Directors which is lower than the Independent Director Rule—there must be at least one third of independent directors out of total directors and at least 3 persons in order to counterbalance to protect against the influence from any person over the Board's decisions—which is set forth by the Securities and Exchange Commission ("SEC") for the listed company. As per the 3 Independent Directors resigned at the end of 2020, the Company is in a process of consideration the qualified candidates according to the SEC's regulation and also have sufficient knowledge and experience to perform the duty of the Audit Committee. Currently, the Board of Directors of the Company consists of directors who possess knowledge, abilities, skills and experiences in a variety of specific areas which are beneficial to the Company such as accounting, finance, sales, marketing, hire purchase, management as well as legal backgrounds.

- **Term of Office** The term of office of the Board of Directors was clearly stated in the Company's Articles of Association. One-third or the closest to one-third of the directors who were in the position the longest shall retire by rotation every year and can be re-elected by the Annual General Shareholders' Meeting.

As of 31 December 2020, the name of Board of Directors together with their respective position and term of office including the Board Meeting attendance for the year 2020 are listed in the table below:

Name	Title / Term of Office	Board of Directors' Meeting	
		Total Attendance	Total number of meeting
1. Mr. Riki Ishigami ¹	Chairman of the Board of Directors and Chief Executive Officer / 2019 – 2022	14	14
2. Mr. Skol Harnsuthivarin ²	Independent Director and Chairman of Audit Committee / 2020 – 2023	11	14
3. Mr. Tatsuya Konoshita ³	Director, Acting Chief Financial Officer, Deputy Chief Executive Officer and Chairman of the Executive Committee / 2018 – 2021	14	14
4. Mr. Muneo Tashiro ⁴	Director and Deputy Chief Executive Officer Support / 2019 – 2022	14	14
5. Mr. Alain Jean Pascal Dufes ⁵	Non-Executive Director / 2018 – 2021	11	14
6. Mr. Yusuke Kozuma	Non-Executive Director / 2019 – 2022	13	14
7. Mr. Tomohiko Shoji	Non-Executive Director / 2020 – 2023	14	14
8. Mr. Kaname Hashimoto ⁶	Director and Deputy Chief Executive Officer / 2020 – 2023	14	14
9. Dr. Pholdej Therdphithakvanij	Independent Director / Audit Committee / 2019 – 2021	11	14
10. Mr. Viboon Engkagul ⁷	Independent Director / Audit Committee / 2019 – 2022	11	11
11. Mrs. Sumalee Chokdeeanant ⁸	Independent Director / Audit Committee / 2019 – 2021	10	10
12. Mr. Troy Andrew Schooneman ⁹	Independent Director / Audit Committee / 2020 – 2023	10	11
Remark :			
¹ He has been appointed to be the Chief Executive Officer and the Chairman of the Board of Directors since 15 October 2020 and 16 November 2020, respectively			
² He has not been in a position of the Chairman of the Board of Directors since 16 November 2020			
³ He has not been in a position of the Chief Executive Officer since 15 October 2020 and has been appointed to be the Deputy Chief Executive Officer and Acting Chief Financial Officer since 15 October 2020 and 30 November 2020, respectively			

- ⁴ He has not been in a position of the Chief Operating Officer and has been appointed to be the Deputy Chief Executive Officer Support since 22 December 2022
- ⁵ He has not been in a position of the Chief Financial Officer of the Group since 30 November 2020
- ⁶ He has been appointed to be the Deputy Chief Executive Officer since 22 December 2022
- ⁷ He resigned from the position of the Independent Director / Audit Committee on 24 November 2020
- ⁸ She resigned from the position of the Independent Director / Audit Committee on 26 October 2020
- ⁹ He resigned from the position of the Independent Director / Audit Committee and the Chairman of the Corporate Governance Committee on 29 November 2020

Please see details of directors, executives, controlling persons. and company secretary in Attachment 1 and details of the directors of the subsidiaries in Attachment 2

- **Directorship of the Directors in Listed Companies:** The Company limits the number of directorship of the Company's Directors in the listed companies at not exceeding than 5 companies so that they can devote their time for the Company more fully. At present, there has not been any director who takes up directorship in the listed company more than 5 companies (including the Company).
- **The Aggregation and Segregation of Role:** During 1 January – 16 November 2020, the Chairman of the Board of Directors of the Company is an Independent Director and is a different person from the Chief Executive Officer. In addition, both roles are clearly separated in order to balance between management and good corporate governance but due to the restructuring of the Board of Directors on 16 November 2020 by appointing Mr. Riki Ishigami to be the Chairman of the Board of Directors hence the Chairman of the Board of Directors of the Company and the Chief Executive Officer are the same person since 16 November 2020.

Duties and Responsibilities of Board of Directors

Directors take responsibility in managing the Company's operation in compliance to the laws, objectives and regulations of the Company including resolutions from shareholders' meeting with integrity and fiduciary duty, which can be concluded as follows:

1. To determine the Company's primary objectives and goals for sustainable growth by implementing strategies and yearly plans and ensure that they are in line with such objectives and goals and also control and supervise the Management team to be in accordance with the set strategies and goals as well as to encourage the revision of such objectives, goals and strategies from time to time as may be deemed appropriate or necessary by the Board of Directors but, in any event, not less than once every 5 years in order to ensure that they are in line and appropriate with the Company's business environment, situation and potential.
2. To arrange the Annual General Meeting of Shareholders within four months after the year end period and determine the agenda items and give opinions to be proposed to the Meeting for approval such as the dividend payment, Board of Directors' and other sub-committee's remunerations and the appointment of directors, etc.
3. To ensure that the Company complies with the Securities and Exchange Act as well as the SET's rules and regulations, for example, regarding the related transactions and the acquisition and disposal of significant assets so that it complies with the rules of the SET and other laws in relation with the Company's business including the good corporate governance and risk management policies of the Company.
4. To establish significant and necessary policies that govern the Company's business operations so that the Company shall be operated under good corporate governance and risk management principles, including the setting up of the Company's rules and regulations which have been screened and proposed by the management or the Audit Committee or other sub-committees and monitor its implementation.

5. To arrange the Board of Directors' Meeting at least once every quarter.
6. To prepare the financial statements, the balance sheets and Profit & Loss statements of the Company and have them audited by an external auditor and presented to shareholders for approval in the shareholders' meeting.
7. To monitor the Company's operating results to ensure that the Company is continuously achieving the set target according to the business plan and budget.
8. Directors have to inform the Company promptly if they have any conflict of interest directly or indirectly in any of the Company's contracts, or the increasing and decreasing of the Company's shares or debenture holdings.
9. Directors have the duty to keep the inside information of the Company strictly confidential, especially information that has not been disclosed to public or information that has an impact on the Company's business operation or share price
 - In case that the information is a regular reporting of the accounting period such as the operating results and the financial statements, directors should refrain from trading the Company's securities at least 30 days before the disclosure to the public.
 - In case that the information is reported according to the Company's operating events such as the acquisition/disposal of assets, connected transactions, joint venture/cancellation of joint venture, increase/decrease of capital, new securities issuance, repurchase of shares, payment/non-payment of dividend or events affecting the share price, etc. Directors should refrain from trading the Company's securities after they receive information until the day the Company discloses the information to the public.

Authorities of the Board of Directors

1. To approve the annual plan and budget of the Company.
2. To approve the appointment of executives as proxies or empower others to carry out Company's activities under the Board of Directors' control or to authorize such person to have the appropriate power at a specific period in which such power may be cancelled, withdrawn, changed or amended by the Board of Directors.
3. One director signing with Company's seal affixed shall be binding upon the Company. The Board of Directors shall have the authority to appoint the authorized directors.
4. When it deems it appropriate, the Board of Directors shall have the authority to occasionally appoint a person or several persons to be the Company's advisor.
5. To approve the credit for hire-purchase for the customers in excess of the amount which the General Manager is authorized by the Board of Directors to approve.
6. To approve the procurement of tangible assets, or maintenance in excess of the amount which the Executive Director is authorized by the Board of Directors to approve.
7. To approve the establishment, merger and acquisition or dissolution of the Company's subsidiaries as well as any other investment by the Company.
8. To approve the Corporate Governance Policy and other significant policies of the Company.
9. To approve the appointment of sub-committees and determine their roles and responsibilities, including changes in structure, term of office and renewal or other changes which may significantly affect such committee's operation.

10. To approve related party transactions between the Company, its subsidiaries, associates and related persons as prescribed in the Securities & Exchange Act B.E 2535 amended by the Securities & Exchange Act (No. 5) B.E. 2559.
11. To approve credit facilities to the Company's subsidiary and associated companies. For the purposes of this clause, a subsidiary company means a company whose shares are directly or indirectly held by the Company in an amount exceeding 50 percent of its total issued shares, and associated company means the Company whose shares are directly or indirectly held by the Company in an amount exceeding 20 percent but not exceeding 50 percent of its total issued shares.
12. To approve interim dividend payment.
13. To approve the acquisition or disposal of or the transfer of significant assets of the Company so that the transactions are done and disclosed correctly and transparently in compliance with the Securities and Exchange Act and the Stock Exchange of Thailand's rules or other related laws.
14. To establish a proper management structure including the appointment or removal of high-level management such as the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Executive Committee/Director, Managing Director and other equivalent positions.

However, such authorization granted to the Board of Directors shall not empower the Board of Directors or its proxies to have the authority to approve the transactions in which itself or other related persons have conflicts of interest with the Company or its subsidiaries or other type of transactions to comply with the rules and regulations of the Stock Exchange of Thailand. The approval of such related transactions should be proposed for approval from the Board of Directors' meeting and/or the shareholders' meeting as prescribed in the Company's Articles of Association or related laws.

Duties and responsibilities of Chairman

1. To be responsible on behalf of the leader of the Board of Directors in governing, monitoring the business management of the top executives of each function line to achieve the set objectives or plans.
2. To be responsible as Chairman of the Board of Directors' meeting and the shareholders' meeting of the Company.
3. To be responsible in casting the final vote to make the board's resolution in the event of a tie vote.

Authorized directors

The directors who have authority to sign on behalf of the Company are Mr. Tatsuya Konoshita or Mr. Muneo Tashiro or Mr. Riki Ishigami, one of the Directors signs with the Company's seal will be binding upon the Company.

Board of directors' self-assessment

The Board of Directors has the policy to conduct self-assessment of the Board of Directors and Audit Committee as a group annually by focusing on reviewing of their performance including various issues that occurred during the past year in order to improve their work and increase the efficiency and effectiveness of the overall work according to the good corporate governance principle. In December of each year, the Company Secretary will review the Self-Assessment of Board of Directors based on the assessment criteria set forth by the Stock Exchange of Thailand in order to distribute it to all directors to do the assessment.. The topics of assessment were under 6 main areas as follows:

1. Structure and Qualification of the Board
2. Roles, Duties and Responsibilities of the Board
3. Board of Directors Meeting
4. Duties performing of the Board
5. Relationship with the Management
6. Directors and Management Development

After the self-assessment of the Board of Directors has been returned, the Company Secretary shall summarize the result and report them in the Board of Directors' Meeting.

As for the year 2020, the average of the Board of Directors' self-assessment score is 81.44%, which is considered as good level even, the said score is lower than the past two years due to some factor such as the COVID-19 outbreak, which directly affects the arrangement of the Board of Directors' Meeting including performing the Board of Directors' duties, etc. However, the Company will use the said self-assessment result to take into consideration the improvement and development of the Board of Directors in all aforementioned 6 areas so that the Board of Directors can perform their duties efficiently and effectively in accordance with the Company's objectives.

Board of Directors' self-assessment result for the year 2018 - 2020:

Criteria	Full Score	Score			%			Result		
		2020	2019	2018	2020	2019	2018	2020	2019	2018
1. Board structure and qualifications	28	22.56	25.91	25.33	80.56	92.54	90.46	Good	Excellent	Excellent
2. The Board Meeting	24	20.89	22.33	22.17	87.04	93.04	92.38	Good	Excellent	Excellent
3. Duties& responsibilities of the Board	40	32.00	36.17	34.50	80.00	90.43	86.25	Good	Excellent	Good
4. Others : - relationship with the management team - Directors' self-development	8	6.00	7.17	7	75.00	89.63	87.50	Good	Good	Good
Total Scores	100	81.44	91.58	89	81.44	91.58	89	Good	Excellent	Good

Directors and Management Development:

- Training:

The Company realizes that it is important for the Company's directors and management to be well developed in terms of knowledge and capabilities in management, good corporate governance, as well as various skills necessary for corporate governance and management so that the directors and executives of the Company can perform their duties in a more professional manner and can drive the Company to grow continuously and sustainably among various factors, which changes all the time, such as economy, society, politics, environment and competition conditions. Therefore, the Company supports and encourages directors and executives to continuously and regularly study for knowledge, that is beneficial to the Company's business, through attending training courses, which are organized by a professional organization such as the Thai Institute of Directors Association ("IOD"), Federation of Accounting Profession, Thai Listed Companies Association as well as the regulators such as the SET, SEC, etc. The interested and related training courses/seminar will be proposed for their participation and the Company will absorb all the training expenses.

In 2020, the directors, executives and managers of the Company had participated training courses, that are necessary to the Company's operation, details as follow:

1. The Preparation Course in regard to Personal Data Protection for directors and high-level executives which was organized by the SEC on 5 March 2020:
 - Mr. Vittawat Arunakasikor, Chief Financial Officer – Thailand (was promoted to be the Chief Operating Officer on 22 December 2020) together with Ms. Rujira Singdumrong, Internal Audit Manager, and legal team attended the said course in order to prepare on the directors, managements and organization on the Personal Data Protection Act, B.E. 2562 (2019) and to enhance practical knowledge about the said Act, including guidelines for data protection.
2. The Risk Management in the Situation of COVID-19 Pandemic Course, which was organized by the Thai Listed Companies Association, via online on 14 May 2020:
 - Ms. Siriphen Pongchairerks, Company Secretary (had not been in the said position since 15 December 2020 due to the expiry of the employee contract) together with Ms. Rujira Singdumrong, Internal Audit Manager, attended the said course.
3. Director Accreditation Program Course (DAP Class 172/2020), which was held by IOD, on 24 August 2020:
 - Mr. Vittawat Arunakasikor, Chief Financial Officer – Thailand (was promoted to be the Chief Operating Officer on 22 December 2020), attended the said course. Aim of this course is to introduce the directors about their preliminary duties and to create awareness of the importance of good corporate governance.
4. COSO ERM 2017 Aligning Risk with Strategy and Performance Course, which was held by the Thai Listed Companies Association, on 1 September 2020:
 - Ms. Rujira Singdumrong, Internal Audit Manager, attended the said course.
5. Cyber Security – a risk that cannot be overlooked, which was held by the Risk and Internal Control Club of the Thai Listed Companies Association via online on 2 October 2020:
 - Ms. Rujira Singdumrong, Internal Audit Manager, attended the said course.

From the promulgation of the Personal Data Protection Act, B.E. 2562, which is effective in May 2020 and affects the Company's hire purchase business, the Company has prepared the executives including employees in various departments to get ready for the said Act. In 2019, the executives and employees in the Credit Department, Marketing Department, Debt Collection Department, Legal Department, and Company Secretary attended a training course, the Personal Data Protection Act, B.E. 2562: The principle of Law and Guidelines for Hire Purchase – Loan Businesses, which was organized by the Thai Motorcycle Hire Purchase Association and lectured by Assoc. Prof. Kanathip Thongraweewong on 18 November 2019 and in 2020, the Company organized inhouse training at the Company on 17 December 2020 by hiring external lecturer to train senior executives including related employees of the Company about the Personal Data Protection Act, B.E. 2562.

For the Chief Financial Officer ("CFO") and Chief Accountant of the Company, the Company had changed the responsible persons for both positions during the year 2020. Mr. Alain Jean Pascal Dufes, former CFO of the Company (had not been in the CFO position since 30 November 2020), had attended English refresh courses which were held by the Thai Listed Companies Association but could not complete 6 hours refresh course per year under the regulation and criteria of the SEC, SET and the Department of Business Development ("DBD"). For the Chief Accountant, Ms. Natrada Kittikanchanakul (had not been in the position since 31 May 2020) and Ms. Supansa Kanhalee (has been worked in this position since 1 June 2020) had completed 6 hours of refresh course per year under the said regulation.

- Preparation for new directors:

In order to make sure that the new directors understand nature of business and operation of the Company in order to manage and supervise the Company effectively and efficiently until leading the Company towards sustainability, the Company will provide new directors a necessary and useful information such as the Company's Annual Report, Board of Directors / Audit Committee Charter, Affidavit, Memorandum, Articles of Association, Company's Code of Ethics, the Company's Policies and the Director's Handbook published by the SEC. In addition, the new directors shall be informed about how to comply with the Securities and Exchange Act especially regarding the sections prescribed for the directors of listed company such as the regulation and procedure in regard to the report on change of securities and derivatives under Section 59, etc.

- Succession Plan

The middle manager shall report the succession plan in case they cannot perform their duties to the Supervisor to select those who mainly possess knowledge, skill and experiences with leadership characteristic and good human relationship who is acceptable by the subordinate to become his successor. The person who has been designated as the successor will be developed their skills according to the development plan to prepare for future promotion in the future.

Management

Due to the Board of Directors has considered and resolved to approve the new organizational structure in the Board of Directors' Meeting held on 22 December 2020, the Company had to change its management in accordance with the definition of the SEC. Therefore, Mr. Alan Jean Pascal Dufes, Mr. Boris Zshorsch and Mr. Vittawat Arunakasikor had ended their roles as the Company's executives under the definition of the said office since 22 December 2020.

As of 31 December 2020, the Company had total 5 executives according to the SEC's definition in which the executives from the subsidiary companies in other countries are excluded detail as follows:

No.	Name	Title
1.	Mr. Riki Ishigami	Chief Executive Officer
2.	Mr. Tatsuya Konoshita	Acting Group Chief Finance Officer
3.	Mr. Tatsuya Konoshita	Deputy Chief Executive Officer
4.	Mr. Kaname Hashimoto	Deputy Chief Executive Officer
5.	Mr. Muneo Tashiro	Deputy Chief Executive Officer Support

Duties and responsibilities of Chief Executive Officer:

1. To manage the normal business operations of the Company.
2. To monitor the Company's operations according to the plan and policy set forth by the Board of Directors
3. To approve the payment of expenses within the annual budget that has already been approved by the Board of Directors.
4. To approve the recruitment, placement, transfer and removal of employees including the adjustment of the employees' salary
5. Being the authorized representative of the Company who is empowered to manage the Company's business in accordance with the Company's objectives, Articles of Association, restriction and instruction
6. To approve the various operations binding upon the Company regarding the Company's normal course of business within the limit of not exceeding the authorized amount determined by the Board of Directors and also be able to grant proxy or assign other persons whose deemed appropriate to carry out such duty if deemed necessary under his own discretion. However, such delegation should be under the rules of laws and the rules and regulations of the Company.

However, the authority empowered to the CEO mentioned above does not include the authorization that may allow the CEO or its proxy to be able to approve the transactions that have any conflict of interest or other conflicts either for own interest or others with the Company or its subsidiary companies according to the SET's rules in which such transactions should be approved by the Board of Directors' meeting and /or by the shareholders' meeting as stipulated in the Company's Articles of Association or other related laws.

Company Secretary

The Company's Board of Directors resolved to appoint Ms. Siriphen Pongchairerks to take up the position of Company Secretary since 22 November 2011 but due to the expiry of the employee contract, she had been worked for the said position until 14 December 2020 then the Board of Directors has resolved to appoint Ms. Chothip Nimittanon to be the new Company Secretary since 15 December 2020.

The duties and responsibilities of Company Secretary:

1. Arrange Board of Directors' Meeting including shareholders' Meeting.
2. Prepare and keep the Register book of Directors, notice to Board of Directors' Meeting, minutes of the Board of Directors' Meeting and annual report of the Company.
3. Prepare and keep notice and minutes of the shareholders' meeting.
4. Keep the report on interest of Directors' and Management and their related persons for Chairman of the Board and Chairman of the Audit Committee.
5. Prepare report on changing of shareholdings of Directors and Management for acknowledgement in the Board of Directors' Meeting.
6. Work as a coordinator between the Company and outside regulators such as SEC, SET or TSD, etc.
7. Support the directors to ensure their compliance with the related rules, laws and regulations
8. Disclose Company's news through the SET's disclosure system ("SETLink")
9. Assist in Investor Relations function as coordinator.

Details of Directors, Management, Controlling Person, Person supervising Accounting and Company Secretary for 2020

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
Directors and Management:							
Mr. Riki Ishigami* Chairman of the Board, Director, Director (Authorized Signer) and Chief Executive Officer / 28 April 2016 * Has been appointed to be the Chief Executive Officer and Chairman of the Board since 15 October 2020 and 16 November 2020, respectively	42	Bachelor of Law, Asia University, Tokyo, Japan	0.014	-	<u>Listed Cos.</u> 11/2020 - Present	Chairman of the Board and Chief Executive Officer	Group Lease Pcl.
					10/2020 - 11/2020	Chief Executive Officer and Director	Group Lease Pcl.
					04/2016 - 10/2020	Director	Group Lease Pcl.
					<u>Non-listed Cos.</u> 12/2020 - Present	Director	Comfort Services Development Co., Ltd. (Registration Service Provider Business)
					12/2020 - Present	Director	Group Lease Holdings Pte. Ltd. (Fin. Advisory & other investment management)
					07/2020 - Present	Director	Thanaban Co., Ltd. (Asset back loan Business)
					08/2019 - Present	Risk Management Committee member	GL Finance Plc. (Digital Finance business)
					03/2017 - Present	Audit Committee member	Cambodian People Micro Insurance Plc.
					09/2016 - Present 05/2015 - Present	Chairperson of the BOD Chief Executive Officer	Cambodian People Micro Insurance Plc. GL Finance Plc. (Digital Finance business)
					07/2014 - Present	Director	GL Finance Plc. (Digital Finance business)
					05/2015 - 08/2016 07/2014 - 04/2018	Director Director	Cambodian People Micro Insurance Plc. Thanaban Co., Ltd. (Asset back loan Business)
					10/2011 - 04/2015	Chief Operating Officer	GL Finance Plc. (Digital Finance business)

Mr. Skol Harnsuthivarin* Director, Chairman of Audit Committee and Independent Director / 23 February 2018 * Hasn't been in a position of the Chairman of the Board since 16 November 2020	76	Thai Barrister at Law, Institute of Legal Education of the Thai bar association under the Royal Patronage Bachelor of Law, Thammasat University	-	-	<u>Listed Cos.</u> 11/2020 - Present	Director, Independent Director and Chairman of the Audit Committee Chairman of the Board, Independent Director and Chairman of the Audit Committee Secretary of Rice Inspector Committee Specialist Associate to the Constitutional Court Judge	Group Lease Pcl.
					02/2018 - 11/2020		Group Lease Pcl.
					<u>Non-listed Cos.</u> 2008 - Present 2010 - Sep 2016		The Thai Chamber of Commerce and Board of Trade of Thailand Constitutional Court
Mr. Tatsuya Konoshita* Director, Director (Authorized Signer), Deputy Chief Executive Officer, Acting Chief Financial Officer and Chairman of Executive Committee / 20 April 2011 * Hasn't been in a position of the Chief Executive Officer since 15 October 2020 and has been appointed to be the Deputy Chief Executive Officer and Acting Chief Financial Officer since 15 October 2020 and	48	Bachelor of Arts (History), Osaka University, Japan	0.01	-	<u>Listed Cos.</u> 11/2020 - Present	Director, Deputy Chief Executive Officer, Acting Chief Financial Officer and Chairman of Executive Committee Director, Deputy Chief Executive Officer, and Chairman of Executive Committee Director, Chief Executive Officer and Chairman of Executive Committee Chairman of the Board, Chairman of Executive Committee and Chief Investor Relations Officer Chairman of Executive Committee, Director and Chief Investor Relations Officer Rep.MD and CEO	Group Lease Pcl.
					10/2020 - 11/2020		Group Lease Pcl.
					02/2018 - 10/2020		Group Lease Pcl.
					10/2017 - 02/2018		Group Lease Pcl.
					03/2016 - 10/2017		Group Lease Pcl.
					2013 - Present		Wedge Holdings Co., Ltd. (Investment Business)

30 November 2020, respectively					2012 - 12/2015 2011 - 2012 2011 - 2013 2008 - Present 2006 - 2011 <u>Non-listed Cos.</u> 01/2019 - Present 2018 - Present 06/2016 - Present 2010 - Present	Director and CBDO Director Rep. Director and Chairman Rep. Director and CEO Chairman of the Executive Board Commissioner Chairman Director Rep.MD	Group Lease Pcl. Group Lease Pcl. Wedge Holdings Co., Ltd. (Investment Business) Showa Holdings Co., Ltd (Investment business) United Securities Pcl. (Securities broker Business) PT Group Lease Finance Indonesia (Digital Finance Business) Thanaban Co., Ltd. (Asset back loan business) Group Lease Holdings Pte.Ltd. (Fin. Advisory & other investment management) Asuka Foods Co., Ltd. (Food business)
Mr. Muneo Tashiro* Director, Director (Authorized Signer), Deputy Chief Executive Officer Support and Risk Management Committee / 22 April, 2009 * Hasn't been worked in a position of Chief Operating Officer and has been appointed to be the Deputy Chief Executive Officer Support since 22 December 2020	48	Bachelor of Arts (Literature), Osaka University, Japan	0.01	-	<u>Listed Cos</u> 12/2020 – Present 12/2016 – 12/2020 2013 – Present 2009 – 12/2016 2008 – 2013 2009 – 2010 <u>Non-listed Cos</u> 01/2018 - Present 2018 - Present 2014 - P resent	Director, Deputy Chief Executive Officer Support and Risk Management Committee (RMC) Director, COO and RMC Executive Director Director Chief Executive Officer and Managing Director Senior Executive Director Commissioner Managing Director Director	Group Lease Pcl. Group Lease Pcl. Wedge Holdings Co., Ltd. (Investment Business) Group Lease Pcl. Wedge Holdings Co., Ltd. (Investment Business) Wedge Holdings Co., Ltd. (Investment Business) PT Group Lease Finance Indonesia (Digital Finance Business) Comfort Service Development Co., Ltd. (Registration Service Provider Business) GL Leasing (Lao) Co., Ltd. (Digital Finance business)

					12/2016 - Present	Director and Chairperson of the Board	GL Finance Plc. (Digital Finance business)
					2016 - Present	Director and Managing Director	Thanaban Co., Ltd. (Asset back loan business)
					2014 – 2016	Director	Thanaban Co., Ltd. (Asset back loan business)
					2014 - 12/2016	Director	GL Finance Plc. (Digital Finance business)
					2013 - Present	Director	Group Lease Holdings Pte. Ltd. (Fin. Advisory & other investment management)
					2011 - 2013 2009 - Present	Director Director	Asuka Foods Co., Ltd. (Food Business) Engine Holding Asia Pte. (Investment Business)
Mr. Alain Jean Pascal Dufes* Director and Risk Management Committee / 6 December 2016 * Has not been in a position of Group Chief Finance and Business Support Officer / the highest responsible person in Accounting and Finance (CFO) including director (authorized director) since 30 November 2020 and 15 December 2020, respectively	56	Bachelor of Mathematics and Physical Sciences, MONTPELLIER <i>Academy France</i> <u>CPD Training for CFO 2020:</u> 1. How to create value with the right environment, social and government strategies (2 hrs.) Total 2.0 hrs. acquired for the year 2020	0.00	-	<u>Listed Cos.</u> 11/2020 - Present 06/2019 - 11/2020 03/2018 - 06/2019 02/2018 - 05/2019 12/2016 - 02/2018 <u>Non-listed Cos.</u> 03/2019 - 12/2020 2019 - 12/2020 2018 - 12/2020	Director and Risk Management Committee Director and Group Chief Finance & Business Support Officer and Risk Management Committee (RMC) Director, Chief Financial Officer (CFO) and RMC Director and CFO Director Director Director and General Manager Director	Group Lease Pcl. Group Lease Pcl. Group Lease Pcl. Group Lease Pcl. Group Lease Pcl. Group Lease Holdings Pte. Ltd. (Fin. Advisory & other investment management) GL Leasing (Lao) Co., Ltd. (Digital Finance business) Comfort Service Development Co., Ltd. (Registration Service Provider Business)

					01/2017 - 12/2020	Director and Deputy MD	GL-AMMK Co., Ltd. (Hire purchase Business)
					01/2017 - 12/2020	Director and Deputy MD	BG Microfinance Myanmar Co., Ltd. (Microfinance)
					2016 - 12/2020	Commissioner	PT Group Lease Finance Indonesia (Digital Finance Business)
					2014 - 12/2020	General Manager	GL Leasing (Lao) Co., Ltd. (Digital Finance business)
					06/2011 - 06/2014	Managing Director	Dubus Lao IT
					10/2000 - 06/2011	Portfolio and Asset Manager	Dubus SA Lille France Securities Company
					10/1999 - 01/2006	Asset Manager	Kalpa Ltd CoNimes
Dr.Pholdej Therdphithakvanij, Ph.D. Independent Director, Audit Committee and Chairman of Risk Management Committee / 20 April 2011	52	- Doctor of Philosophy (Civil Engineering) Lehigh University, U.S.A. - Director Accreditation Program No. 89/2011, IOD	0.01	-	<u>Listed Cos.</u>		
					2018 - Present	Independent Director, Audit Committee and Chairman of the Risk Management Committee	Group Lease Pcl.
					2011 - 2018	Independent Director and Audit Committee	Group Lease Pcl.
					<u>Non-listed Cos</u>		
					2015 – Present	Managing Director	Baka Engineering Co., Ltd. (Engineering Consultant)
					2014 - 2018	Independent Director & Audit Committee	Thanaban Co., Ltd. (Asset back loan Business)
					2012 - Present	Director of Civil- structural Engineering	W. & Associates Consultants Co., Ltd. (Engineering Consultant)
					2007 - 2012	Deputy Managing Director	R.K.V. Engineering Consultant Co., Ltd. (Engineering Consultant)
					2006 - 2007	Deputy Managing Director	IMMS Co., Ltd. (Engineering Consultant)

Mr. Viboon Engkagul* Independent Director, Audit Committee and CG Committee / 12 January 2018 * Resigned on 24 November 2020	71	Bachelor of Law, Chulalongkorn University - Director Accreditation Program No. 154/2018 by IOD	-	-	<u>Listed Cos.</u> 2018 - 11/2020 <u>Non-listed Cos.</u> 1985 - Present	Independent Director, Audit Committee and Corporate Governance Committee Director/Senior Lawyer	Group Lease Pcl. Internet Law Consultants Limited
Mrs. Sumalee Chokdeeanant* Independent Director, Audit Committee and Risk Management Committee / 23 February 2018 * Resigned on 26 October 2020	61	MBA, Kasetsart University Bachelor of Laws, Sukhothai Thammathirat Open University Bachelor of Accounting, Thammasat University - Advance Audit Committee Program No. 15/2014 and - Director Certificate Program No. 164/2012 by IOD	-	-	<u>Listed Cos.</u> 2018 - 10/2020 <u>Non-listed Cos.</u> 2015 - Present 2015 - Present 2014 – Present 2014 - Present 2011 - Present 2012 – 2017 2001 - 2017	Independent Director, Audit Committee and Risk Management Committee Board of Trustees Consultant for Audit Committee Chairman of Audit Committee Board of Ethical Drafting Subcommittee Consultant for Board of Thammasat Uni. and Board of Academic Subcommittee Chairman of Audit Committee Managing Director	Group Lease Pcl. Thammasat University Government Housing Bank Cigna Insurance Pcl. Federation of Accounting Profession Thammasat University Winsome Green Co., Ltd. Grant Thornton Co., Ltd.

Mr. Troy Andrew Schooneman* Independent Director, Audit Committee, Chairman of CG Committee and Risk Management Committee member / 23 February 2018 * Resigned on 29 November 2020	54	LL.B., Monash University B.A. (Psychology), Monash University - Director Accreditation Program (DAP) No. 126/2016 by IOD	-	-	<u>Listed Cos.</u> 02/2018 - 11/2020	Independent Director, Audit Committee, Chairman of the Corporate Governance Committee and Risk Management Committee Director & Chief Legal Officer	Group Lease Pcl. Demeter Corporation Pcl. Kudun and Partners Ltd. (Law firm) AC Investment Partners Pte. Ltd. Weerawong, Chinnavat & Partners Ltd. (Law Firms) White & Case, Thailand (Law Firms) White & Case, Hong Kong (Law Firms)
					01/2015 – 10/2016		
					<u>Non-listed Cos.</u> 06/2019 - Present		
					03/2018 - 06/2019		
					01/2008 - 09/2014		
Mr. Yusuke Kozuma Director / 28 April 2016	45	Bachelor of Art Planning Department, OSAKA UNIVERSITY OF ARTS, Osaka	0.02	-	<u>Listed Cos.</u> 04/2016 - Present 2014 - 2018	Director Corporate Consultant HR & Admin. Manager Back Office Management Manager Deputy CEO and Director	Group Lease Pcl. Group Lease Pcl. Group Lease Holdings Pte. Ltd. (Fin. Advisory & other investment management) Engine Holdings Asia Pte. Ltd. (Holding company) GL Finance Plc. (Digital Finance business)
					<u>Non-listed Cos.</u> 2014 - Present		
					2013 - Present		
					2011 - Present		
Mr. Tomohiko Shoji Director / 26 April 2018	50	Sagamihara High School, Kanagawa- ken, Japan	-	-	<u>Listed Cos.</u> 04/2018 - Present 06/2018 - Present	Director Representative Managing Director, Chief Operating Officer	Group Lease Pcl. Showa Holdings Co., Ltd.

					02/2018 - Present	and Chief Financial Officer Representative Managing Director and CFO	Wedge Holdings Co., Ltd.
					06/2009 - 06/2018 2011 - 2017 2004 - 2008	Director and CFO Director and CFO Director and General Manager of Accounting & Finance	Showa Holdings Co., Ltd. Wedge Holdings Co., Ltd. Nojima Co., Ltd.
					2001 - 2008	Audit & Supervisor Board Member	E-net Japan Co., Ltd
					<u>Non-listed Cos.</u> 08/2018 – Present	Board Member and CFO	Nihonbasi Honmachi Kashidokoro Co., Ltd.
					08/2018 - Present 01/2012 - Present 10/2009 - 12/2011 08/2010 - 08/2018	Director and CFO Director and CFO Director and Fin. Officer Director and Financial Officer	Asuka Foods Co., Ltd. Showa Rubber Co., Ltd. Showa Rubber Co., Ltd. Asuka Foods Co., Ltd.
					2001 - 2008	Audit & Supervisor Board Member	Telemax Co., Ltd.

Mr. Kaname Hashimoto* Director and Deputy Chief Executive Officer / 26 April 2018 * Has been appointed to be the Deputy Chief Executive Officer since 22 December 2020	49	Bachelor of Business Administration, Kwansei Gakuin University	-	-	<u>Listed Cos.</u>		
					12/2020 - Present	Director and Deputy Chief Executive Officer	Group Lease Pcl.
					04/2018 - 12/2020	Director	Group Lease Pcl.
					04/2014 - 04/2018	Business Development Manager	Group Lease Pcl.
					10/2013 - 03/2014	Chief of Architecture materials Sales Department of East Japan	Sekisui Chemical Company Limited
					<u>Non-listed Cos.</u>		
					03/2019 - Present	Director	Group Lease Holdings Pte. Ltd. (Fin. Advisory & other investment management)
					02/2017 – Present	Managing Director	GL-AMMK Co., Ltd. (Hire purchase Business)
					02/2017 – Present	Managing Director	BG Microfinance Myanmar Co., Ltd. (Microfinance)
					09/2014 - Present	Managing Director	GL Leasing (Lao) Co., Ltd. (Digital Finance business)
					10/2008 - 09/2013	Vice President	Sekisui (Qingdao) Plastic Company Limited

Mr. Boris Zschorsch* Group Deputy Chief Financial Officer / 6 July 2015 * Has not been one of the first four executives (according to the SEC's definition) due to the changing of the Company's organizational structure and not in a position of Group Deputy Chief Financial Officer since 21 December 2020 and 31 December 2020, respectively	36	German Diploma (Master equivalent) in Business Administration from J.W. Goethe University in Frankfurt/Main, Germany French Master in Business Administration from University Paris Dauphine IX, Paris, France	-	-	<u>Listed Cos.</u> 2018 - 31/12/2020 2015 - 31/12/2020 <u>Non-listed Cos.</u> 2015 - 2015 2010 - 2014	Non-Executive Director Group Deputy Chief Financial Officer, Accounting & Audit Senior Associate Senior Auditor	Commercial Credit and Finance Plc. (Financial Services Business) Group Lease Pcl. Price Waterhouse Coopers Singapore Price Waterhouse Coopers Luxembourg
Mr. Vittawat Arunakasikor* Chief Financial Officer - Thailand and Risk Management Committee / 22 September 2016 * Has not been one of the first four executive (according to the SEC's definition) due to the changing of the Company's organizational	42	-Graduate Diploma in Chartered Accountants, Institute of Chartered Accountants in Australia and New Zealand -Master of Commerce major in Accounting, The University of Sydney -Diploma in Accounting, Sydney Institute of Technology TAFE	-	-	<u>Listed Cos.</u> 11/12/2020 - Present 06/2019 - 22/12/2020 10/2018 - 05/2019 09/2016 - 09/2018 02/2009 - 09/2013 07/2001 - 06/2005	Chief Operating Officer Chief Financial Officer – Thailand Deputy Group CFO Group Accounting Analyst and Risk Management Manager Financial Accountant Shift Supervisor	Group Lease Pcl. Group Lease Pcl. Group Lease Pcl. Group Lease Pcl. Harley-Davidson Inc Starbucks Coffee Company

structure and not in a position of Chief Operating Officer since 21 December 2020 and 22 December 2020, respectively		NSW -Master of Engineering Studies major in Software Engineering, The University of Technology, Sydney -Bachelor of Engineering major in Industrial Engineering, Thammasat University			<u>Non-listed Cos.</u> 09/2013 - 09/2015 07/2005 - 02/2009	Finance Officer Senior Accountant/ Auditor	Australian Army KPMG Australia
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Details of person supervising Accounting 2020

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
Miss Natrada Kittikanchanakul* Accounting Manager / 2 January 2013 An accountant who has the qualifications and conditions of being an accountant according to the rules prescribed in the announcement of the Department of Business Development * Has not been in a position of Accounting Manager since 31 May 2020	33	- Masters in Finance, Department of Accounting & Finance, Strathclyde University, UK - Bachelor of Accounting Faculty of Commerce and Accountancy, Thammasat University <u>CPD Training Course for person supervising Accounting FY2020</u> 1. Cost Accounting Theory (6 hrs., Code 6304-02-001-006-02-E), held on 28 July 2020 by DBD 2. Code of Ethics for Professional Accountants and Non-Publicly Accountable Entities standard (7 hrs., Code 6307-02-001-003-03-E), held on 22 – 24 July 2020 by DBD 3. Financial analysis (7 hrs., Code 6307-02-001-004-03-E), held on 15 August 2020 by DBD Total 20 hrs. acquired for year 2020	-	-	03/2019 - 31/05/2020 01/2013 - 03/2019 01/2013 - 05/2014 11/2008 - 01/2013	Accounting Manager Treasury Debt and Capital Market Manager Internal Auditor Assistant Manager - Audit	Group Lease Pcl. Group Lease Pcl. The Siam Commercial Bank PCL KPMG Phoomchai Audit Ltd

Ms. Supansa Kanhalee* Accounting Manager / 1 June 2013 An accountant who has the qualifications and conditions of being an accountant according to the rules prescribed in the announcement of the Department of Business Development * Has been appointed to be the Accounting Manager since 1 June 2020	41	<ul style="list-style-type: none"> - Bachelor Business Administration (Accounting), Ramkhamhaeng University - Master of Accountancy, Major Field: Accounting, Master of Accountancy Special Program, Kasetsart University <p><u>CPD Training Course for person supervising Accounting FY2020</u></p> <p>1. TFRS16 Leases (7 hrs., Code 6310-06-121-017-04-E), held on 25 December 2020 by CPD Tutor Co., Ltd.</p> <p>2. Deferred tax and Employee benefit (7 hrs., Code 6310-06-121-006-04-E), held on 26 December 2020 by CPD Tutor Co., Ltd.</p> <p>Total 14 hrs. acquired for year 2020</p>	-	-	1/06/2020 - Present 03/2019 - 05/2020 09/2013 - 02/2020	Accounting Manager Accounting Manager Accounting Manager	Group Lease Pcl. Next Capital Pcl. Group Lease Pcl.
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Details of Company Secretary 2020

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
Ms. Siriphen Pongchairerks* Company Secretary, member and Secretary to the CG Committee / 22 November 2011 * Has not been in a position of Company Secretary and also not a member and Secretary to the CG Committee since 15 December 2020 due to the expiry of the employee contract	63	Bachelor of Business Administration (General Management), Assumption University - Company Secretary (CSP 1/2002) - Effective Minutes Taking (EMT 14/2009) - TAN: Workshop, How to Make Accurate Disclosure, Merger & Acquisition or Related Party Transaction - Laws & Practices for Company Secretary RE : the amended Securities & Exchange Act B.E.2551 - Other courses in relation to the Role of Company Secretary, Corporate Governance and Investor Relations by SET, SEC or - Company Secretary Club	-	-	2018 - 15/12/2020 2016 - 2018 2016 - 15/12/2020 2014 - 2016 2011 - 2016	Company Secretary and member and Secretary to the CG Committee Company Secretary Secretary to the Board of Directors Secretary to the Board and Audit Committee Company Secretary and Secretary to Audit Committee	Group Lease Pcl. Group Lease Pcl. Thanaban Co., Ltd. (Asset back loan Business) Thanaban Co., Ltd. (Asset back loan Business) Group Lease Pcl.

Ms. Chothip Nimittanon* Company Secretary / 15 December 2020 * Has been appointed to be the Company Secretary since 15 December 2020	35	Bachelor of Science in Information and Communication Technology (ICT), Mahidol University - Fundamentals for Corporate Secretaries held by the Thai Listed Companies Association in 2020 - Preliminary to Corporate Sustainability held by the SET in 2020 - Other courses in relation to the Role of Company Secretary, Corporate Governance and Investor Relations held by the SET, SEC, IOD and Thai Listed Companies Association	-	-	15/12/2020 - Present 15/12/2020 – Present 06/2019 - 14/12/2020 2018 - 2019 2010 - 2018	Company Secretary and Secretary to the Board of Directors Secretary to the Board of Directors Senior Assistant to Company Secretary Senior Assistant to Company Secretary Senior Secretary to the Board of Directors	Group Lease PCL Thanaban Co., Ltd. (Asset back loan Business) Group Lease PCL Abatek (Asia) PCL Comp Trading Co., Ltd.
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Details of Positions held in the Company, its Subsidiary and Related Companies of Directors, Executives and controlling person as of the year 2020

Directors / Executives	Company	Subsidiary Companies								Related Companies			
		Group Lease Holdings Pte.Ltd.	GL Finance Plc.	Thanaban Co., Ltd.	GL Leasing (Lao) Co., Ltd.	PT Group Lease Finance Indonesia	BG Microfinance Myanmar Co., Ltd.	GL-AMMK Co. Ltd.	CSD Co., Ltd.	Engine Holdings Asia PTE. LTD.	Wedge Holdings Co., Ltd.	Commercial Credit and Finance Plc.	Cambodian People Micro Insurance
1. Mr. Riki Ishigami	X ¹ , C ¹ , /, 0 ⁷		C, /	/ ¹¹					/ ¹³				X, ///
2. Mr. Skol Harnsuthivarin	X ² , ///, ////												
3. Mr. Tatsuya Konoshita	C ³ , DC ³ , /, //, 0	/		X		/					C, 000		
4. Mr. Muneo Tashiro	/, //, DC ⁴ , 0	/	X	/, 000	/	/			X, 000	/	//		
5. Mr. Kaname Hashimoto	/, DC ⁵ , 0 ⁷	/		/ ¹¹	000		000	000					
6. Mr. Yusuke Kozuma	/		/, DC										
7. Mr. Alain Dufes	/, //, 0 ⁶	/		/ ^{11, 14}	/,00	/	/,0000	/,0000	/ ¹² , // ¹²				
8. Dr. Pholdej Therdphithakvanij	///, ////												
9. Mr. Viboon Engkagul	/// ⁸ , //// ⁸												
10. Mrs. Sumalee Chokdeeanant	/// ⁹ , //// ⁹												
11. Mr. Troy Schooneman	/// ¹⁰ , //// ¹⁰												
12. Mr. Tomohiko Shoji	/										//		
13. Mr. Boris Zschorsch	0 ⁶											/	
14. Mr. Vittawat Arunakasikor	0 ⁶			/ ¹¹									

- Remark 1)**
- ¹ Has been appointed to be the Chief Executive Officer and the Chairman of the Board since 15 October 2020 and 16 November 2020, respectively
 - ² Has not been in the position of the Chairman of the Board since 16 November 2020
 - ³ Has not been in the position of the Chief Executive Officer since 15 October 2020 and has been appointed to be the Deputy Chief Executive Officer and Acting Chief Financial Officer since 15 October 2020 and 30 November 2020, respectively
 - ⁴ Has not been in the position of the Chief Operating Officer and has been appointed to be the Deputy Chief Executive Officer Support since 22 December 2020
 - ⁵ Has been appointed to be the Deputy Chief Executive Officer since 22 December 2020
 - ⁶ Has not been one of the first four executives as per the SEC's definition since 21 December 2020
 - ⁷ Has been appointed to be one of the first four executives since 22 December 2020

⁸ Resigned from the position of the Independent Director / Audit Committee on 24 November 2020

⁹ Resigned from the position of the Independent Director / Audit Committee on 26 October 2020

¹⁰ Resigned from the position of the Independent Director / Audit Committee on 29 November 2020

¹¹ Has been appointed to be the Director since 29 July 2020

¹² Resigned from being the Director since 10 December 2020

¹³ Has been appointed to be the Director since 16 December 2020

¹⁴ Resigned from being the Director since 13 December 2020

2)	X	means	Chairman	C	means	Chief Executive Officer	DC	means	Deputy Chief Executive Officer
	/	means	Director	//	means	Executive Director	///	means	Independent Director
	////	means	Audit Committee	0	means	Executive	00	means	General Manager
	000	means	Managing Director	0000	means	Deputy Managing Director			

Details of Directors of Subsidiary Companies 2020

Subsidiary Companies Name of Directors	TNB	GLH	GLF	GLL	PT GLFI	BGMM	GL-AMMK	CSD
1. Mr. Mitsuji Konoshita		X		X	X ¹	X	X	
2. Mr. Tatsuya Konoshita	X, //	/			/ ¹			
3. Mr. Muneo Tashiro	/, //, ///	/	X	/	/ ¹	/ [*]		/, //, ///
4. Mr. Riki Ishigami	/ [*] , // [*]	/ [*]	/, //, ///					/ [*] , // [*]
5. Mr. Yusuke Kozuma			/, //					
6. Mr. Alain Dufes	/ [*] , **	/ ^{**}		/ ^{**} , /// ^{**}	/ ¹ , **	/ ^{**} , // ^{**}	/ ^{**} , // ^{**}	/ ^{**} , // ^{**}
7. Mr. Kaname Hashimoto	/ [*]	/		/, ///		/, ///	/, ///	
8. Mr. Thanachart Kaoworakarn	/ [*]							
9. Mr. Vittawat Arunakasikorn	/ ^{**} , // ^{**}							/, //
10. Mr. Fumio Kyuma			/	/				
11. Mr. Ouch Sophoan			/					
12. Mr. Charlie Ng							/	
13. Mr. Hitoshi Ikeya							/	
14. Mr. Aung Moe Kyaw							/	
15. Mr. Frederic Solbani				/ [*]	/	/ [*]		
16. Mr. Didie Soewondho					/ ¹			
17. Mr. Bernad Tjahjadi					/, //			
18. Mr. Benjamin Criballet						/ [*]	/ [*]	
19. Mr. Balasingam Ananthatheerthan						/	/	
20. Ms. Chaw Su Myat						/		

Remark:

* Appointed during year 2020

X means Chairman

// means Executive Director

//// means General Manager

/¹ means Commissioner

** Retired during year 2020

/ means Director

/// means Managing Director

X¹ means President Commissioner

TNB : Thanaban Co., Ltd., Thailand

GLF : Group Lease Finance Plc., Cambodia

GLFI : PT Group Lease Finance Indonesia, Indonesia

GL-AMMK: GL-AMMK Co., Ltd., Myanmar

GLH : Group Lease Holdings Pte. Ltd., Singapore

GLL : GL Leasing (Lao) Co., Ltd., Laos PDR

BGMM : BG Microfinance Myanmar Co., Ltd., Myanmar

CSD: Comfort Services Development Co., Ltd., Thailand

Remunerations of Directors and Management

1) Monetary Remunerations

Board of Directors: Regarding the monetary remunerations for Board of Directors in 2020, the Board of Directors proposed in the 2020 Annual General Meeting of Shareholders to consider and approve no change of remunerations to directors and subcommittees from the year 2019 in which the Board of Directors had an opinion that such remunerations were still reasonable when compared to the industry and the experience, obligation, scope of responsibilities including the contribution expected from each director that can sufficiently and appropriately maintain them with the Company and also significantly in relation with the Company's operating result as well. The monetary remunerations for the year 2020 were detailed as follows:

1. Monthly remuneration only for Independent Directors 70,000 Baht per person per month
2. Meeting allowance for Board of Directors: payable pursuant to the actual number of meeting attendance as follows:
 - Chairman of the Board: 30,000 Baht per attendance
 - Board member: 20,000 Baht per member per attendance
3. Meeting Allowance for Subcommittees:
 - Meeting allowance for Audit Committee: payable pursuant to the actual number of meeting attendance as follows:
 - Chairman : 20,000 Baht per attendance
 - Member : 10,000 Baht per member per attendance
 - Meeting allowance for Corporate Governance Committee: payable pursuant to the actual number of meeting attendance as follows:
 - Chairman : 20,000 Baht per attendance
 - Member : 10,000 Baht per member per attendance
 - Meeting allowance for Risk Management Committee: payable pursuant to the actual number of meeting attendance as follows:
 - Chairman : 20,000 Baht per attendance
 - Member : 10,000 Baht per member per attendance

Employee or management of the Company who is the member of subcommittee shall not receive any remuneration of the subcommittee.

4. Other remuneration: -none-

For the monetary remunerations of the subsidiaries' directors, the Board of Directors of each company / country was assigned to determine its own remunerations which also consist of Meeting fee and bonus as deemed appropriate and reasonable when compared to the local industry and the obligation or scope of responsibilities and also significantly in relation with each company's operating result as well.

Details of the monetary remunerations payment of the Directors received from the Company and its subsidiaries for the year 2020 are tabled below:

Unit : Baht

Name	Position	Meeting fee					Total	
		Board of Directors		Audit Commit- tee	CG Commit- tee	Risk Manage- ment Committee		
		Company	Subsidiary **				Company	Subsidiary **
1. Mr. Riki Ishigami ¹	Chairman of the Board / Chief Executive Officer	280,000	50,000	-			280,000	50,000
2. Mr. Skol Harnsuthivarin ^{2, *}	Chairman of Audit Committee / Independent Director	1,170,000	-	240,000	-	-	1,410,000	-
3. Mr. Tatsuya Konoshita ³	Director / Deputy Chief Executive Officer / Acting Chief Financial Officer / Chairman of the Executive Committee	260,000	120,000	-	-	-	260,000	120,000
4. Mr. Muneo Tashiro	Director / Deputy Chief Executive Officer Support	260,000	110,000	-	-	-	260,000	110,000
5. Mr. Alain Dufes ⁴	Director	220,000	30,000	-	-	-	220,000	30,000
6. Mr. Yusuke Kozuma	Director	240,000	-	-	-	-	240,000	-
7. Mr. Tomohiko Shoji	Director	260,000	-	-	-	-	260,000	-
8. Mr. Kaname Hashimoto	Director / Deputy Chief Executive Officer	260,000	50,000	-	-	-	260,000	50,000
9. Dr. Pholdej Therdphithakvanij [*]	Audit Committee / Independent Director / Chairman of Risk Management Committee	1,060,000	-	120,000	-	60,000	1,240,000	-
10. Mr. Viboon Engkagul ^{5, *}	Audit Committee / Independent Director / CG Committee	990,000	-	120,000	30,000	-	1,140,000	-
11. Mrs. Sumalee Chokdeeanan ^{6, *}	Audit Committee / Independent Director / Risk Management Committee	900,000	-	80,000	-	30,000	1,010,000	-
12. Mr. Troy Schoonerman ^{7, *}	Audit Committee / Independent Director / Chairman of CG Committee and Risk Management Committee	970,000	-	90,000	60,000	20,000	1,140,000	-
Total		6,870,000	360,000	650,000	90,000	110,000	7,720,000	360,000

Remark

¹ Has been appointed to be the Chairman of the Board since 16 November 2020

² Has not been in the position of the Chairman of the Board since 16 November 2020

³ Has been appointed to be the Acting Chief Financial Officer since 30 November 2020

⁴ Has not been in the position of the Group Chief Financial and Business Support Officer since 30 November 2020

⁵ Resigned from being the Independent Director / Audit Committee since 24 November 2020

⁶ Resigned from being the Independent Director / Audit Committee since 26 October 2020

⁷ Resigned from being the Independent Director / Audit Committee since 29 November 2020

^{*} Being the Independent Director and the Board of Directors' remunerations already include monthly Independent Director's remunerations of 70,000 Baht per person per month.

^{**} The meeting fee of subsidiaries was paid in THB, USD or JPY currencies depending on the engagement letter. The above amount was transformed into THB using the exchange rate as of 30 December 2020.

Executives: The monetary remunerations for executives in 2020 consisted of monthly salary and annual bonus paid to 5 executives at total Baht 14.90 million details as follows:

No. of Executive and Remunerations	2020	2019	2018
Number of executive (person)	5	5	6
Salary and bonus (million Baht)	14.90	14.78	18.29

Remark: As per the Board of Directors' Meeting had resolved to approve the new organizational chart on 22 December 2020, resulting in the change of the executives of the Company from Mr. Tatsuya Konoshita, Mr. Muneo Tashiro, Mr. Alain Jean Pascal Dufes, Mr. Boris Zshorsch and Mr. Vittawat Arunakasikor to be Mr. Riki Ishigami, Mr. Tatsuya Konoshita (Deputy CEO), Mr. Tatsuya Konoshita (Acting the Group CFO), Mr. Kaname Hashimoto (Deputy CEO) and Mr. Muneo Tashiro (Deputy CEO Support)

Other Remunerations

Other Remunerations of Directors

- none-

Other remunerations of Executives

- Group insurance and medical expenses
- Provident Fund

The Company provides provident fund to staff and executives by contributing 2% and 5% of basic salary of the employees. In 2020, the total amount of provident fund contributions for total 5 executives were paid at total amount of Baht 0.68 million.

The Shareholding of Directors and Executives of the Company as of 30 December 2020

No.	Name	Type of share	Amount as of		Change	Spouse & minor child
			Jan 2020	Dec 2020		
1.	Mr. Riki Ishigami	Ordinary share	210,786	210,786	-	-
		GL-NVDR	530,000	816,000	+286,000	-
2.	Mr. Skol Harnsuthivarin	Ordinary share	-0-	-0-	-	-
		GL-NVDR	-0-	-0-	-	-
3.	Mr. Tatsuya Konoshita	Ordinary share	147,950	147,950	-	-
		GL-NVDR	10,000	10,000	-	-
4.	Mr. Muneo Tashiro	Ordinary share	147,950	147,950	-	-
		GL-NVDR	182,400	322,400	+140,000	-
5.	Mr. Alain Jean Pascal Dufes	Ordinary share	6,000	-0-	-6,000	-
		GL-NVDR	40,000	-0-	-40,000	-
6.	Mr. Kaname Hashimoto	Ordinary share	-0-	-0-	-	-
		GL-NVDR	-0-	-0-	-	-
7.	Mr. Tomohiko Shoji	Ordinary share	-0-	-0-	-	-
		GL-NVDR	-0-	-0-	-	-
8.	Mr. Yusuke Kozuma	Ordinary share	290,333	290,333	-	-
		GL-NVDR	217,750	217,750	-	-
9.	Mr. Viboon Engkagul ¹	Ordinary share	-0-	-0-	-	-
		GL-NVDR	-0-	-0-	-	-
10.	Mrs. Sumalee Chokdeeanant ²	Ordinary share	-0-	-0-	-	-
		GL-NVDR	-0-	-0-	-	-
11.	Mr. Troy Schooneman ³	Ordinary share	-0-	-0-	-	-
		GL-NVDR	-0-	-0-	-	-
12.	Dr. Pholdej Therdphithakvanij	Ordinary share	147,950	147,950	-	-
		GL-NVDR	-0-	-0-	-	-
13.	Mr. Boris Zschorsch ⁴	Ordinary share	-0-	-0-	-	-
		GL-NVDR	8,500	8,500	-	-
14.	Mr. Vittawat Arunakasikor ⁵	Ordinary share	-0-	-0-	-	-
		GL-NVDR	-0-	-0-	-	-

Remark:
¹ Resigned on 24 November 2020

² Resigned on 26 October 2020

³ Resigned on 29 November 2020

⁴ Had not been in a position of the Executive since 22 December 2020 due to the Board of Directors' Meeting had resolved to approve the new organizational chart

⁵ Had not been in a position of the Executive since 22 December 2020 due to the Board of Directors' Meeting had resolved to approve the new organizational chart

Human Resources

The total number of employees as of 31 December 2020, 2019 and 2018 divided by departments are shown below:

unit : person

Department	2020	2019	2018
Credit and Marketing	303	380	441
Collection	233	242	248
Accounting and Finance	40	43	56
Human Resources & Admin.	54	55	72
Operations & Business Support	121	121	106
Information Technology	41	49	76
Total	792	890	999

The total remunerations of the Company's employees consist of salary, bonus, Social security fund, provident fund contributions and other welfare such as group health insurance. In 2020, the Company paid total remunerations of 328.45 million Baht (bonus of 2020 was paid in January 2021).

In 2020, the number of employees and the remunerations paid to the subsidiaries' employees in other countries which were somewhat paid on the same principle as the Company or may be different in relation to each country's law, detail as follows:

Subsidiaries	Number of employees	Remunerations (Million Baht)
GLH	15	76.97
GLF	416	63.12
GLL	112	16.85
GLFI	72	12.29
BGMM	563	45.51
GL-AMMK	392	34.59

Human Resources Development

It is the Company's policy to encourage the employees to develop their knowledge, skill, experiences and expertise in work emphasizing on contributing efficient and qualified services. In addition, the Company also emphasizes on doing business with transparency in compliance with the good corporate governance principles. Therefore, it has the policy in encouraging the employees to work with good ethics and free from corruption in any form. Orientation is arranged for new employees so that they can get the knowledge, understanding of work system as well as the organization culture. Various trainings are regularly arranged, both in-house and outside trainings, on various courses appropriately depending on the related duties of the employees.

Corporate Governance

Corporate Governance Policy

The Board of Directors of Group Lease Public Company Limited (the Company) realizes the importance and strongly believes that having good corporate governance will be a key to success and sustainable goals of the Company both in terms of good operating results, the ability to adapt to business changes, building confidence for shareholders, building good relationship with people around and creating added value to the Company causing great long-term benefit to the Company's shareholders, employees, creditors, suppliers, customers and society as a whole. Consequently, the Corporate Governance Policy of the Company has been set up by the Board of Directors by adhering to the principles of the Good Corporate Governance Code 2012 and has been amended to be up-to-date and in line with the Corporate Governance Code for listed Companies 2017, which focus more on the Board of Directors' roles and responsibilities to oversee that the company is always operates its business transparently, ethically, respecting the right of and be responsible for the shareholders and other stakeholders and at the same time striving for competitiveness and good performance including the resilience under various risk factors that might arise. For the year 2020, the Board of Directors has reviewed the Corporate Governance Policy of the Company to serve as appropriate guideline for its directors, management and all employees which reads as follows:

1. Responsibilities of the Board:

- Recognize the roles and responsibilities of the Board of Directors as the corporate's leaders by strengthening the Board effectiveness in order to set up objectives, main goals which toward sustainability as well as to define strategies and operating policies in accordance with the achievement of the said objectives and main goals.
- Ensure that the Company conducts its business with transparency, ethics, respecting the rights and responsibilities to the shareholders and all groups of stakeholder while being able to compete and successfully achieve good operating result including being resilience under various both long-term and short-term risk factors that might occur to the Company.
- Establish clear leadership role and responsibilities of the Board by strengthening Board effectiveness and defining objectives that promote sustainable value creation.
- Perform duties with responsibility, caution and honesty towards the Company. Including operating business under the related act, rule and regulation including the resolutions of the shareholders' meeting.
- Review and evaluate the annual performance of the Board of Directors and the sub-committees in order to bring the evaluation results to do a further development/improvement.
- Follow up the Management to perform their duties with social and environmental responsibility.
- Check and make sure that all departments of the Company perform duties in accordance with the Company's objective, main goals and strategic plan.
- Ensure that there is a financial reporting system and the important information of the Company is disclosed accurately, adequately and timely in accordance with the relevant regulation and guideline.

2. Internal Control System:

- Strengthen the effective risk management system and internal control in cooperation between the Board, the Audit Committee and the executives in order to conduct business in compliance with the good corporate governance principle by evaluating, reviewing and improving the effectiveness of the auditing/monitoring system regularly.
- Prevent exploitation of the asset, the information and the opportunity of the Company including making improper transactions with those who are related to the Company.

3. Nurture Innovation for work:

- Promote the adoption of new innovation and new information technology in supporting and increasing the employee's productivity, providing services to customers/suppliers including the Risk Management System of the Company. Moreover, it will be used to increase the business opportunities by providing new products to meet the customer's need based on the basis of ethics, responsibility to all involved parties, creating value as well as the sustainability of the Company's good performance.

4. Development of Human Resources:

- Ensure good personnel management in the field of development and education of operation and allocation of compensation and benefits that are suitable to duties and responsibilities in order to motivate and in line with the direction and strategy of the Company.

5. Transparency:

- Conduct business with transparency and ensure financial integrity by disclosing information required by law, regulation and stipulation issued by the relevant regulators.
- Strictly follow the Company's Anti-Corruption policy.
- Provide channels and mechanisms for a complaint / whistleblowing. If clues are identified, the case must be proceeded transparently, fairly and appropriately.

6. Conflict of Interest:

- Monitor transactions which may cause conflict of interest or involve conflict between departments and ensure transparency and fairness without focusing on the interests of any one party.

7. Responsibilities to Society and Environment:

- Promote or support participation in activity that will build good relationship between the Company and internal and external stakeholders of the Company including supporting arranging activity to help society and save environment.

8. Right and Equality:

- Respect legal right of shareholders by treating them fairly and equally such as the right to profit sharing from the Company, the right to receive sufficient and equal information about the Company, right to attend the Shareholders' Meeting to exercise voting in order to ensure that shareholders are involved in making decision on important matters of the Company, etc.
- Establish a unit responsible for investor relations to communicate with shareholders and other stakeholders such as major and minor shareholders, analysts and investors in an appropriate, equitable and timely manner.

9. Good Corporate Governance:

- Enhance responsibilities towards all groups of stakeholders and society by encouraging directors, executives and employees to perform their duties in compliance with laws, business code of ethics and corporate governance code.

The report on compliance with good corporate governance policy of the Company for the year 2020 can be viewed on the Company's website under Investor Relations / Corporate Governance.

Sub-committees

In the year 2020, the Board of Directors' structure consists of 3 sub-committees, namely, Audit Committee, Corporate Governance Committee and Risk Management Committee in order to enhance the efficiency of the good corporate governance of the Company. Details of the sub-committees are as follows:

1. Audit Committee

Structure of Audit Committee

In 2020, from the Q1 to Q3 ended 30 September 2020, the Audit Committee of the Company consisted of 5 Independent Directors out of the total 12 members of the Board of Directors which made the ratio of 41.67%. Mrs. Sumalee Chokdeeanant is the Audit Committee member who possesses the knowledge and experience in auditing financial statements of the Company (please see her experience in reviewing the financial statements in the Attachment 1, Board Profile).

As at 31 December 2020, the Audit Committee of the Company consisted of 2 Independent Directors out of the total 9 members of the Board of Directors which made the ratio of 22.22%.

The Audit Committee has a 2-year term of office and those who retire by rotation can be re-elected by the resolution from the Board of Directors. Currently, the Board of Directors set up policy to limit the maximum term of office of the Independent Directors to 9 consecutive years to avoid the lack of independence. Should the Board of Directors be of the opinion that such Independent Director still possesses qualifications which are beneficial to the Company and is still able to remain independent in providing opinions, the Meeting of the Board of Directors can consider extending the term of office of such Independent Director as deemed appropriate.

List of Audit Committee, term of office of the Audit Committee and the meeting attendance of the Audit Committee Meeting in 2020 is shown below:

Name of Audit Committee	Position/ Term of Office	Audit Committee Meeting	
		No. of Meeting held	No. of Attendance
1. Mr. Skol Harnsuthivarin	Chairman of Audit Committee and Independent Director/ 11 May 2019 – 11 May 2021	12	12
2. Dr. Pholdej Therdphithakvanij	Audit Committee member/ Independent Director/ 11 May 2019 – 11 May 2021	12	12
3. Mrs. Sumalee Chokdeeanant	Audit Committee member/ Independent Director/ 11 May 2019 – 11 May 2021 (resigned on 26 October 2020)	8	8
4. Mr. Viboon Engkagul	Audit Committee member/ Independent Director/ 11 May 19-11 May 2021 (resigned on 24 November 2020)	12	12
5. Mr. Troy Schooneman*	Audit Committee member/ Independent Director/ 23 Feb 2018 – 23 Feb 2020 (resigned on 29 November 2020)	11*	9

Remark: * The Audit Committee held meeting No. 2/2020 on 27 February 2020 but Mr. Troy Schooneman did not attend the said meeting due to his term of office ended on 23 February 2020; therefore, Mr. Troy Schooneman had a total no. of meeting equal to 11 meetings only. Later on, the Board of Directors' Meeting No. 2/2020 was held on the 28 February 2020 and the Board had resolved to extend his term of office for another 2 years (from 23 February 2020 – 23 February 2022).

The Qualifications of Audit Committee

Audit Committee must be an Independent Director.

Qualifications of Independent Director: The Company defines the qualifications of the Independent Director in accordance with the regulations of the SEC and the SET as follows:

- Holding no more than 1 % of total voting shares of the Company, parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company including the shareholding of persons related to the independent directors.
- Not currently be or never been the company's executive director, worker, employee, salaried consultant, or controlling parties of the Company, parent company, subsidiary, affiliate, subsidiary in the same level, major shareholder(s), or controlling parties of the company, unless having passed the above characteristic for not less than 2 years.
- Not by blood or legally registered, parents, spouse, siblings and children and their spouse, of other directors, executives, major shareholders, controlling parties, or persons who will be nominated as directors, executives, or controlling parties of the company or subsidiary.
- Not currently having or never had any relations with the company, the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the company, the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company, unless having passed the above characteristic for not less than 2 years.
- Not currently being or never been the company's auditor, the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current auditor's auditing firm including the parent company,

subsidiary, affiliate, major shareholder(s), or controlling parties of the company, unless having passed the above characteristic for not less than 2 years.

- Not currently be providing or never provided professional services, legal consulting, nor financial consulting services to the company, the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company with a fee more than THB 2 million per year. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current service providers, unless having passed the above characteristic for not less than 2 years.
- Not currently a director appointed to represent the company's directors, major shareholders, or the shareholder related to major shareholder.
- Not currently be operating under similar business nature and significant competition to the company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the company and subsidiary.
- Not under any conditions that may impede the person from having independent views towards the company's operations.

All Independent Directors of the Company have the qualifications required of the Independent Director who are also members of the Audit Committee in accordance with the Notification of Capital Market Supervisory Board Ref: Tor.Jor 39/2016 RE: Application for Approval and Granting of Approval for offering of newly issued shares (Codified) dated 30 September 2016.

Duties and Responsibilities of Audit Committee

The Audit committee takes responsibility subject to Board of Directors' assignment and reports directly to the Board of Directors as follows:

1. Review the Company's financial reporting process to ensure accuracy and sufficiency.
2. Review to ensure that the Company has appropriate and efficient internal control system and internal audit system and review the independency of the Internal Audit Department. The Audit Committee shall approve the appointment, transfer or termination of the head of Internal Audit Dept. or other related department responsible for the internal auditing of the Company.
3. Review the performance of the Company to ensure compliance with the Securities and Exchange Acts, rules and regulations of the Stock Exchange or other laws relating to the Company's business.
4. Consider, select and recommend for appointment or removal of independent external auditor and determine their remunerations and participate in the meeting with the external auditor without the Company's management at least once a year.
5. Ensure that the connected transaction or transaction that may lead to conflict of interest has been done in compliance to the laws and regulations of the SET & SEC.
6. Prepare report of the Audit Committee and disclose it in the annual report of the Company. Such report should be signed by the Chairman of the Audit Committee and should contain the minimum information as follows:
 - Comment on accurateness, completeness and credibility of the Company's financial report.
 - Comment on the sufficiency of the Company's internal control system.
 - Comment on the Company's compliance with Securities and Exchange Acts and SET's regulations and other laws relevant to the Company's business.
 - Comment on suitability of the external auditor.
 - Comment on transactions that may have conflicts of interest.
 - Number of meetings of the Audit Committee, and attendance of each member.
 - Overall comments or remarks that the Audit Committee has while carrying out their duties prescribed in the Charter.

- Any other transactions that the shareholders and general investors should know within the scope of duties and responsibilities of the Audit Committee assigned by the Board of Directors.
7. Perform other duties as assigned by the Board of Directors with the consent of the Audit Committee.

In order to support the successful performance of the Audit Committee, the Audit Committee is able to invite the Company's executives or employees to make comments or provide facts or participate in the meeting or present any related documents required as well as to have the authority to hire consultant or other third parties according to the Company's rule to seek for their opinion or advices as necessary.

The Audit Committee's self-assessment for the year 2020

For the year 2020, the Audit Committee had done its yearly self-assessment and the result was 92.97% which is considered excellent and maintain the same level as the previous year in which details are as follow:

Criteria	Full Score	Score	%	Result
Total	64	59.5	92.97	excellent
1. AC Structure and qualifications	12	12.0	100.00	excellent
2. AC Meeting	24	22.0	91.67	excellent
3. Duties & responsibilities of AC	28	25.5	91.07	excellent

2. Corporate Governance Committee

Composition of Corporate Governance Committee

The Board of Directors had a resolution to establish the Corporate Governance Committee of the Company on 16 March 2018 in order to take the roles and responsibilities of setting up corporate governance policies and providing opinions, advices, monitoring and auditing the Company's business operation, including overseeing the performance of duties of the Board of Directors, management and staff to be in compliance with the principle of Good Corporate Governance. The Corporate Governance Committee composed of 3 members and a secretary in which majority of members should be the Independent Director. The Committee shall have a 3-year term of office and the retired by rotation member can be re-elected. The appointment as well as re-election or the renewal of the term of office of the Corporate Governance Committee shall be done by the Board of Directors.

List of the Corporate Governance Committee, the term of office and the attendance of the committee for the year 2020 were as follows:

Name of Corporate Governance Committee	Position/ Term of Office	Corporate Governance Committee Meeting	
		No. of Meeting	No. of Attendance
1. Mr. Troy Schooneman	Chairman of the Corporate Governance Committee/ 16 Mar 2018 - 16 Mar 2021 (resigned on 29 November 2020)	3	3
2. Mr. Viboon Engkagul	Corporate Governance Committee member / 16 Mar 2018 - 16 Mar 2021 (resigned on 24 November 2020)	3	3
3. Ms. Siriphen Pongchairerks	Corporate Governance Committee member and Secretary/ 16 Mar 2018 - 16 Mar 2021 (had not been in this position since 15 December 2020 due to the expiry of the employee contract)	3	3

Remark: The Board of Director is considering the qualified persons to replace the said 3 committees

Duties and Responsibilities of Corporate Governance Committee

The Committee is authorized to set the policies with respect to Corporate Governance Policy of the Company, including providing advices, recommendations, auditing and monitoring of the business operations of the Company, the performances of duties of the Board of Directors, management and staff of the Company to be in compliance to the good corporate governance by upholding the principles of Corporate Governance Code for Listed Companies 2017 (or any future amendments) of the Securities and Exchange Commission as guidelines of operation.

1. To set up the Corporate Governance Policy, Anti-corruption Policy and other policies with respect to the good corporate governance policy of the Company, including the Code Ethics and the Business Code of Ethics, under the framework of current laws rules and regulations of the related regulators, such as, the Stock Exchange of Thailand, Office of the Securities & Exchange Commission, the Ministry of Finance and other relevant agencies, as well as the good corporate governance guidelines under international standard and to be proposed to the Company's Board of Directors for consideration and approval and announcement as the guidelines of Good Corporate Governance practices for the Directors, management and every level of the staff.
2. To control, oversee and recommend guidelines in promoting the Company's Directors, management and staff to enhance Good Corporate Governance practices in consistent with the principle of the Company's Corporate Governance Policy, Anti-corruption Policy and other related policies as well as those derived from the good practices according to the ethics and the Business Code of Ethics, in carrying out business of the Directors, management, staff and employees of the Company.
3. To support the dissemination principal, guidelines, opinion, recommendation of the Good Corporate Governance practices for understanding of the management and staff in every level to have practical result, both in the Company and its subsidiaries.
4. To determine the framework of policy and operation plan with respect to Corporate Social Responsibilities (CSR) of the Company for both short-term and long-term in order to propose to the Board of Directors' for approval
5. To control, oversee and monitor the operation of CSR activities and the report on showing social responsibility to be proposed to the Board of Directors of the Company.
6. To review and improve the Corporate Governance policies and Anti-corruption policies or other policies in relation to the Good Corporate Governance of the Company including the Corporate Governance Committee Charter regularly at least once a year to be updated and in consistent with the international standard guidelines, as well as laws relevant rules and regulations to be proposed to the meeting of the Board of Directors of the Company for approval and disclosure in the annual report and Annual Report Disclosure Form.
7. To prepare report the result of annual evaluation of Good Corporate Governance to be proposed to the Board of Directors of the Company together with proposed recommendations for modification as appropriate.

8. The Committee may discuss and consult with the consultant or expert on Good Corporate Governance and may attend the training of Good Corporate Governance Course and if there is any expense thereof, it will be incur by the Company.
9. To perform other relevant tasks as assigned by the Board of Directors of the Company.

3. Risk Management Committee

Composition of Risk Management Committee

The Board of Directors had resolved the establishment of Risk Management Committee on 16 March 2018 together with the Corporate Governance Committee in order to determine policy, guideline and measures regarding the risk management of the Company and its subsidiaries to protect against and mitigate the potential risks that might cause damages to the Company and its subsidiaries. Risk Management Committee composed of at least 5 members and at least 3 members should be the Independent Director. Risk Management Committee shall have a 3-year term of office and the retired by rotation member can be re-elected. The appointment as well as re-election or the renewal of the term of office of the Risk Management Committee shall be done by the Board of Directors.

List of the Risk Management Committee, the term of office and the attendance of the committee for the year 2020 were as follows:

Name of Risk Management Committee	Position/ Term of Office	Risk Management Committee Meeting	
		No. of Meeting	No. of Attendance
1. Dr. Pholdej Therdphithakvanij	Chairman of the Risk Management Committee/ 16 Mar 2018 - 16 Mar 2021	3	3
2. Mrs. Sumalee Chokdeeanant	Risk Management Committee member/ 16 Mar 2018 - 16 Mar 2021 (resigned on 26 October 2020)	3	3
3. Mr. Troy Schooneman	Risk Management Committee member/ 16 Mar 2018 - 16 Mar 2021 (resigned on 29 November 2020)	3	2
4. Mr. Alain Dufes	Risk Management Committee member/ 16 Mar 2018 - 16 Mar 2021	3	2
5. Mr. Muneo Tashiro	Risk Management Committee member/ 16 Mar 2018 - 16 Mar 2021	3	2
6. Mr. Vittawat Arunakasikor	Risk Management Committee member and Secretary/ 16 Mar 2018 - 16 Mar 2021	3	3

Duties and Responsibilities of Risk Management Committee

1. Establish a risk management policy and procedures of the Company and its subsidiaries to mitigate or terminate the impact from the risks that might cause damages to the Company and its subsidiaries to be submitted to the Board and the Management for further action.
2. Review and update the risk management policy and procedures to be submitted to the Board and Management.
3. Establish criteria and method of risk assessment and determine the different level of risk to be submitted to the Board meeting and the Management for further action.
4. Discuss with the Management, Manager and Operation Dept. the Company's and its subsidiaries' risk assessment and risk management processes in various aspects pertaining to accounting, finance, human resources, procurement, cyber security, data base including other related rules and regulations of the Company and its subsidiaries whether there are any holes of risks.
5. Perform other functions pertaining to the risk assessment policy as assigned by the Board.

The Committee is authorized to invite any officer or employee of the Company and its subsidiaries to provide information or submit necessary documents or evidences and if deemed necessary, the Committee may retain special risk assessment counsel or enroll in training courses. Any expenses incurred should be responsible by the Company.

Nomination and Appointment of Directors and Highest Level Management

(1) Independent Director

In nominating of Independent Director, the Board of Directors will consider from those who possess suitable qualifications or at least must possess the minimum qualifications specified by Notification of Capital Market Supervisory Board Ref: Tor.Jor 39/2016 RE: Application for Approval and Granting of Approval for offering of newly issued shares (Codified) dated 30 September, 2016. In addition to those minimum qualifications, other qualifications such as being a reputable or acceptable in society person or possess knowledge and experiences of an Audit Committee are also considered, such as the experience in financial statement auditing or other work experience directly in hire-purchase business which is the main business of the Company, etc. Most importantly, ability to express opinion independently is the most significant qualification required. Those nominated persons shall be proposed for appointment from the Board of Directors' meeting or shareholders' meeting as the case may be.

(2) Nomination of Directors and Highest Level Management

The Company has not set up any Nomination Committee. In nominating persons to be appointed as Directors and the highest level management of the Company (CEO), the Board of Directors shall consider from the caliber, experiences, vision and reliability of such person together with the background knowledge and skills which might be beneficial to the Company's business operation, which includes a good understanding of the Company's business so that they are able to achieve the Company's goal and objectives determined by the Board of Directors and should be the ones who can contribute their time for the Company fully. Those nominated persons shall be proposed for appointment from the Board of Directors' meeting or shareholders' meeting as the case may be.

The nomination of directors and independent directors, could be based on the diversity of the board structure of which resources can be from the nomination from minor shareholders or from the existing executive or subsidiary or associated company's director or introduced by existing directors or other persons or the representatives from the major shareholder, etc.

The Company's Articles of Association states that in each of annual general meeting, one-third of directors (1/3) or the nearest amount has to be resigned by rotation. The retired directors shall be determined by the ones who were in the position the longest. The retired Directors can be re-elected.

The rule and method of vote casting on the election of Directors in the shareholders' meeting shall be as follows:

1. The voting for election of director shall use majority vote given that each shareholder has the voting right of one share for one vote
2. The voting for election of director shall be done individually for each person. The shareholder can cast their total votes they have for each individual nominated person to be the director one by one.
3. The person who receives the subsequent highest vote shall be the one elected the directors until the number of elected director is equal to the number of required director of such election. In case of a tie vote for the persons with next highest voting amount making it exceeds the required number of director for such election, Chairman of the meeting shall cast an additional vote to make the resolution.

However, in case the vacancy of director is from the reasons other than the expiration of the term of office, the remaining Board of Directors shall elect a new director to substitute for the vacant position unless such director has the remaining term of office less than 2 months. Such resolution shall

require the vote of not less than three-fourth of the remaining directors. The substitute director shall hold office only for the remaining term of office of the director whom he or she replaces.

Governance on the Company's Subsidiary and Associated Company

The Company's subsidiary is wholly owned 100% by the Company or its subsidiary. Members of the Board of Directors were assigned to be the directors in the subsidiary or associated company by which the number of directors is in relation with the Company's proportion held in the subsidiary company or associated company. Such Board of Directors shall have the responsibilities to ensure the best interest of the subsidiary or associated company.

In addition, the designated persons also have the obligation to ensure that the subsidiary companies are having appropriate rules regarding related transactions, acquisition or disposal of assets or other significant transactions and in compliance with the rules and regulations in each related country. The obligation includes the keeping of data and accounting records of the subsidiary and associated companies that are auditable and also able to submit for consolidation to the Company within the timeframe. In addition, the Board of Directors shall receive the report on operating result of the subsidiary and associated companies regularly.

Governance on Inside Information Usage

The Company has set up policy governing the usage of significant inside information that may have impact on the changing of the Company's share price which is non-public to seek illegal benefit in buying or selling of the Company's share. Such policy was set up in writing and included in the code of ethics of the directors, executives and employees which was approved and announced. In 2019, the Board of Directors has reviewed and improved the policy regarding the inside information usage and securities trading of the Company to be more appropriate which summarized as follows:

1. Those insiders and others who can access to or who know the detail of significant inside information are forbidden to disclose the financial and non-financial information that may have impact on the changing of the Company's share price to other outsiders or to unrelated persons before such information is disclosed to public by the Company through the SET's system.
2. Those insiders and others who know the detail of the Company's financial information are forbidden to buy or sell the Company's share during the period of 30 days prior to the disclosure of such financial information to general investors and 24 hours after the disclosure of the other non-public information that may have impact on the Company's share price is disclosed to public by the Company through the SET's system.
3. Directors and executives has to report on securities holding and the changes of the securities held according to Section 59 of the Securities & Exchange Act B.E. 2535 and according to the rules and methods prescribed by the Notification of the Office of the SEC No. SorChor 38/2561 RE: Preparation of reports on changes in securities and derivatives holding of directors, executives, auditors, plan makers and plan administrators which was effective 15 August, 2018. Such report should be notified to the Company Secretary who will report them to the Board of Directors in the next Board of Directors' meeting. The forbidden period shall be notified to all concerns in advance by the Company Secretary so that they can comply correctly.
4. In the event that the insiders including those who have access to or who know the detail of the significant inside information violating the rule by disclosing the non-public financial information or other non-financial information that may have impact on the Company's share or using such information in buying or selling the Company's share are subject to disciplinary action and penalty according to the Securities & Exchange Act, Section 296 which is 2 years of imprisonment or a fine of not more than double of the received benefits but not less than 500,000 Baht or both fine and imprisonment.

In addition, whenever there is a new director or executive who is in the position which needs to report on the securities holding of the Company's shares according to the SEC's rule or to comply to the Section 59 of the Securities & Exchange Act B.E 2535 and Notification of the Office of Securities & Exchange Commission No. SorChor. 38/2561 RE: The Preparation of Report on Changes to the Securities and Derivatives Holding of Director, Executive, Auditor, Plan Preparer and Plan Administrator effective on 15 August, 2018, the Company Secretary shall inform those persons of the duty to do so in order for them to comply correctly.

Remunerations of External Auditor

The Audit Committee selected the audit firm who possesses the qualifications required by the Stock Exchange of Thailand and proposed to the Board of Directors to be proposed and approved for the appointment from the shareholders to be the external auditor of Group Lease PCL. For the year 2020, KPMG Phoomchai Audit Limited was selected and approved as the external auditor of the Company for fiscal year 2020. The audit fee and the review and audit fee for consolidated financial statement for the year 2020 was Baht 16.37 million and the out-of-pocket expenses total 60,833.00 Baht being the travelling and photo copying expenses.

Corporate Social Responsibilities

The Corporate Social Responsibility's policy of the Company emphasizes on the responsibilities in treating the employees, customers, competitors, creditor, etc. with fairness, honesty, humanity, responsibility, community and social co-development including environmental protection. The Board of Directors adopts the guidelines for corporate social responsibilities as below:

1. Operate Business with Fairness

The Company aims to conduct business with fairness, respect and not infringe the rights of external and internal stakeholders by setting the guidelines as below:

- The Company shall compete with the competitors with fairness, without unreasonable attack, slanderous or distortion of information for own advantage.
- The Company shall support only fair service in providing financial service that is highly beneficial to the consumers and will not coordinate with the competitors to do any damage to the consumers for the Company or its allies' benefits.
- The Company shall not search for competitor's trade secret information unethically or in breach of business ethics
- The Company shall encourage and not involve in any pirate of intellectual property and shall encourage employees to use only the copyrighted products or services and don't support any action that violet intellectual property rights.
- The Company fairly considers lending to all customers according to the Company's criteria.

2. Anti-corruption

The Company values the importance of the implementation of anti-corruptions and bribery so the Anti – corruption policy has been established. It is also stipulated in the Code of Business Conduct in order to prevent any action that is for direct or indirect benefit to personal, family, friends and acquaintances whether in the side of a receiver or the person who offers bribes both in monetary or non-monetary forms to the government sectors or private companies that the Company are dealing business or having contact with but shall be obliged to comply with the set anti-corruption guidelines strictly as follows:

- There should not be any direct or indirect benefits whether to oneself, family and friends received from the Company. For example, the selling of goods and services to the Company or competing with the Company. Avoid accepting any feast from the persons who have business connection with the Company or other persons who might expect some benefits from the employees.
- Never ask or receive any unjustified benefits both directly or indirectly or other benefits in exchange for the commercial benefits including bribes or unethical incidents in doing business
- The employees who cheat or violate the code of ethics shall be put on disciplinary actions and penalized according to the Company's rules and might as well have to be penalized by law if such violations are unlawful.
- Employees should not neglect whenever they found some clues or corruption incidents happened in the Company and should notify their supervisor or other responsible personnel and coordinate in the investigation process. If there are any questions, they should seek advice from their supervisor.

Additional information can be viewed on the Company's website under Investor Relations / Corporate Governance / Report on Corporation Governance 2020 Section 3 Roles of Stakeholders.

3. Respects for Human Rights

The Company values the importance of not involving in the violation of human rights and the freedom of an individual or any collective groups whether directly or indirectly. For example, the Company shall not treat employees unequally even under different races, religious, beliefs, gender, languages, marital status, age, political affiliation, state of origin, sexual deviation, physical condition, etc. The Company shall not exercise forces or encourage any forces in threatening employees to work whether physically, verbally or mentally. For example, the Company hires a number of employees who have the problem in hearing and speaking. All were treated equally as other normal employees in terms of remunerations and welfare. They were assigned documentary or other jobs which suit their physical condition.

4. Treating Employees with fairness

In determining the employees' welfares and benefits, the Company shall put the following factors into considerations:

- The employees' duties and responsibilities
- The overall economic situation which may affect the well-beings of the employees
- The salary payment rate and employment situation of labor market especially in the same industry
- The business growth potential and the paying capacity of the Company. The Company's Board of Directors had approved the increase of employees' provident fund contribution rate from 3% to 5% across the board.
- The permanent employees will get salary increase annually in July. The amount of salary increase shall base on the performance evaluation from their respective supervisor and the factors such as the attendance, leaves or lateness reports are all counted in the evaluation.

5. Responsibilities for Consumers

In doing business, the Company is responsible for the consumers on the basis of honesty and good business ethics since the Company is a financial service provider in order to create reliability to the consumers as well as to maintain the sustainable growth of the Company. As a result, the guidelines for responsible credit granting were set up as follows:

- The Company shall suggest the appropriate installment condition for each individual customer base on their repayment capacity and shall not grant credit to those customers who may possibly have problems in paying back the loan in the future in order to help them to avoid creating liabilities obligation which is not suitable for them.
- The Company shall present its services clearly and transparently in terms of conditions and different fees charged to be fair and beneficial to the customers.
- The Company may offer some assistance to the customers who may have financial problems during unexpected or uncontrollable crisis such as natural disaster, political unrest by providing debt-restructuring scheme as deemed appropriate.

Additional information regarding Community, society and environment can be viewed on the Company's website under Investor Relations / Corporate Governance / Report on Corporate Governance 2020 Section 3—Role of Stakeholders.

Internal Control and Risk Management

The Company has given importance of having effective and efficient internal control system by setting up Internal Audit Department to be responsible for the assessment of the adequacy of the internal control system of the Company and to monitor the improvement implementation of the mistakes or errors found during the business operation of the Company on a continuous basis. Moreover, in order to enhance the independence and balance of their audit role fully, the Internal Audit Department is put under the direct supervision of the Audit Committee.

The Audit Committee Meeting No. 1/2021, held on 13 January 2021, The Audit Committee had assessed the adequacy of internal control system for the year 2020 by using information ended at Q2/2020, since the Company postponed the submission of the Q3/2020 Financial Statement to the SET so the Company hasn't yet assessed the adequacy of internal control system for the Q3/2020 to Q4/2020. The assessment of the adequacy of internal control system is prepared in accordance with the SEC and the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The Audit Committee has considered, that the Company has good internal control system, appropriating for business operation, and covering the 5 factors of internal control system of the international standard (COSO-ERM), namely internal control, risk assessment, operation control, information and communication system, and monitoring system which can be summarized as follows:

1. Organization and control environment

The Company realizes the importance of having good corporate governance that it can enhance the sustainability growth of the Company. Therefore, Good Corporate Governance policy and operational guideline were set up and prescribed in the Business Code of Ethics of the Company which contain good conduct and business ethics in carry out the duties with full capacity, honesty, transparency and justice, no abuse of the Company's inside information for one's own or related persons' benefits or doing other actions that will be against the Company's interest so that all the management and employees can acknowledge, understand and comply strictly. In case of any violation, disciplinary actions were also clearly defined.

The Audit Committee who is independent from the Company's management shall oversee and develop the efficiency of internal control system such as the segregation of significant functions which will enhance the check and balance. The Company also establishes the Internal Audit Department to report directly to the Audit Committee. Supervision line has also been clearly defined and the business objectives as well as the performance indicators to evaluate the operation efficiency towards the Company's objective of the employees were also set up to provide motivation or rewards to those employees who successfully achieve the goal while providing remedies for those who fail such as training or advices, etc.

2. Risk Management

Management gives significant importance to risk management issue by setting up effective systematic risk management process in order to be able to control and mitigate the risk that may arise from both internal and external factors such as fraud or breaching of rules which may obstruct the Company's achievement of its goal. Risk Management Committee was consequently set up by the Board of Directors to oversee the risk management of the overall Company to establish the risk management policy and communicate risk threatened matters and prevention to the employees for their better understanding and compliance as well as to assess the result of risk management and report to the Board of Directors.

3. Management Control Activities

The Company has set up its organization structure and the scope of roles and responsibilities in relation to its business operation and work procedures. There was an audit system that enhanced the check and balance among different sections and departments in terms of the operation, revision and approval process. Authorization guidelines regarding the credit line and signing authority of all levels of the management were prescribed clearly and the rules/orders were appropriately reviewed and adjusted to be in line with the current operation to be able to check and confirm with each other to avoid mistakes from the operation or to protect against fraud. In addition, the assessment on the impact from various factors both internal and external such as the newly issued laws governing the business, the changing of business model which may have impact on the Company shall be inspected by the Compliance Unit and Internal Audit Department of the Company in order to ensure that the Company has fully complied to the new laws and related rules and report them to the Audit Committee and subsequently to the Board of Directors. In addition, there was a control on the compliance with the financial reporting standard and the generally accepting accounting standard that is appropriate to the Company's business by reporting those facts in the financial report showing the right or obligation of the Company and disclosed completely and correctly having the Company's auditor auditing the accuracy.

4. Information Technology System and Communication

The Company always gives importance to the ongoing development of the information technology system and communication system of the Company so that the compiling and analyzing of data were done accurately and in a timely manner. Securities of the information system were also taken into consideration so that it can monitor the accessing and utilizing of data as well as the maintaining of security system of the significant business data. Currently, the Company has provided intranet and e-mail system as its means of communicating the Company's information, policies and rules and regulations to its employees. Investor Relations ("IR") channel is used to communicate the information to outside investors and public. We also have effective filing system of various supporting documents of accounting transactions booking in which all documents are kept in categories for transparency and for future evidence. We also have management information system which may facilitate the efficiency of decision making of the management and the Board of Directors in their planning and problem solving to enhance the potential growth of the Company.

5. Monitoring

Management's meeting is regularly arranged to monitor the operating result of the Company and its subsidiaries and to solve any emerging problems arisen from other factors that might threaten the Company and its subsidiaries' normal business operations. The management must report on the incidents occurred from the breaching of laws and the impact from the execution of new laws on the Company's business or report any significant errors which might cause serious effects on its image, financial status and operation including the improvement guidelines or the solutions that have been implemented to the Audit Committee or the Board of Directors together with the regular report on the progress of such improvement.

The Internal Audit Department is established to possess the independence characteristic and reports directly to the Audit Committee to be responsible for the audit function and assessment of the efficiency and effectiveness of all of the internal control systems of the Company to ensure that it has the sound internal control system appropriate for its business and that the employees comply fully to the internal control provision and also audit the compliance of the laws and related regulations of the Company. The annual internal audit plan was set up based on the Risk Based Audit Approach and the internal control guideline from Committee of Sponsoring Organization of the Tread way Commission ("COSO") and have been reviewed and approved by the Audit Committee.

Head of Internal Audit

Miss Rujira Singdumrong has been appointed as Manager of Internal Audit Department since 2 March 2020. The Audit Committee has considered that she has appropriate qualifications for the position. She graduated Master of Business Administration from Burapha University, furthermore she has an experience in internal audit in from financial institutions for more than 20 years. Moreover, she also has an experience in hire-purchase business and car for cash which are the Company's core business so that she has good understand of the Company's business operation. In addition, she has attended various internal audit courses held by the Institute of Internal Auditors of Thailand ("IIAT"), Thailand Federation of Accounting ("TFAC"), Thai Listed Companies Association, and Thailand Leasing Association that a very profitable for operation in accordance with the internal audit standard.

The appointment, withdrawal, or transfer of the Internal Audit Manager must be considered and approved by the Audit Committee. (Please see details of Head of Internal Audit and Head of Compliance Unit including duties and responsibilities below)

Risk Management

The Company has set up policy and process for risk management so that the management can use as guideline for operation. Management is responsible in determining and designing of work systems including the identifying of risk factors. Such business operation or systems planning which taking into account the risk factors enable the management to design the systems well within the acceptable risk level of the Company.

Detail of Internal Audit Manager as of 2020

Name / Position /Starting date	Age	Education / Training	Working Experience		
			Period	Position	Organization/Type of Business
Miss Rujira Singdumrong Internal Audit Manager and Secretary of Audit Committee/ 2 March 2020	50	Education: <ul style="list-style-type: none"> - Master of Business Administration, Burapa University - Bachelor Degree of Accounting, The University of the Thai Chamber of Commerce - Bachelor Degree of Marketing, Ramkhamhaeng University Training and seminar: <ul style="list-style-type: none"> - Certified Professional Internal Auditor of Thailand (CPAIT-22) - Internal Auditing Certificate Program (IACP-5) - Information Technology Audit (IT Audit-21) - Risk-Based Internal Auditing Specialist - COSO (COSO'S Enterprise Risk Management-Integrated Framework) - CSR Report - According to Anti-Money Laundering and Counter Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) - COSO ERM 2017 Aligning Risk with Strategy and Performance - Cyber security is a risk that cannot be ignored - Risk Management in COVID-19 situation 	2020 - Present	- Internal Audit Manager	- Group Lease PCL / Hire Purchase – Leasing
			2018 - 2019	- Accountant	- Owner Business / Accounting Services
			2016 - 2017	- Deputy Vice President of Accounting and Finance Department	- Amanah Leasing PCL / Hire purchase
			2007 - 2015	- Deputy Vice President of Internal Audit Department and Secretary of Audit Committee	- Amanah Leasing P/ Hire purchase
			1993 - 2006	- Manager of Audit Department	- TMB Bank / Commercial Bank
			1992	- Auditor of Internal Audit Department	- Tipco Group / Consumer goods manufacturing and distribution, Asphalt manufacturing, Logistic etc.

Detail of Head of Compliance Unit as of 2020

Name / Position /Starting date	Age	Education / Training	Working Experience		
			Period	Position	Organization/Type of Business
Mrs. Arunothai Pongsuwan / Legal Supervisor and Head of Compliance Unit / 7 May 2019	36	Education: <ul style="list-style-type: none"> - Barrister at Law - LL.B. from Ramkhamhaeng University Training and seminar: <ul style="list-style-type: none"> - Personal Data Protection Act. B.E. 2562 - Smart Disclosure Program - Debt Collection Act - Training for Lawyer's License - Intellectual Properties Law 	2019 - Present	Legal Supervisor and Head of Compliance	Group Lease PCL
			2017 - 2019	Lawyer	The Law Indeed Office (Legal Advisory Service)
			2016 - 2017	Senior Litigator	Paiboon Legal Counsellors Co., Ltd. (Legal Advisory Service)
			2014 - 2016	Lawyer	The Law Indeed Office (Legal Advisory Service)
			2011 - 2014	Contract Specialist	Universal Utilities PCL (Produce and sale tap water)
			2009 - 2011	Lawyer	Umpol and Associate Law Office (Legal Advisory Service)
			2008 - 2009	Lawyer Assistance	Umpol and Associate Law Office (Legal Advisory Service)

Duties and Responsibilities of Compliance Unit:

1. Being a center of studying and gathering of related laws, notification, and / or the rules and regulations, etc. issued by the regulators that govern the Company's business operation including the internal rules and regulations of the Company for more convenience in terms of storing and searching.
2. Being a training center on both existing and newly issued or amended laws, rules and regulations, etc. issued by the regulators that govern the Company's business operation in each department in order to enhance the employees' knowledge and understanding so that they are able to comply correctly.
3. Adjusting and updating the operation manual of each department to be more appropriate and always be in line with the current laws and regulations.
4. Setting up Compliance Checklist for each department to serve as monitoring tool to assess the accuracy and completeness for the compliance with laws, rules and regulations efficiently.
5. Preparing quarterly report on the result of the law or regulation compliance of each department summarizing the findings as well as the reason for failure to comply with the laws and regulations together with the recommended solution provided to the employees and management in order that they can improve their operation more efficiently.

Related Party Transactions

The financial statements of Group Lease Public Company Limited as of 31 December 2020 and 2019 presents related transaction as follows:

The relationship between the Company and the related parties are summarized as below:

Name of related parties	Relationship with the Company
Group Lease Holdings Pte. Ltd.	Subsidiary
GL Finance Plc.	Subsidiary (held by a subsidiary)
GL Leasing (Lao) Company Limited	Subsidiary (held by a subsidiary)
Thanaban Company Limited	Subsidiary
PT. Group Lease Finance Indonesia	Subsidiary (held by a subsidiary)
BG Microfinance Myanmar Co., Ltd.	Subsidiary (held by a subsidiary)
GL-AMMK Co., Ltd.	Subsidiary (held by a subsidiary)
Comfort Services Development Co., Ltd.	Subsidiary (held by a subsidiary)
Asia Partnership Fund Pte., Ltd.	Subsidiary's director is major shareholder
A.P.F. Group Co., Ltd.	Subsidiary's director is major shareholder
Engine Holdings Asia Pte. Ltd.	Major shareholder of the Company / Common director
Cambodian People Micro Insurance PLC.	Common director with the Company and GLF
JTrust Asia Pte. Ltd.	Shareholder of GLFI
APF Trading Plc.	Common director with GLF
PT Bank JTrust Indonesia Tbk.	Shareholder of GLFI
JTrust Co., Ltd.	Ultimate parent company of shareholder of GLFI
Commercial Credit and Finance PLC.	Associated company
Wedge Holdings Co., Ltd.	Major shareholder of the Company / Common director
Showa Holdings Co., Ltd.	Major shareholder of the Company / Common director
Century Finance Company Limited	Common director with GL-AMMK
PT Showa Rubber Indonesia	Common director with the Company

Related transaction between the company and subsidiary companies as at 31 December 2020 and 2019

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 20	31 Dec 19		
GL Finance Plc.	The Company	Other income	2,154	-		GL Finance Plc. entered into a royalties agreement with GL (a royalties agreement transferred from GLH) a royalties agreement with the market rate as in the general business condition
		Other payables	1,424	401		GL Finance Plc. paid for the company as a general business.
		Other receivables	2,352	155		Advance received from GL Finance Plc. to the Company for the normal business.
		Interest income	11,312	-	5.5% per annum	During Q3'20, GLH transferred Loan and accrued interest income between GLH and GLF to GL for repayment loan between GLH and GL
		<u>Short-term loans to and interest receivable</u>				
		Beginning balance	-	-		
Group Lease Holdings Pte. Ltd.	The Company	Increase	554,720	-		
		Decrease	(200,788)	-		
		Gain (Loss) from ex-rate	(9,751)	-		
		Ending Balance	344,181	-		
		Services and administrative expenses	216	628	Contract	The Company receive software services from Group Lease Holdings Pte. Ltd. as a kind of license fee with the market rate as in the general business condition
		Interest Income	271,495	349,771	7% per annum	The Company lend to Group Lease Holdings Pte. Ltd. to support business expansion in regional country with an interest rate close to the normal rate when the company borrow from the bank.
		<u>Short-term loans to and interest receivable</u>				
		Beginning balance	4,790,202	5,517,775		
		Increase	230,771	301,810		
		Decrease	(911,859)	(640,203)		
		Gain (Loss) from ex-rate	(17,795)	(389,180)		
		Ending Balance	4,091,319	4,790,202		
		Other receivables	4,792	-		Advance received from Group Lease Holdings Pte. Ltd. to the Company for the normal business.
		Other payables	203	-		Group Lease Holdings Pte. Ltd. paid for the Company for the normal business.

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 20	31 Dec 19		
Thanaban Company Limited	The Company	Other income	84,194	105,520	Contract	The Company provides management service and other services for Thanaban Company Limited. as a kind of management fee based on general business condition and has the highest benefit to the Company.
		Other receivables	5,658	64,886		
		Other current liabilities	-	225		Advance received from providing the telephone system with the general business conditions and for the highest benefit of the Company.
		Interest Income	757	12,002	5.50% per annum	Thanaban Company Limited borrow unsecured loans from the Company with an interest rate close to the normal rate when the Company borrow from the bank.
		<u>Short-term loans to and interest receivables from subsidiary</u>				
		Beginning balance	-	-		
		Increase	220,206	462,002		
		Decrease	(220,206)	(462,002)		
		Ending Balance	-	-		
		Interest Expense	242	-	7% per annum	The company borrow unsecured loans from Thanaban Company Limited with an interest rate close to the normal rate when the Company borrow from the bank.
		<u>Long-term loans from and interest payable to subsidiary</u>				
		Beginning balance	-	-		
		Increase	180,242	-		
		Decrease	-	-		
		Ending Balance	180,242	-		
PT. Group Lease Finance Indonesia	The Company	Other income	477	-		Advance received for the normal business.
		Other receivables	567	129		
Comfort Services Development Co., Ltd.	The Company	Other payables	122	64		Comfort Services Development Co., Ltd. paid for the Company as a general business.

Other Related transactions between the company and related parties as at 31 December 2020 and 2019

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 20	31 Dec 19		
JTrust Asia Pte. Ltd.	The Company	Interest expense	224,771	280,210	5% per annum	The Company has issued convertible debentures to JTrust Asia Pte. Ltd. in foreign currency and it will contribute to the expansion of the company's business with an interest rate close to the normal rate when the Company borrows from the bank and for the highest benefit of the Company.
		Convertible debentures	5,412,911	5,433,801		
		Other payables	857,186	645,675		
Engine Holding Asia Pte. Ltd.	The Company	Other payables	461	461		The Company entered into a side agreement with Engine Holding Asia Pte. Ltd. to hedge foreign exchange risk. The Company recognized foreign exchange loss based on this agreement in other payable. During 2017, both parties agreed to cancel this agreement.
		Allowance for doubtful accounts – Other payables	(461)	(461)		
		Net	-	-		

Other Related transactions between related parties as at 31 December 2020 and 2019

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 20	31 Dec 19		
Director of the company and subsidiary	GL Finance Plc.	Other receivables	-	588		GL Finance Plc. paid advance for the director of subsidiary as a general business.
		Allowance for doubtful accounts - Other receivables	-	(588)		
		Net	-	-		
		Other current liabilities	-	84		
		Allowance for doubtful accounts – Other current liabilities	-	(84)		Director of the subsidiary paid advance for GL Finance Plc. as a general business.
		Net	-	-		
A.P.F. Group Co., Ltd.	GL Finance Plc.	Other receivables	4,010	4,026		GL Finance Plc. paid advance for A.P.F. Group Co., Ltd. as a general business.
		Allowance for doubtful accounts - Other receivables	(4,010)	(4,026)		
		Net	-	-		
Cambodian People Micro Insurance PLC.	GL Finance Plc.	Other receivables	36	68		GL Finance Plc. paid advance for Cambodian People Micro Insurance Plc. as a general business.
		Allowance for doubtful accounts - Other receivables	(36)	(68)		
		Net	-	-		
	Group Lease Holdings Pte Ltd	Other income	251	768	Contract	Group Lease Holdings Pte Ltd has entered into an IT service agreement with Cambodian People Micro Insurance PLC. to provide IT services as a general business.
		Other receivables	1,952	4,342		
		Allowance for doubtful accounts - Other receivables	(1,952)	(4,342)		
		Net	-	-		

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 20	31 Dec 19		
APF Trading Plc.	GL Finance Plc.	Services and administrative expenses	4,520	-		GL Finance Plc. entered into a consultancy agreement with APFT under which USD 150,000 per month (excluding VAT) is due to be paid to APF Trading Plc. by GL Finance Plc. The agreement was thereafter terminated on 31 December 2020
		Other receivables Allowance for doubtful accounts - Other receivables Net	- - -	148,851 (148,851) -		GL Finance Plc. paid advance for APF Trading Plc. as a general business.
		Other current assets Allowance for doubtful accounts - Other current assets Net	370,012 (370,012) -	171,520 - 171,520		GL Finance Plc. paid advance for APF Trading Plc. for distributed motorcycle to GL Finance Plc.
		Other current liabilities Allowance for doubtful accounts - Other current liabilities Net	1,773 (1,773) -	687 (687) -		APF Trading Plc. paid advance for GL Finance Plc. as a general business.
	Group Lease Holdings Pte Ltd	Other income	-	384	Contract	Group Lease Holdings Pte Ltd. has entered into an IT service agreement with APF Trading Plc. to provide IT services as a general business.
		Other receivables Allowance for doubtful accounts - Other receivables Net	- - -	2,171 (2,171) -		Group Lease Holding Pte Ltd. paid advance payment for APF Trading Plc. as a general business.
	GL-AMMK Co., Ltd.	Other receivables	7,212	8,046		GL-AMMK Co., Ltd. paid advance payment for Century Finance Company Limited. as a general business.
		Other current liabilities	8,968	4,555		Century Finance Company Limited. paid advance for GL-AMMK Co., Ltd. as a general business.
Century Finance Company Limited	Group Lease Holdings Pte Ltd	Other long-term investments Allowance- Other long-term investments Net	192,718 (192,718) -	192,718 - 192,718	6.50% per annum	Group Lease Holdings Pte. Ltd. invested in convertible loans of Century Finance Company Limited. to support business expansion in regional country with an interest rate close to the normal rate when the Company borrow from the bank.
		Other receivables - Accrued interest receivable from other long-term investments	5,732	5,724		
		Interest income	11,626	11,503		

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 20	31 Dec 19		
Showa Holding Co., Ltd.	Group Lease Holdings Pte Ltd	Other current liabilities	1,064	1,068		Showa Holding Co., Ltd. paid advance payment for Group Lease Holdings Pte. Ltd. as a general business.
		Allowance for doubtful accounts - Other current liabilities	(1,064)	(1,068)		
		Net	-	-		
PT Showa Rubber Indonesia	PT. Group Lease Finance Indonesia	Services and administrative expenses	-	1,483	Contract	PT. Group Lease Finance Indonesia receive marketing and advertisement service from PT Showa Rubber Indonesia.

Preconditions and Reasons for Connected Transactions

Audit Committee reviewed the connected transactions which were recorded during the fiscal year ending December 31, 2020 as summarized above and considered them to be indispensable, fair and justifiable in terms of conditions and prices, and/or within the arm's length basis. The transactions were also approved by the management or the Board of Directors (Board) prior to execution.

Financial Highlight

Conclusion of Auditors' Report

In the past three years, the Company's financial statements have been audited and the opinion from the auditors are listed as follows:

Financial Statement	Company	Auditors' Name	CPA No.	Opinion
2020	KPMG Phoomchai Audit Ltd.	Mr. Chokechai Ngamwutikul	9728	Disclaimer
2019	KPMG Phoomchai Audit Ltd.	Mr. Chokechai Ngamwutikul	9728	Unqualified
2018	EY Office Limited	Ms. Pimjai Manitkajohnkit	4521	Qualified

The financial position of Group Lease Public Company Limited and its subsidiaries:

Unit: Million Baht

	Consolidated financial statements						Separate financial statements					
	2020		2019		2018		2020		2019		2018	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Assets												
Current assets												
Cash and cash equivalents	1,569.43	13.60	3,091.52	24.30	3,745.00	25.63	1,173.28	12.36	365.98	2.90	409.89	2.92
Current investments	368.05	3.19	105.65	0.83	18.05	0.12	2.50	0.03	-	-	-	-
Current portion of hire purchase receivables	2,302.21	19.95	2,942.55	23.13	3,535.37	24.19	1,538.13	16.20	1,979.10	15.70	2,206.92	15.71
Current portion of loan receivables	197.40	1.71	232.75	1.83	282.24	1.93	-	-	-	-	-	-
Current portion of microfinance receivables	363.08	3.15	626.83	4.93	554.32	3.79	-	-	-	-	-	-
Current portion of consumer finance receivables under joint financing arrangements	2.89	0.03	6.09	0.05	5.36	0.04	-	-	-	-	-	-
Current portion of disputed corporate loans	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of corporate loans and interest receivables	-	-	41.05	0.32	42.12	0.29	-	-	-	-	-	-
Inventories	-	-	0.31	0.00	0.28	0.00	-	-	-	-	-	-
Assets foreclosed	40.41	0.35	59.55	0.47	61.28	0.42	10.35	0.11	16.20	0.13	8.67	0.06
Short-term loan to and interest receivables from subsidiaries	-	-	-	-	-	-	4,787.10	50.42	144.13	1.14	209.98	1.50
Other receivables	124.02	1.07	120.36	0.95	89.33	0.61	16.66	0.18	71.71	0.57	42.18	0.30
Other current assets	77.58	0.67	219.58	1.73	141.58	0.97	63.29	0.67	35.37	0.28	37.15	0.26
Total current assets	5,045.06	43.73	7,446.24	58.52	8,474.93	57.99	7,591.32	79.95	2,612.49	20.72	2,914.79	20.75
Non-current assets												
Pledged fixed deposit at financial institution	2,312.18	20.04	0.34	0.00	5.85	0.04	1.85	0.02	0.34	0.00	0.34	0.00
Investment in associate	1,697.80	14.72	1,766.76	13.88	1,976.90	13.53	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	-	629.91	6.63	3,590.30	28.48	3,590.30	25.56
Other long-term investments	255.61	2.22	535.51	4.21	671.00	4.59	-	-	-	-	-	-
Long-term portion of hire purchase receivables	1,479.14	12.82	2,162.14	16.99	2,676.39	18.31	1,065.95	11.23	1,544.40	12.25	2,013.08	14.33
Long-term portion of loan receivables	66.98	0.58	64.20	0.50	13.04	0.09	-	-	-	-	-	-
Long-term portion of microfinance receivables	16.51	0.14	21.71	0.17	6.72	0.05	-	-	-	-	-	-
Long-term portion of consumer finance receivables under joint financing arrangements	-	-	0.32	0.00	19.31	0.13	-	-	-	-	-	-
Long-term portion of loans to subsidiaries	-	-	-	-	-	-	-	-	4,646.08	36.86	5,307.79	37.79
Property, plant and equipment	110.01	0.95	91.34	0.72	118.88	0.81	52.47	0.55	52.62	0.42	60.85	0.43
Intangible assets	86.13	0.75	103.99	0.82	116.81	0.80	80.86	0.85	67.87	0.54	79.03	0.56
Goodwill	316.96	2.75	317.87	2.50	336.77	2.30	-	-	-	-	-	-
Deferred tax assets	103.61	0.90	134.62	1.06	122.46	0.84	53.95	0.57	57.58	0.46	44.19	0.31
Other non-current assets	47.28	0.41	79.45	0.62	75.07	0.51	18.38	0.19	34.40	0.27	34.48	0.25
Intangible assets	110.01	0.95	103.99	0.82	116.81	0.80	52.47	0.55	67.87	0.54	79.03	0.56
Total non-current assets	6,492.21	56.27	5,278.25	41.48	6,139.20	42.01	1,903.37	20.05	9,993.59	79.28	11,130.06	79.25
Total assets	11,537.27	100.00	12,724.49	100.00	14,614.13	100.00	9,494.69	100.00	12,606.08	100.00	14,044.85	100.00

Unit: Million Baht

	Consolidated financial statements						Separate financial statements					
	2020		2019		2018		2020		2019		2018	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Liabilities and shareholders' equity												
Current liabilities												
Trade accounts payable	1.31	0.01	6.94	0.05	10.21	0.07	0.22	0.00	1.18	0.01	1.50	0.01
Short-term loans and interest payable from subsidiary	-	-	-	-	-	-	180.24	1.90	-	-	-	-
Deposits from customers	68.27	0.59	57.36	0.45	40.62	0.28	-	-	-	-	-	-
Current portion of lease liabilities	20.08	0.17	-	-	-	-	2.31	0.02	-	-	-	-
Short-term loans and interest payable	145.15	1.26	18.22	0.14	19.60	0.13	-	-	-	-	-	-
Current portion of long-term loans	-	-	-	-	22.39	0.15	-	-	-	-	-	-
Current portion of debentures	-	-	-	-	1,486.81	10.17	-	-	-	-	1,486.81	10.59
Current portion of convertible debentures under court cases	5,366.81	46.52	1,476.77	11.61	-	-	5,366.81	56.52	1,476.77	11.71	-	-
Current portion of convertible debentures - other	-	-	590.70	4.64	-	-	-	-	590.70	4.69	-	-
Income tax payable	22.14	0.19	27.19	0.21	84.40	0.58	-	-	-	-	27.57	0.20
Insurance premium payables	4.15	0.04	10.66	0.08	9.45	0.06	1.30	0.01	5.19	0.04	8.27	0.06
Other payables	1,520.80	13.18	834.86	6.56	539.40	3.69	903.08	9.51	710.64	5.64	440.34	3.14
Other current liabilities	129.54	1.12	114.19	0.90	129.37	0.89	68.03	0.72	59.81	0.47	63.13	0.45
Total current liabilities	7,278.26	63.08	3,136.89	24.65	2,342.25	16.03	6,521.99	68.69	2,844.29	22.56	2,027.62	14.44
Long term portion of lease liabilities	15.54	0.13	-	-	-	-	2.70	0.03	-	-	-	-
Convertible debentures under court cases	-	-	3,909.56	30.72	5,794.58	39.65	-	-	3,909.56	31.01	5,794.58	41.26
Convertible debentures - other	-	-	-	-	635.36	4.35	-	-	-	-	635.36	4.52
Provisions for long-term employee benefits	25.82	0.22	21.21	0.17	18.39	0.13	25.82	0.27	21.21	0.17	18.39	0.13
Deferred tax liabilities	47.74	0.41	47.92	0.38	43.22	0.30	-	-	-	-	-	-
Cash guarantee for damage on hire purchase agreements	2.06	0.02	2.06	0.02	2.18	0.01	2.06	0.02	2.07	0.02	2.06	0.01
Total non-current liabilities	91.16	0.79	3,980.75	31.28	6,493.73	44.43	30.58	0.32	3,932.84	31.20	6,450.39	45.93
Total liabilities	7,369.42	63.87	7,117.64	55.94	8,835.98	60.46	6,552.57	69.01	6,777.13	53.76	8,478.01	60.36
Shareholders' equity												
Issued and paid-up share capital (0.50 each)	762.77	5.99	762.77	5.99	762.77	5.22	762.77	6.05	762.77	6.05	762.77	5.43
Share premium	5,192.67	40.81	5,192.67	40.81	5,192.67	35.53	5,192.67	41.19	5,192.67	41.19	5,192.67	36.97
Retained earnings (Deficit)												
Appropriated Legal reserve	92.26	0.73	92.26	0.73	92.26	0.63	92.26	0.73	92.26	0.73	92.26	0.66
Unappropriated (Deficit)	(1,256.46)	0.78	99.68	0.78	131.91	0.90	(3,150.92)	(2.21)	(278.21)	(2.21)	(540.32)	(3.85)
Other components of equity	(752.03)	(5.24)	(666.13)	(5.24)	(525.51)	(3.60)	45.34	0.47	59.46	0.47	59.46	0.42
Equity attributable to owners at the parent	4,039.21	35.01	5,481.25	43.08	5,654.10	38.69	2,942.11	30.99	5,828.95	46.24	5,566.84	39.64
Non-controlling interests	128.65	1.12	125.60	0.99	124.05	0.85	-	-	-	-	-	-
Total equity	4,167.85	36.13	5,606.85	44.06	5,778.15	39.54	2,942.11	30.99	5,828.95	46.24	5,566.84	39.64
Total liabilities and equity	11,537.27	100.00	12,724.49	100.00	14,614.13	100.00	9,494.69	100.00	12,606.08	100.00	14,044.85	100.00

Statement of comprehensive income of Group Lease Public Company Limited and its subsidiaries

Unit: Million Baht

	Consolidated financial statements						Separate financial statements					
	2020		2019		2018		2020		2019		2018	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Revenues												
Hire purchase interest income	1,386.51	67.46	1,766.06	70.28	2,055.27	72.05	971.33	66.62	1,229.27	63.33	1,330.32	68.22
Loan interest income	93.42	4.55	114.75	4.57	160.59	5.63	-	-	-	-	-	-
Microfinance interest income	163.55	7.96	179.22	7.13	159.21	5.58	-	-	-	-	-	-
Consumer finance under joint financing arrangements interest income	1.57	0.08	4.37	0.17	44.92	1.57	-	-	-	-	-	-
Corporate loan interest income	2.06	0.10	1.97	0.08	1.87	0.07	-	-	-	-	-	-
Hire purchase service fee income	71.98	3.50	89.92	3.58	86.02	3.02	-	-	-	-	-	-
Revenue from sales of goods	2.07	0.10	5.46	0.22	8.44	0.30	-	-	-	-	-	-
Other interest income	45.99	2.24	76.16	3.03	60.63	2.13	290.17	19.90	363.68	18.74	372.39	19.10
Management fee	-	-	-	-	-	-	81.00	5.56	102.00	5.25	84.00	4.31
Other income related to the activities of hire purchase	231.93	11.28	240.13	9.56	232.02	8.13	117.53	8.06	129.57	6.68	128.05	6.57
Other income related to the activities of microfinance	10.60	0.52	11.71	0.47	10.75	0.38	-	-	-	-	-	-
Dividend income	25.60	1.25	-	-	-	-	(15.62)	(1.07)	-	-	-	-
Gain on exchange rate	20.01	0.97	-	-	-	-	13.58	0.93	104.80	5.40	13.35	0.68
Other income	1,386.51	67.46	23.08	0.92	33.00	1.16	971.33	66.62	11.77	0.61	21.84	1.12
Total revenue	2,055.30	100.00	2,512.83	100.00	2,852.72	100.00	1,457.98	100.00	1,941.09	100.00	1,949.95	100.00
Expenses												
Service and administrative expenses	1,883.02	91.62	1,256.09	49.99	1,218.85	42.73	566.80	38.88	689.72	35.53	596.51	30.59
Bad and doubtful debt expenses	600.70	29.23	428.25	17.04	560.31	19.64	266.43	18.27	318.86	16.43	366.22	18.78
Cost of sales of goods	1.77	0.09	4.69	0.19	7.64	0.27	-	-	-	-	-	-
	-	-	-	-	-	-	2,960.39	203.05	-	-	-	-
Expense allowance on assets	192.72	9.38	135.49	5.39	-	-	-	-	-	-	-	-
Loss on disposals of assets foreclosed	218.46	10.63	286.83	11.41	329.16	11.54	189.34	12.99	250.84	12.92	271.82	13.94
Total expenses	2,896.67	140.94	2,111.35	84.02	2,115.96	74.17	3,982.97	273.18	1,259.42	64.88	1,234.55	63.31
Profit before share of profit from investment in associate, finance cost and income tax expenses	(841.37)	(40.94)	401.48	15.98	736.76	25.83	(2,524.99)	(122.85)	681.67	35.12	715.40	36.69
Share of profit from investment in associate	(3.64)	(0.18)	63.66	2.53	110.94	3.89	-	-	-	-	-	-
Finance cost	(250.15)	(12.17)	(361.74)	(14.40)	(396.48)	(13.90)	(240.25)	(16.48)	(354.34)	(18.25)	(388.44)	(19.92)
Income tax expenses	(145.81)	(7.09)	(125.00)	(4.97)	(161.67)	(5.67)	(38.60)	(2.65)	(65.21)	(3.36)	(88.54)	(4.54)
Profit (loss) for the year	(1,240.97)	(60.38)	(21.60)	(0.86)	289.55	10.15	(2,803.83)	(192.31)	262.12	13.50	238.42	12.23
Basic earnings (loss) per share (in Baht)	(0.81)		(0.02)		0.18		(1.84)		0.17		0.16	

Financial Ratio

	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
<i>Profitability Ratio</i>						
Yield Rate (%)	32.66	32.59	34.57	31.70	31.75	34.81
Interest Rate (%)	4.35	5.18	4.93	4.24	5.10	4.89
Net Yield Rate (%)	28.32	27.41	29.54	27.47	26.65	29.93
Net Profit (loss) Rate (%)	(60.38)	(0.86)	10.15	(192.31)	13.50	12.23
Return on Equity (%)	(26.07)	(0.39)	5.15	(63.93)	4.60	4.37
<i>Efficiency Ratio</i>						
Return on Total Assets (%)	(10.23)	(0.16)	2.00	25.37	1.97	1.72
Total Assets Turn Over Ratio (times)	0.17	0.18	0.20	0.13	0.15	0.14
<i>Financial Policy Ratio</i>						
Ratio of Liability to Equity (times)	1.77	1.27	1.53	2.23	1.16	1.52
Ratio of Total Receivable to Loan from (times)	0.91	0.95	0.90	1.38	1.30	1.13
Dividend Rate (%)	N/A	N/A	N/A	N/A	N/A	N/A
<i>Asset Quality Ratio</i>						
Ratio of Allowance for Doubtful Debt to Total Receivable (%)	32.60	23.56	21.71	12.17	9.43	7.57
Bad Debt to Total Receivable (%)	7.01	5.30	3.93	11.92	7.64	4.83
Ratio of Non-performing loan to Total Receivable (%)	4.87	4.99	3.81	12.19	9.29	6.75

Management Discussion & Analysis

Overall Operating Result

Group Lease PCL specializes in providing one-stop hire purchase financing for motorcycles. We also offer after-sales services such as third-party liability insurance renewal services, motorcycle registration renewal and motorcycle insurance policy renewal. A Company focuses on geographic diversification by expanding business in foreign countries in order to diversify our customer base and to diversify product lines that is able to serve different financial needs of our customers in different regions. With investment in new product development, and new services with incorporation of new digital technology to cater the growing need of financing service. GL Thailand will continue developing innovative financial products and services, to become the leading finance company of Asia.

Overall Business in Thailand

The Company operates motorcycle hire-purchase financing business in Bangkok, Metropolitan and the vicinity provincial areas. The main income arises from motorcycle leasing so the overall operating result of this business is related to the motorcycle's manufacturing and sales industry. In the year 2020, the number of new registered motorcycle in Thailand was 1,517,682 units or decreased by 19.13% from the previous year which recorded 1,876,710 units. The overall motorcycle market slow down due to the slowdown in the Thai economy which has been affected by COVID-19 pandemic. Causing the company to use new conservative strategy by tightening our screening of potential customers to improve loan quality and to maximize efficiency of our operations. At the same time, the Company also increase no. of dealers to reach more good customers. At the end of 2020, the Company has 188 active dealers, increasing from 148 dealers in comparison to 2019.

Overview business in foreign countries

Currently, the Group Company provides financial services with a network covering 7 countries in Asia: Thailand, Singapore, Cambodia, Laos, Indonesia, Sri Lanka and Myanmar. The Group Company provides different financial services in each country in order to serve different financial needs of our customers in different countries.

Revenue

Consolidated financial statements

Revenue	Consolidated financial statements					
	2020		2019		2018	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Hire purchase interest income	1,386.51	67.46	1,766.06	70.28	2,055.27	72.05
Loan interest income	93.42	4.55	114.75	4.57	160.59	5.63
Microfinance interest income	163.55	7.96	179.22	7.13	159.21	5.58
Consumer finance under joint financing arrangements interest income	157	0.08	4.37	0.17	44.92	1.57
Corporate loan interest income	2.06	0.10	1.97	0.08	1.87	0.07
Hire purchase service fee income	71.98	3.50	89.92	3.58	86.02	3.02
Other Incomes	336.21	16.35	356.53	14.19	344.84	12.08
Total	2,055.30	100.00	2,512.82	100.00	2,852.72	100.00

1. Hire-purchase interest income

In the year 2020, the Company's hire purchase interest income was Baht 1,386.51 million, decreased by Baht 379.55 million or 22% compared to 2019. The breakdown of hire purchase interest income can be explained as belowby:

- GL Finance Plc. ("GLF"), Subsidiary in Cambodia, showed a decrease of Baht 62.20 million or 20%, resulting from the new conservative strategy to decrease portfolio in Cambodia by tightening our screening of potential customers to improve loan quality.
- Thanaban Company Limited ("TNB"), Subsidiary in Thailand, showed a decrease of 29.43 million or 23%. TNB also increases caution in doing business under the COVID-19 situation.
- GL Leasing (Lao) Co., Ltd. ("GLL"), subsidiary in Laos, showed a decrease of Baht 19.78 million or 25%, resulting from the mix product between Honda motorcycle.
- PT Group Lease Finance Indonesia ("GLFI"), subsidiary in Indonesia, showed a decrease of Baht 10.20 million or 76%, mainly from the discontinuation of this joint operation due to current dispute with partner in Indonesia.

In the year 2019, the Company's hire purchase interest income was Baht 1,766.06 million, decreased by Baht 289.21 million or 14.07% compared to 2018. The breakdown of hire purchase interest income can be explained as below:

- GLF Finance Plc. ("GLF"), subsidiary in Cambodia, showed a decrease of Baht 153.99 million or 33%, resulting from the new conservative strategy to decrease portfolio in Cambodia by tightening our screening of potential customers to improve loan quality.
- GL, subsidiary in Thailand, showed a decrease of Baht 101.04 million or 8%, resulting from the new conservative strategy to decrease portfolio and improve the quality of the portfolio.
- GL Leasing (Lao) Co., Ltd. ("GLL"), subsidiary in Laos, showed a decrease of Baht 31.24 million or 28%, resulting from the mix product between automotive/Honda.
- PT Group lease Indonesia ("GLFI"), subsidiary in Indonesia, showed a decrease of Baht 7.37 million, mainly from the discontinuation of this joint operation due to current dispute with partner in Indonesia.
- Thanaban Company Limited ("TNB"), subsidiary in Thailand, showed an increase of 4.43 million or 4%.

2. Loan interest income

In the year 2020, Loan interest income was Baht 93.42 million, decreasing by Baht 21.33 million or 18%, resulting from the decrease in portfolio of TNB.

In the year 2019, Loan interest income was Baht 114.75 million, decreasing by Baht 45.84 million or 28%, resulting from the decrease in portfolio of TNB.

3. Microfinance interest income

In the year 2020, Microfinance interest income was Baht 163.55 million, decreasing by Baht 15.67 million or 8%, compared to the same period last year because of following reasons:

- BG Microfinance Myanmar Co., Ltd. ("BGMM"), subsidiary in Myanmar, recorded Microfinance interest income of Baht 129.44 million in 2020, decreasing by Baht 13.60 million or 9%, resulting from the new conservative strategy to decrease portfolio and improve the quality of the portfolio.
- PT Group Lease Finance Indonesia ("GLFI"), subsidiary in Indonesia, recorded Microfinance interest income of Baht 29.44 million in 2020, decreasing by Baht 6.55 million or 18%, mainly from the decreasing in microfinance portfolio operated by GLFI without joint financing.
- GL Leasing (Lao) Co., Ltd. ("GLL"), subsidiary in Laos, recorded Microfinance interest income of Baht 4.66 million increasing by Baht 4.48 million or 100% in 2020.

In the year 2019, Microfinance interest income was Baht 179.22 million, increasing by Baht 20.01 million or 12.57%, compared to the same period last year because of following reason:

- BG Microfinance Myanmar Co., Ltd. ("BGMM"), subsidiary in Myanmar, recorded Microfinance interest income of Baht 143.04 million this year, increasing by Baht 15.04 million or 12%.
- PT Group Lease Finance Indonesia ("GLFI"), subsidiary in Indonesia, recorded Microfinance interest income of Baht 35.99 million in this year, increasing by Baht 4.79 million or 15%, mainly from the increasing in microfinance portfolio operated by GLFI without joint financing.
- GL Leasing (Lao) Co., Ltd. ("GLL") recorded Microfinance interest income of Baht 0.18 million in this year.

4. Hire purchase service fee income

In the year 2020, Hire purchase service fee income was Baht 71.98 million, decreased by Baht 17.94 million or 20%, mainly from the COVID-19 situation in Myanmar. Hire purchase service fee income relates to operational leasing services provided by Myanmar subsidiary ("GL-AMMK") in partnership with Myanmar financial institution ("Century Finance").

In the year 2019, Hire purchase service fee income was Baht 89.92 million, increased by Baht 3.90 million or 4.54%, mainly from the increasing of number of contracts. Hire purchase service fee income relates to operational leasing services provided by GL-AMMK (Myanmar subsidiary) in partnership with Century Finance (Myanmar financial institution).

Separate financial statements

Revenue	Separate financial statements					
	2020		2019		2018	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Hire purchase interest income	971.33	66.62	1,229.27	63.33	1,330.32	68.22
Other Incomes	486.65	33.38	711.81	36.67	619.63	31.78
Total	1,457.98	100.00	1,941.08	100.00	1,949.95	100.00

From the Company's revenue structure, revenue mainly came from hire purchase interest income. In the year 2020, the hire-purchase interest income decreased by Baht 257.94 million or 21% from Baht 1,229.27 million in 2019 to Baht 971.33 million this year, resulting from the new conservative strategy to decrease portfolio and improve the quality of the portfolio.

In the year 2019, the hire-purchase interest income decreased by Baht 101.04 million or 7.60% from Baht 1,330.32 million in 2018 to Baht 1,229.27 million this year, resulting from the new conservative strategy to decrease portfolio and improve the quality of the portfolio.

The other incomes were mainly from interest on loan receivables from subsidiary, management service fee income and other income related to the activities of hire purchase, penalty income, bad debts recovery, and registration fee. In the year 2020, Other interest income was Baht 290.17 million, decreased by Baht 73.51 million or 20%, because of a decrease amount of loan to subsidiary, Management fee was Baht 81.00 million, decreased by Baht 21.00 million, mainly from the decreasing of management fee charges to Thanaban Company Limited "TNB" (Thailand), Other income related to the activities of hire purchase was Baht 117.53 million, decreased by Baht 12.04 million or 9%, resulting from no penalty charge during a 3-month grace period of on-going relief programs to assist for customers impacted by the COVID-19 and Loss on exchange rate was Baht 15.62 million.

In year 2019, The other incomes were mainly from interest on loan receivables from subsidiary, management service fee income and other income related to the activities of hire purchase, penalty income, bad debts recovery, and registration fee. In the year 2019, other income increased from Baht 619.63 million to Baht 711.81 million, representing the increase by Baht 92.18 million or 14.88%, because of an increase in gain on exchange rate and management service fee income. Other incomes were mainly composed of the interest income from loans to foreign subsidiaries of Baht 363.68 million, other income related to the activities of hire purchase of Baht 129.57 million, management service fee income of Baht 102.00 million, gain on exchange rate of Baht 104.80 million, and other income of Baht 11.77 million.

Expenses

Consolidated financial statements

Expenses before finance cost, income tax expenses and share of profit from investment in associate	Consolidated financial statements					
	2020		2019		2018	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Services and administrative expenses	1,883.02	91.62	1,256.09	49.99	1,218.85	42.73
Bad debts and doubtful accounts	600.70	29.23	428.25	17.04	560.31	19.64
Cost of sales	1.77	0.09	4.69	0.19	7.64	0.27
Loss on disposals of foreclosed assets	218.46	10.63	286.83	11.41	329.17	11.54
Expense allowance - others	192.72	9.38	135.49	5.39	-	-
Total	2,896.67	140.94	2,111.35	84.02	2,115.97	74.18

In the year 2020, the Company's expenses before finance cost, income tax expenses and share of profit from investment in associate were recorded at Baht 2,896.67 million, decreased by Baht 785.32 million or 37% from Baht 2,111.35 million in the year 2019. It's decreased from the following factors:

- GL's consolidated service and administrative expenses totaled Baht 1,883.02 million, increasing by Baht 626.93 million or 49.91%, when compared to 2019.
 - o Group Lease Holdings Pte. Ltd. ("GLH") recorded the loss from the Court of Appeal of the Republic of Singapore's judgement in the amount of USD 15.72 million and SGD 0.13 million (equivalent to Baht 495.79 million) in 2020.
 - o GL Finance Plc. ("GLF") provided an allowance for the Other current assets related to prepaid stock in the amount of USD 7.10 million (equivalent to Baht 226.00 million) in 2020.
 - o Other service and administrative expenses decreased by Baht 94.86 million.
- Expected credit loss and loss arising from derecognition and bad debts and doubtful accounts decreased by Baht 172.45 million or 40%, mainly resulting of a decrease in provision expense by Baht 134.40 million and a increase in written-off bad-debt expense by Baht 38.05 million.
- Impairment losses on other investment was Baht 192.72 million, increased by Baht 57.23 million or 42% compare to 2019 take it into account that the Covid and other Macro economical situation of each country untill 2022.
- Loss on disposal of foreclosed asset was Baht 218.46 million, decreased by Baht 68.37 million or 24%, which resulted from a lower repossession unit during 2020.

In the year 2019, the Company's expenses before finance cost, income tax expenses and share of profit from investment in associate were recorded at Baht 2,111.35 million, decreased by Baht 4.62 million or 0.22% from Baht 2,115.97 million in the year 2018. It's decreased from the following factors:

- Service and administrative expenses totaled Baht 1,256.09 million, increasing by Baht 37.24 million or 3.06% when compared to 2018, mainly resulting from an increase of legal fees due to the ongoing litigation by Baht 103.90 million. However, there was a decrease of payroll and staff benefits by Baht 63.37 million and a decrease of other service and administrative expenses by Baht 3.29 million.

- Bad debts and doubtful accounts decreased compared to 2018 by Baht 132.06 million or 23.57%, mainly resulting of a decrease in portfolios size.
- There was a decrease in loss on disposal of foreclosed asset from Baht 329.16 million to Baht 286.83 million representing a decrease of Baht 42.33 million or 12.86%, which resulted from a lower repossession rate in Thailand.
- The Group has tested investment in PT Bank JTrust Indonesia Tbk. for impairment based on market price on 8th January 2020, the first day that shares were re-floated on the Indonesian Stock Exchange. The recoverable amount was determined to be lower than its carrying amount, hence, an impairment loss of Baht 135.49 million was recognised.

Separate financial statements

Expenses before finance cost and income tax expenses	Separate financial statement					
	2020		2019		2018	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Services and administrative expenses	566.80	38.88	689.72	35.53	596.51	30.59
Bad debts and doubtful accounts	266.43	18.27	318.86	16.43	366.22	18.78
Loss on disposals of foreclosed assets	189.34	12.99	250.84	12.92	271.82	13.94
Expense allowance on investment loss in subsidiary	2,960.39	203.05	-	-	-	-
Total	3,982.97	273.18	1,259.42	64.88	1,234.56	63.31

For the year 2020, the Company's expenses before finance cost and corporate income tax were record at Baht 3,982.97 million which increased from the year 2019 of Baht 1,259.42 million or an increase of 2,723.55 million or 216% from the following factors:

- Service and administrative expenses was Baht 566.80 million, decreasing by Baht 122.92 million or 18% compare to last year, mainly from decreasing of legal fee by Baht 73.13 million or 40%, decreasing of payroll expense by Baht 33.23 million or 9%, decreasing of rental expense by Baht 4.76 or 94%, showing the efficient cost management. Moreover, impairment loss on assets foreclosed increased by Baht 11.80 million because of the decrease in the market price of the second-hand motorbike.
- Expected credit loss and loss arising from derecognition & bad debts and doubtful accounts were Baht 266.43 million, decreasing by Baht 52.43 million or 16% compare to 2019, which resulted from the written-off bad-debt expense increased by Baht 56.11 million or 19% and the overall provision expense decreased by Baht 108.54 million or 100%.
- Impairment losses on investments in subsidiaries was Baht 2,960.39 million, increasing by Baht 2,960.39 million or 100%.
- Loss on disposal of foreclosed assets was Baht 189.34 million, decreasing by Baht 61.50 million or 24% as auction unit and prices dropped in 2020.

For the year 2019, the Company's expenses before finance cost and corporate income tax were record at Baht 1,259.42 million which increased from the year 2018 of Baht 1,234.56 million or an increase of 27.86 million or 2.01% from the following factors:

- Service and administrative expenses was Baht 689.72 million, increasing by Baht 93.21 million or 15.63% compare to same period last year. An increasing was mainly from legal fees due to the ongoing litigation of Baht 171.51 million, increasing by Baht 111.69 million from 2018. However, other service and administrative expenses decreased by Baht 18.48 million.

- Bad debts and doubtful accounts were Baht 318.86 million, decreasing by Baht 47.36 million or 12.93% compare to 2018, resulting of a decrease in portfolios size in Thailand.
- Loss on disposal of foreclosed assets was Baht 250.84 million, decreasing by Baht 20.98 million or 7.72% compare to 2018, which resulted from the repossessed units decreased by 9% from 2018.

Finance cost

Consolidated financial statements

For the year 2020, finance cost was Baht 250.15 million, decreased by Baht 111.59 million or 31% from last year, resulting from the repayment of USD 20-million-convertible-debenture in Q2/2020 and the repayment of THB bond in Q3/2019.

For the year 2019, finance cost was Baht 361.74 million, decreased by Baht 34.73 million or 8.76% from last year, resulting from the repayment of THB bond in Q3/2019.

Separate financial statements

For the year 2020, Finance cost was Baht 240.25 million, decreased by Baht 114.09 million or 32% from 2019, resulting from the repayment of USD 20-million-convertible-debenture in Q2/2020 and the repayment of THB bond in Q3/2019.

For the year 2019, finance cost was Baht 354.34 million, decreased by Baht 34.10 million or 8.78% from last year, resulting from the repayment of THB bond in Q3/2019.

Net Profit

Consolidated financial statements

In 2020, the Company has a profit before financial cost and income tax of Baht 845.01 million decreased from 2019 by Baht 1,310.15 million or 282%, Basically within 2020 all of operated country was under difficult situation by Covid-19 Pandemic so that company had took conservative business operation policy to decrease portfolio and improve the quality of the portfolio by tightening our screening of potential customers to improve loan quality. And also especially in Laos and Myanmar, the management face decrease of the local currency value and Political uncertainty in Myanmar and Sri Lanka which cause significant less consuming power in the local market.

After finance cost and corporate income tax, the Company has a net loss of Baht 1,240.97 million in the year 2020 which increased of loss by 5,645% from 2019 which had a net profit of Baht 21.6 million.

In 2019, the Company has a profit before financial cost and income tax of Baht 465.13 million decreased from 2017 by Baht 385.56 million or 45.13%, mainly the result of the legal fee and the impairment loss on PT Bank JTrust Indonesia Tbk.

After finance cost and corporate income tax, the company has a net loss of Baht 21.61 million in the year 2019 which increased of loss by 107.46% from 2018 which had a net profit of Baht 289.54 million.

Separate financial statements

In 2020, the Company has a profit before financial cost and income tax of Baht 2,524.99 million decreased from 2019 by Baht 3,206.66 million or 470%, mainly the result of impairment losses on investments in subsidiaries.

After finance cost and corporate income tax, the company has a net profit of Baht 2,803.83 million in the year 2020 which increased by 1,170% from 2019 a net profit of Baht 262.12 million.

In 2019, the Company has a profit before financial cost and income tax of Baht 681.66 million decreased from 2018 by Baht 33.73 million or 4.72%, mainly the result of the legal fee.

After finance cost and corporate income tax, the company has a net profit of Baht 262.12 million in the year 2019 which increased by 9.94% from 2018 a net profit of Baht 238.41 million.

Financial Position

Total assets

Consolidated financial statements

As at the end of 2020, the Company had a total assets of Baht 11,537.27 million which decreased from the total assets of Baht 12,724.49 million at the end of 2019 or decrease of Baht 1,187.22 million or 9.33 %. The main assets of the company were the portfolios, comprising of motorcycle hire purchase receivables, loan receivables, microfinance receivables and consumer finance receivables under joint financing arrangements, were recorded at Baht 4,428.22 million (or 38.38% of total assets), which decreased by Baht 1,669.43 million or 27.38 % from Baht 6,056.59 million at the end of the year 2019. The decrease in the portfolio was the new conservative strategy to decrease portfolio by tightening our screening of potential customers to improve loan quality and to maximize efficiency of our operations.

As at the end of 2019, the Company had a total assets of Baht 12,724.49 million which decreased from the total assets of Baht 14,614.13 million at the end of 2018 or decrease of Baht 1,889.64 million or 12.93 %. The main assets of the company were the portfolios, comprising of motorcycle hire purchase receivables, loan receivables, microfinance receivables and consumer finance receivables under joint financing arrangements, were recorded at Baht 6,056.59 million (or 47.60% of total assets), which decreased by Baht 1,036.16 million or 14.61% from Baht 7,092.75 million at the end of the year 2018. The decrease in the portfolio was the new conservative strategy to decrease portfolio by tightening our screening of potential customers to improve loan quality and to maximize efficiency of our operations.

Separate financial statements

As at the end of 2020, the Company had total assets Baht 9,494.69 million which decreased by Baht 3,111.39 million or 24.68% from Baht 12,606.08 million at the end of 2019. Motorcycle hire purchase receivables which was the main assets, was recorded at Baht 2,604.08 million (or 27.43% of total assets), decreased from Baht 919.42 million at the end of the year 2018 by Baht 3,523.50 million or 26.09%. Besides, the Company's loan to and interest receivables from subsidiary were at Baht 4,787.10 million (50.42 % of the total assets), decreased by Baht 3.10 million or 0.06% from Baht 4,790.20 million in 2019.

As at the end of 2019, the Company had total assets Baht 12,606.08 million which decreased by Baht 1,438.77 million or 10.24% from Baht 14,044.85 million at the end of 2018. Motorcycle hire purchase receivables which was the main assets, was recorded at Baht 3,523.50 million (or 27.95% of total assets), decreased from Baht 4,220.00 million at the end of the year 2018 by Baht 696.50 million or 16.50%. Besides, the Company's loan to and interest receivables from subsidiary were at Baht 4,790.20 million (39.00% of the total assets), decreased by Baht 727.57 million or 13.19% from Baht 5,517.78 million in 2018.

Debt quality and provision of allowances for doubtful debts

Consolidated financial statements

The Company had set provision for the allowance for hire purchase receivable which is the main accounts receivable of the Company as end of year 2020 Baht 3,753.38 million or 74.40 % of the total assets. As at 31 December 2020, 2019, and 2018 are as follow:

Aging of Hire – Purchase Accounts Receivable	Accounts Receivable and Accrued Income after deducting hire purchase Interest income, VAT and Deposit for loss from customer (million Baht)	%	Allowance for doubtful debt (Million Baht)	% Allowance for doubtful debt
	2020	2020	2020	2020
Stage 1	3,340.84	78.99%	168.44	5.04%
Stage 2	361.48	8.55%	54.91	15.19%
Stage 3	526.97	12.46%	252.58	47.93%
Total	4,229.30	100.00%	475.92	11.25%

Aging of Hire – Purchase Accounts Receivable	Accounts Receivable and Accrued Income after deducting hire purchase Interest income, VAT and Deposit for loss from customer (million Baht)		%		Allowance for doubtful debt (Million Baht)		% Allowance for doubtful debt	
	2019	2018	2019	2018	2019	2018	2019	2018
Not yet due	4,417.74	5,436.10	79.82	81.80	35.41	42.69	1	1
Past due								
1 month	410.00	416.30	7.41	6.26	33.36	29.86	8	7
2-3 months	296.97	328.84	5.37	4.95	81.02	77.39	27	24
4-6 months	158.96	204.65	2.87	3.08	80.07	98.32	50	48
7-9 months	105.92	146.87	1.91	2.21	76.23	99.49	72	68
10-12 months	104.53	106.10	1.89	1.60	84.80	79.68	81	75
over 12 months	40.41	6.68	0.73	0.10	38.95	6.35	96	95
Total	5,534.53	6,645.54	100.00	100.00	429.84	433.80	7.77	6.53

Allowance for doubtful debt

Consolidated financial statements

As of 2020, allowance for doubtful debt has amount Baht 475.92 million, increased from Baht 429.84 million or 0.10%. Increasing the allowance was apply TFRS9 in this year. However, this is the result that the management is being prudent by decrease portfolio by tightening our screening of potential customers to improve loan quality. The percentage of allowance had no significant change from 2019.

As of 2019, allowance for doubtful debt has amount Baht 429.84 million, decreased from Baht 433.80 million or 0.91%. This is the result that the management is being prudent by decrease portfolio by tightening our screening of potential customers to improve loan quality. The percentage of allowance had no significant change from 2018.

Separate financial statements

The Company had set provision for the allowance for hire purchase receivable which is the main accounts receivable of the Company as of 2020, 2019, and 2018 as follow:

Aging of Hire – Purchase Accounts Receivable	Accounts Receivable and Accrued Income after deducting hire purchase interest income, VAT and Deposit for loss from customer (million Baht)	%	Allowance for doubtful debt (Million Baht)	% Allowance for doubtful debt
	2020	2020	2020	2020
Stage 1	2,241.65	75.60%	105.98	4.73%
Stage 2	286.16	9.65%	48.00	16.77%
Stage 3	437.16	14.74%	215.11	49.21%
Total	2,964.97	100.00%	369.10	12.45%

Aging of Hire – Purchase Accounts Receivable	Accounts Receivable and Accrued Income after deducting hire purchase interest income, VAT and Deposit for loss from customer (million Baht)		%		Allowance for doubtful debt (Million Baht)		% Allowance for doubtful debt	
	2019	2018	2019	2018	2019	2018	2019	2018
Not yet due	3,059.07	3,795.19	78.63	83.13	29.75	37.05	1	1
Past due								
1 month	289.53	256.62	7.44	5.62	28.31	25.23	10	10
2-3 months	225.40	208.98	5.79	4.58	66.19	61.64	30	30
4-6 months	112.17	136.46	2.88	2.99	65.94	80.60	60	60
7-9 months	81.94	93.07	2.11	2.04	64.40	73.61	80	80
10-12 months	84.12	72.87	2.16	1.60	74.58	65.06	90	90
over 12 months	38.34	2.27	0.99	0.04	37.90	2.27	100	100
Total	3,890.57	4,565.46	100.00	100.00	367.07	345.46	9.43	7.57

Allowance for doubtful debt

Separate financial statements

As of 2020, allowance for doubtful debt has amount Baht 369.10 million, increased from Baht 367.07 million or 0.01% from the end of 2019. The percentage of allowance is the same with 2019.

As of 2019, allowance for doubtful debt has amount Baht 367.07 million, increased from Baht 345.46 million or 6.26% from the end of 2018. The percentage of allowance is the same with 2018.

Liabilities

Consolidated financial statements

As of 2020, the Company's total liabilities were Baht 7,369.42 million which decreased by Baht 251.77 million or 3.54% from the year 2019 of Baht 7,117.65 million which resulting from short-term loans and interest payable.

As of 2019, the Company's total liabilities were Baht 7,117.65 million which decreased by Baht 1,718.33 million or 19.45% from the year 2018 of Baht 8,835.92 million which resulting from the repayment of THB bond in Q3/2019.

Separate financial statements

As of 2020, the Company's total liabilities were Baht 6,552.57 million decreased by Baht 224.55 million or 3.31% from the year 2019 of Baht 6,777.13 million which resulting from the repayment of THB bond.

As of 2019, the Company's total liabilities were Baht 6,777.13 million decreased by Baht 1,700.89 million or 20.06% from the year 2018 of Baht 8,478.01 million which resulting from the repayment of THB bond in Q3/2019.

Shareholders' Equity

Consolidated financial statements

As of 2020, the Company's shareholders' equity recorded at Baht 4,039.21 million which comprised of the issued, paid-up capital, share premium and the retained earnings of Baht 1,164.21 million, which decreased by Baht 1,356.15 million from 2019. The overall company's shareholders' equity was decreased from net loss for the year by Baht 32.23 million and decreased from translating foreign operation by Baht 180.20 million.

As of 2019, the Company's shareholders' equity recorded at Baht 5,481.25 million which comprised of the issued, paid-up capital, share premium and the retained earnings of Baht 191.93 million, which increased by Baht 32.23 million from 2018. The overall company's shareholders' equity was decreased from net loss for the year by Baht 32.88 million and decreased from translating foreign operation by Baht 140.73 million.

Separate financial statements

As of 2020, the Company's shareholders' equity recorded at Baht 2,942.11 million which comprised of the issued and paid-up capital Baht 762.77 million, share premium Baht 5,192.67 million, and the accumulated deficit of Baht 3,058.67 million, increasing by Baht 2,872.72 million or 1,544% from the net profit for the year. The overall shareholders' equity increased by Baht 2,885.84 million or 49.53 from the year 2019.

As of 2019, the Company's shareholders' equity recorded at Baht 5,828.95 million which comprised of the issued and paid-up capital Baht 762.77 million, share premium Baht 5,192.67 million, and the accumulated deficit of Baht 185.95 million, increasing by Baht 262.12 million or 18.51% from the net profit for the year. The overall shareholders' equity increased by Baht 262.12 million or 4.71 from the year 2018.

Liquidity

Consolidated financial statements

As of the year 2020, the Company has the cash and cash equivalent decreased by Baht 1,522.09 million showing an outstanding balance of the cash and cash equivalent of Baht 1,569.43 million. The net cash flows received and used in each activity were as follows:

The Company's net cash flow from operating activities Baht 1,523.94 million, of which Baht 454.87 million was from the net profit of the operating result before assets and liabilities changes.

The Company's net cash flow used in investment activities was Baht 2,546.75 million, which Baht 2,311.84 million was for acquisition of increase in pledged fixed deposits at financial institution.

The Company's net cash flow used in financing activities was Baht 546.92 million, which Baht 642.24 million were from the repayment of THB bond.

As of the year 2019, the Company has the cash and cash equivalent decreased by Baht 653.49 million showing an outstanding balance of the cash and cash equivalent of Baht 3,094.52 million. The net cash flows received and used in each activity were as follows:

The Company's net cash flow from operating activities Baht 1,179.72 million, of which Baht 1,180.43 million was from the net profit of the operating result before assets and liabilities changes.

The Company's net cash flow used in investment activities was Baht 21.67 million, which Baht 89.95 million was for acquisition of increase in current investment and interest received by Baht 70.99 million.

The Company's net cash flow used in financing activities was Baht 1,522.16 million, which Baht 1,500.00 million were from the repayment of THB bond.

Separate financial statements

As of the year 2020, the Company has the cash and cash equivalent decreased by Baht 807.30 million showing the year end outstanding balance of Baht 1,173.28 million. The net cash flows received and used in each activity were as follows:

The Company's net cash flow from operating activities was at Baht 1,071.03 million, consisting of Baht 646.38 million from the net profit of the operating result before assets and liabilities changes. With the motorcycle hire purchase receivables decreased of Baht 566.88 million, the assets foreclosed increased of Baht 178.10 million and cash paid for interest expense Baht 18.05 million.

The Company's net cash flow from investment activities was Baht 204.97 million, consisting of the increased of long-term loan to subsidiary by Baht 220.00 million, Cash received from short-term loan to subsidiaries of Baht 423.85 million and interest received Baht 6.52 million.

The Company's net cash flow used in financing activities was Baht 468.71 million, consisting of the increased of Cash received from short-term loans from subsidiaries by Baht 180.24 million and repayment of convertible debentures Baht 642.24 million.

As of the year 2019, the Company has the cash and cash equivalent decreased by Baht 43.91 million showing the year end outstanding balance of Baht 365.98 million. The net cash flows received and used in each activity were as follows:

The Company's net cash flow from operating activities was at Baht 804.78 million, consisting of Baht 815.88 million from the net profit of the operating result before assets and liabilities changes. With the motorcycle hire purchase receivables decreased of Baht 377.64 million, the assets foreclosed increased of Baht 264.74 million and cash paid for interest expense Baht 70.29 million.

The Company's net cash flow from investment activities was Baht 651.31 million, consisting of the increased of long-term loan to subsidiary by Baht 450.00 million, Cash received from short-term loan to subsidiaries of Baht 780.99 million and interest received Baht 322.47 million.

The Company's net cash flow used in financing activities was Baht 1,500.00 million, which were totally from the repayment of THB bond.

Capital Structure

Consolidated financial statements

For the capital structure at the end of the years 2020, 2019 and 2018, the Company's debt to equity ratio was 1.77, 1.27 and 1.53 times, respectively. Compared to 2019, the debt to equity ratio has increased because of the Short-term loans and interest payable during 2020. Total equity slightly changed from 2019.

Separate financial statements

For the capital structure at the end of the years 2020, 2019 and 2018, the Company's debt to equity ratio were 2.23, 1.16, and 1.52 times, respectively. Compared to 2018, the debt to equity ratio has increased because of the Short-term loans and interest payable during 2020. Total equity slightly decreased from 2019 due to profit for the year.

Factors which may have influence to the Future Business operation

1. Political and Economic situation

The expansion of the hire purchase motorcycles business was directly affected by motorcycle manufacturing industry as the two are dependent of one another. For the year 2020, the overall economy is still slowdown. In addition, higher household debt causes the Company to use new conservative strategy by tightening our screening of potential customers to improve loan quality.

2. Demand on usage of motorcycle

Demand on motorcycle could get in to its maturity stage in the future when considering the trend of new number registered in Bangkok, Vicinity area and some upcountry area. Many government policies may indirectly have an impact on the motorcycle industry as they support usage of substituted vehicle such as low cost automobile in Eco car project. However, with the lifestyle and traffic of the Thais we believe that motorcycle will continue to be an alternative means of transportation.

3. Business expansion in the regional country

The Company's target is to expand motorcycle and other vehicles hire purchase business, and microfinance business to the regional country in Asian, to enlarge the market share, increasing profit and risk diversify. As hire purchase and microfinance business in many Asian countries are in a growing stage and has a potential to grow even bigger.

Responsibility of the Board of Directors on Financial Statements

The Board of Directors of Group Lease Public Company Limited is responsible for the Company's financial statement and financial information presented in the annual report. The financial statements have been prepared in accordance with generally accepted accounting standard of Thailand, which are based on appropriate accounting policies and carefully forecasting practically suitable for the real business operation. All material information has been sufficiently disclosed in the notes to financial statements which based on the regulation of the Securities Exchange Commission and the Stock Exchange of Thailand. The independent auditor has audited and expressed an audit opinion on those financial statements.

In order to ensure the correctness, completeness and sufficiency of the Company's financial & accounting information and to prevent possible risks from the operation, the Board of Directors has set up effective internal control system and appointed Audit Committee which comprised of Independent Directors to take care and be accountable for the quality of the Company's financial report as well as internal control systems. The opinion of the Audit Committee was stated in the Report of the Audit Committee appeared in this annual report.

The Board of Directors, therefore, views that financial statement of Group Lease Public Company Limited as at 31 December 2020 can transparently reflect the Company's financial position which is useful for all shareholders and other stakeholders.

Board of Directors
Group Lease Public Company Limited
21 October 2022



GROUP LEASE PUBLIC COMPANY LIMITED
and its subsidiaries

**Financial statements for the year ended
31 December 2020
and
Independent Auditor's Report**

Group Lease Public Company Limited and its subsidiaries
Financial statements for the year ended
31 December 2020

Independent Auditor's Report

To the Shareholders of Group Lease Public Company Limited

Disclaimer of Opinion

I was engaged to audit the consolidated and separate financial statements of Group Lease Public Company Limited and its subsidiaries (the “Group”) and of Group Lease Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

I do not express an opinion on the accompanying consolidated and separate financial statements of the Group and the Company. Because of the significance of the matters described in Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated and separate financial statements.

Basis for Disclaimer of Opinion

Material uncertainty other than going concern

- 1 As disclosed in note 10 of the consolidated and separate financial statements, on 19 October 2017, the Company received a request from the Securities and Exchange Commission (“SEC”) to revise/correct its financial statements, Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) in response to the criminal complaint filed by SEC to the Department of Special Investigation (“DSI”) on 16 October 2017 against a former executive director in relation to allegations of fraud, misappropriation of the Company’s assets and falsifying accounting records by executing concealed transactions through several associated companies abroad to exaggerate the Group’s operating results. As a result, the Company established a full provision against these and other loans and interest receivable and will record any future recoveries (if any) in the period in which they are received. The management understands that the DSI investigation against the former executive director is still ongoing but has informed me that it is not aware of any further consequences to the Company which may arise. I do not have access to any reliable evidence as to the current status of any investigation as this is confidential to the DSI, and accordingly am unable to determine the likelihood or amounts of any further adjustments that could be required.

- 2 As disclosed in note 34 of the consolidated and separate financial statements relating to litigation, Group companies are defendants in several legal cases actioned by the substantial convertible debenture holder of the Company and its related companies. The Company has filed counter actions. In particular during the year:
- a. The Company's subsidiary in Singapore, Group Lease Holdings Pte. Ltd. ("GLH"), was one of the defendants in a legal case brought by the substantial convertible debenture holder of the Company alleging deceit and unlawful conspiracy regarding the financial status of the Company and misrepresentation of the financial position of the Company's subsidiary in Singapore. The Judgement dated 6 October 2020 by the Court of Appeal of the Republic of Singapore, which overturned the judgement of the High Court of the Republic of Singapore dated 12 February 2020, found the former executive director and GLH liable for the deceit claim and, together with other co-defendants, the unlawful conspiracy claim awarding total damages of USD 70 million to be paid jointly and severally by the co-defendants. The damages included losses suffered by the substantial convertible debenture holder of the Company as a result of investment in convertible debenture 1/2017, warrants, shares of the Company and related cost and expenses plus interest. As disclosed in note 5, 22 and 23, as at 31 December 2020, the Group had outstanding convertible debentures 1/2017 amounting to Baht 1,507 million (USD 50 million) and accrued interest expenses of Baht 190 million (USD 6 million). Therefore, the Group has recorded additional liabilities as other payable amounting to Baht 475 million (USD 16 million) in the consolidated statement of financial position as at 31 December 2020 and corresponding expense as service and administrative expenses in the consolidated statement of comprehensive income. These amounts were fully paid from the Company via GLH to the plaintiff in July 2021.
 - b. On 30 April 2018, the Company filed a case with the Thailand Civil Court against the substantial convertible debenture holder of the Company alleging wrongful acts and claiming compensation for damage. On 5 March 2020, the Civil Court ruled in favour of the Company and awarded compensation of Baht 686 million. On 9 March 2021, the Appeal Court reversed this judgment and ruled that the acts by the substantial convertible debenture holder of the Company were not torts. The Company is ordered to pay fees for both courts and lawyer fee of Baht 700,000 to the plaintiff. The fees are not yet recorded in the consolidated and separate financial statements. The Company filed final appeal to the court in July 2021. Currently, the case is under the Supreme Court procedure.

Although management has informed me that they do not expect any additional claims or losses to arise in relation to ongoing or potential litigation cases in other jurisdictions with the same plaintiff as a consequence of the findings or material facts made public in the decision of the Singapore Court of Appeal, and accordingly no further provision for any such possible losses or additional costs has been established, the actual outcome of the current or any additional cases represents a material uncertainty which could result in financial consequences that are significantly different to those recorded in the consolidated and separate financial statements for the year ended 31 December 2020.

Limitation of audit scope

- 3 I note that the Singapore Court of Appeal discussed in item 2 above concluded in its judgement dated 6 October 2020 that APF Group (including certain companies identified as related parties by management and disclosed in the financial statements for the year ended 31 December 2020 and 2019) is controlled by the former executive director noted in items 1 and 2. Furthermore, the Group has entered into a number of transactions and has outstanding balances due from another related party identified by management, APF Trading Plc. ("APFT").

- a. Included in the consolidated financial statements is an advance balance, presented as other receivables and other current assets with other related parties as disclosed in note 5 – related party transactions, paid by the Company’s subsidiary in Cambodia to APFT, for procurement and placement of motorcycles at the dealers and sub-dealers for provision of financing. The gross outstanding balance of the advance on 31 December 2020 was Baht 370 million (USD 12.3 million) for which management has made a full provision. The corresponding amounts of the gross balance and provision on 31 December 2019 were Baht 320 million (USD 10.6 million) and Baht 149 million (USD 4.9 million) respectively.
- b. In addition to the transactions and balances referred to in item 3a above and as disclosed in note 5,
 - i. The subsidiary in Cambodia made a number of payments during September and October 2020 to APFT including an amount of USD 1.4 million on 9 October 2020. Management of the subsidiary retrospectively reported to the Board of GLF that this transaction was a mistake, and that the funds had been returned on 19 November 2020.
 - ii. On 1 December 2020 the subsidiary in Cambodia entered into a consultancy agreement with APFT under which USD 150,000 per month (excluding VAT) is due to be paid to APFT by the subsidiary. The agreement was thereafter terminated on 31 December 2020.

Following the Singapore Court of Appeal’s judgement, and in particular the findings of conspiracy and deceit, I attempted to expand my audit procedure to address the increase in audit risk over transactions with APFT and other related parties. However, the management has informed me that they are unable to obtain certain information from APFT and accordingly I have not received sufficient explanation and evidence to enable me to satisfy myself whether there are other related party transactions which may not have been identified or disclosed to me. As a consequence of this limitation of scope, I was unable to determine whether any adjustments or disclosures might be necessary to the consolidated financial statements and separate financial statements for the year ended 31 December 2020.

- 4 Included in the consolidated financial statements is VAT payable amounting Baht 33 million (USD 1.1 million). The amount is related to certain underlying transactions with APFT. Because of the limitation of the scope as mentioned in item 3, I was unable to satisfy myself as to the accuracy and completeness of the VAT payable because of insufficient supporting documents. As a consequence of this limitation of scope, I was unable to determine whether any adjustments or disclosures might be necessary to the consolidated financial statements for the year ended 31 December 2020.
- 5 Included in the consolidated financial statements is a pledged fixed deposit of Baht 2,210 million (USD 73 million) held in an account of GLH with an overseas Bank. There is a charge over this asset noted by the bank on the bank statements. Management has classified this as a non-current asset in the consolidated financial statements as at 31 December 2020. Management has not provided me with a satisfactory explanation and sufficient evidence of the nature or status of this charge, or whether there is any current or likely loss arising. As a consequence of this limitation of scope, I was unable to determine whether any adjustments or disclosures might be necessary to the consolidated financial statements for the year ended 31 December 2020.

- 6 As disclosed in note 5, 7, 8 and 9, included in the separate financial statements are hire purchase receivables amounting to Baht 2,604 million, net of allowance for ECL of Baht 361 million, short-term loans to subsidiaries amounting to Baht 4,787 million and expected credit loss and loss arising from derecognition amounting to Baht 266 million. Included in the consolidated financial statements are hire purchase receivables amounting to Baht 3,781 million, net of allowance for ECL of Baht 450 million, loan receivables amounting to Baht 264 million, net of allowance for ECL of Baht 17 million, microfinance receivables amounting to Baht 380 million, net of allowance for ECL of Baht 228 million, and expected credit loss and loss arising from derecognition amounting to Baht 601 million. The allowance for expected credit loss (“ECL”) as at 1 January and 31 December 2020 is derived from a model which was developed in early 2020 and has not been updated or validated. I was unable to obtain sufficient appropriate audit evidence to evaluate the reasonableness of the method and assumptions adopted by the management in estimating the ECL. As a consequence of this limitation of scope, I was unable to determine whether any adjustments or disclosures might be necessary to the consolidated and separate financial statements for the year ended 31 December 2020.
- 7 As disclosed in note 12, 13, 15 and 19, included in the separate financial statements are investments in subsidiaries amounting to Baht 630 million, net allowance of impairment of Baht 5,387 million, and included in the consolidated financial statements are an investment in associate in Sri Lanka (which is held by a subsidiary of the Company), accounted by equity method, amounting to Baht 1,698 million, net allowance of impairment of Baht 582 million, equity instruments designated at fair value through other comprehensive income amounting to Baht 256 million and goodwill in respect of other subsidiaries in Thailand, Myanmar and Laos amounting to Baht 317 million. During the year 2020, the management has recognised additional impairment loss on investments in subsidiaries amounting to Baht 2,960 million in the separate financial statements and loss on investments in equity instruments designated at fair value through other comprehensive income amounting to Baht 87 million in the consolidated financial statements. I was unable to obtain sufficient appropriate audit evidence to evaluate the reasonableness of the method and assumptions adopted by the management in estimating the fair value of equity instruments and the allowance for impairment of investments in associate and goodwill in the consolidated financial statements and the allowance for impairment of investments in subsidiaries in the separate financial statements as at 31 December 2020. As a consequence of this limitation of scope, the matter noted in item 2, the limitation of scope as noted in items 3 to 6 and the current global economic situation including local economic and political situations which might impact to the associate in Sri Lanka and subsidiaries in Myanmar and Laos, I was unable to determine whether any adjustments or disclosures might be necessary to the consolidated and separate financial statements for the year ended 31 December 2020.
- 8 Thai Standards on Auditing require that the auditor should obtain written representation from management, including that:
- They acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
 - They have fulfilled their responsibility for the preparation of the financial statements in accordance with the applicable financial reporting framework, including, where relevant, their fair presentation.
 - They believe the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole.
 - They have disclosed to the auditor their knowledge of fraud, or suspected fraud, affecting the entity.
 - They have disclosed to the auditor all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
 - They have disclosed to the auditor the identity of the entity’s related parties and all the related party relationships and transactions of which they are aware, and they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the framework.
 - They believe significant assumptions used in making accounting estimates are reasonable.

- h. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.
- i. All events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

Due, in particular, to the matter noted in item 2 and the limitation of scope as noted in items 3 to 7 and changes of senior management and independent directors before and subsequent to the year end, I have been unable to satisfy myself on the reliability of written representations on all material matters.

Material uncertainty related to going concern

The circumstances outlined in the preceding paragraphs, in particular the matters that could affect the recoverability of the loan to GLH of Baht 4,787 million as disclosed in note 5 and the uncertainty as to the amount and timing of any required payment in respect of the outcome of the court case no. 83/2561 and other cases relating to the 2nd investment agreement as explained in Note 23 and 34, indicate the existence of material uncertainties which cast significant doubt about the Group's and the Company's ability to continue as going concerns. If the Group and the Company were unable to continue as going concerns, the realisable value of assets may be significantly less than their carrying value and certain assets and liabilities may require to be reclassified. No adjustments to the classification or carrying value of assets and liabilities have been made in the consolidated and separate financial statements as at 31 December 2020 should the Group and the Company be unable to generate sufficient cash flows or raise additional finance from other sources.

Other Matter

The rulings of the Singapore Court of Appeal on 6 October 2020 against GLH and of the Thai Court of Appeal on 9 March 2021 against the Company overturned the respective lower court decisions in those jurisdictions and, in the case of the Singapore judgment, presented additional facts not previously in evidence and concluded that GLH and the former Executive Director were guilty of the tort of deceit. The reversal of the lower court decisions presents a material change of circumstances to those assumed at the time of the preparation of the Financial Statements for the year ended 31 December 2019; the new circumstances or the outcome of the matters in items 1 and 2 and limitations referred to in items 3 to 8 above may also have a material effect on the financial statements for the year ended 31 December 2019 presented as comparatives in the consolidated and separate financial statements for the year ended 31 December 2020, and my opinion thereon.

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 TFRSs, 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 and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

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

My responsibility is to conduct an audit of the consolidated and separate financial statements in accordance with Thai Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

I am independent of the Group and the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

(Chokechai Ngamwutikul)
Certified Public Accountant
Registration No. 9728

KPMG Phoomchai Audit Ltd.
Bangkok
3 August 2022

Group Lease Public Company Limited and its subsidiaries

Financial statements

For the year ended 31 December 2020

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Group Lease Public Company Limited and its subsidiaries
Statement of financial position As at 31 December 2020

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents	6	1,569,426	3,091,515	1,173,277	365,980
Current investments		368,048	105,646	2,500	-
Current portion of hire purchase receivables	7	2,302,212	2,942,550	1,538,134	1,979,097
Current portion of loan receivables	8	197,403	232,754	-	-
Current portion of microfinance receivables	9	363,079	626,833	-	-
Current portion of consumer finance receivables under joint financing arrangements		2,886	6,086	-	-
Current portion of disputed corporate loans	10	-	-	-	-
Current portion of corporate loans and interest receivables	10	-	41,055	-	-
Inventories		-	305	-	-
Assets foreclosed	11	40,412	59,555	10,354	16,201
Short-term loan to and interest receivables from subsidiaries	5	-	-	4,787,099	144,127
Other receivables	5	124,015	120,361	16,664	71,707
Other current assets	5	77,581	219,580	63,294	35,381
Total current assets		5,045,062	7,446,240	7,591,322	2,612,493
Non-current assets					
Pledged fixed deposit at financial institution		2,312,180	343	1,846	343
Investment in associate	12	1,697,799	1,766,759	-	-
Investments in subsidiaries	13	-	-	629,909	3,590,302
Other long-term investments	5, 15	255,614	535,509	-	-
Long-term portion of hire purchase receivables	7	1,479,143	2,162,135	1,065,947	1,544,400
Long-term portion of loan receivables	8	66,982	64,200	-	-
Long-term portion of microfinance receivables	9	16,510	21,707	-	-
Long-term portion of consumer finance receivables under joint financing arrangements		-	322	-	-
Long-term portion of loans to subsidiaries	5	-	-	-	4,646,075
Property, plant and equipment	17	110,009	91,344	52,474	52,622
Intangible assets	18	86,129	103,991	80,859	67,865
Goodwill	19	316,961	317,868	-	-
Deferred tax assets	30	103,606	134,623	53,950	57,578
Other non-current assets		47,276	79,451	18,380	34,399
Total non-current assets		6,492,209	5,278,252	1,903,365	9,993,584
Total assets		11,537,271	12,724,492	9,494,687	12,606,077

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

Group Lease Public Company Limited and its subsidiaries
Statement of financial position (continued) As at 31 December 2020

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
Current liabilities					
Trade accounts payable		1,312	6,936	217	1,176
Short-term loans and interest payable from subsidiary		-	-	180,242	-
Deposits from customers	20	68,269	57,362	-	-
Current portion of lease liabilities		20,082	-	2,312	-
Short-term loans and interest payable	21	145,154	18,216	-	-
Current portion of convertible debentures under court cases	5, 23	5,366,810	1,476,772	5,366,810	1,476,772
Current portion of convertible debentures - other	23	-	590,700	-	590,700
Income tax payable		22,142	27,191	-	-
Insurance premium payables		4,151	10,664	1,298	5,189
Other payables	5, 22	1,520,800	834,858	903,084	710,644
Other current liabilities	5	129,536	114,192	68,026	59,811
Total current liabilities		7,278,256	3,136,891	6,521,989	2,844,292
Non-current liabilities					
Long term portion of lease liabilities		15,542	-	2,701	-
Convertible debentures under court cases	5, 23	-	3,909,559	-	3,909,559
Provisions for long-term employee benefits	24	25,819	21,213	25,819	21,213
Deferred tax liabilities	30	47,736	47,923	-	-
Cash guarantee for damage on hire purchase agreements		2,064	2,064	2,064	2,064
Total non-current liabilities		91,161	3,980,759	30,584	3,932,836
Total liabilities		7,369,417	7,117,650	6,552,573	6,777,128
Equity					
Share capital					
Authorised share capital					
1,845,090,080 common shares of Baht 0.50 each		922,545	922,545	922,545	922,545
Issued and paid-up share capital					
1,525,538,158 common shares of Baht 0.50 each		762,769	762,769	762,769	762,769
Share premium		5,192,673	5,192,673	5,192,673	5,192,673
Retained earnings (Deficit)					
Appropriated					
Legal reserve	25	92,255	92,255	92,255	92,255
Unappropriated (Deficit)		(1,256,463)	99,683	(3,150,922)	(278,206)
Other components of equity		(752,028)	(666,134)	45,339	59,458
Equity attributable to owners at the parent		4,039,206	5,481,246	2,942,114	5,828,949
Non-controlling interests	14	128,648	125,596	-	-
Total equity		4,167,854	5,606,842	2,942,114	5,828,949
Total liabilities and equity		11,537,271	12,724,492	9,494,687	12,606,077

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

Group Lease Public Company Limited and its subsidiaries
Statement of comprehensive income For the year ended 31 December 2020

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
(in thousand Baht)					
Revenue					
Hire purchase interest income		1,386,514	1,766,060	971,330	1,229,272
Loan interest income		93,416	114,746	-	-
Microfinance interest income		163,548	179,216	-	-
Consumer finance under joint financing arrangements interest income		1,567	4,372	-	-
Corporate loan interest income		2,060	1,966	-	-
Hire purchase service fee income		71,984	89,923	-	-
Revenue from sales of goods		2,072	5,462	-	-
Other interest income	5	45,991	76,158	290,169	363,676
Management fee	5	-	-	81,000	102,000
Other income related to the activities of hire purchase		231,928	240,126	117,527	129,565
Other income related to the activities of microfinance		10,602	11,709	-	-
Gain on exchange rate		25,604	-	(15,623)	104,801
Other income	5	20,014	23,082	13,578	11,768
Total revenue		2,055,300	2,512,820	1,457,981	1,941,082
Expenses					
Service and administrative expenses	5, 27	1,883,017	1,256,091	566,797	689,716
Bad and doubtful debt expenses		-	428,253	-	318,862
Cost of sales of goods		1,773	4,693	-	-
Impairment losses on investments in subsidiaries	13	-	-	2,960,394	-
Impairment losses on other investment	15	192,719	135,487	-	-
Loss on disposals of assets foreclosed		218,460	286,829	189,344	250,841
Total expenses		2,295,969	2,111,353	3,716,535	1,259,419
Share of profit from investment in associate	12	(3,644)	63,664	-	-
Expected credit loss and loss arising from derecognition		(600,698)	-	(266,432)	-
Profit (loss) before finance cost and income tax expenses		(845,011)	465,131	(2,524,986)	681,663
Finance cost	5, 28	(250,153)	(361,743)	(240,248)	(354,339)
Profit (loss) before income tax expenses		(1,095,164)	103,388	(2,765,234)	327,324
Income tax expenses	30	(145,810)	(124,995)	(38,600)	(65,209)
Profit (loss) for the year		(1,240,974)	(21,607)	(2,803,834)	262,115

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

Group Lease Public Company Limited and its subsidiaries
 Statement of comprehensive income (continued) For the year ended 31 December 2020

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Other comprehensive income (expense)					
<i>Components of other comprehensive income that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations	29	83,373	(96,832)	-	-
Share of other comprehensive income (expense) of associate	12	(64,746)	(45,395)	-	-
Total items that will be reclassified subsequently to profit or loss		18,627	(142,227)	-	-
<i>Components of other comprehensive income that will not be reclassified subsequently to profit or loss</i>					
Loss on investments in equity instruments designated at fair value through other comprehensive income	15	(87,176)	-	-	-
Share of other comprehensive income (expense) of associate	12	(958)	750	-	-
Total items that will not be reclassified subsequently to profit or loss		(88,134)	750	-	-
Other comprehensive income (expense) for the year		(69,507)	(141,477)	-	-
Total comprehensive income (expense) for the year		(1,310,481)	(163,084)	(2,803,834)	262,115
Profit (loss) attributable to:					
Owners of the parent		(1,238,953)	(32,880)	(2,803,834)	262,115
Non-controlling interests	14	(2,021)	11,273	-	-
Profit (loss) for the year		(1,240,974)	(21,607)	(2,803,834)	262,115
Total comprehensive income (expense) attributable to:					
Owners of the parent		(1,313,533)	(172,857)	(2,803,834)	262,115
Non-controlling interests		3,052	9,773	-	-
Total comprehensive income (expense) for the year		(1,310,481)	(163,084)	(2,803,834)	262,115
Basic earnings (loss) per share (in Baht)	31	(0.812)	(0.022)	(1.838)	0.172

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

Group Lease Public Company Limited and its subsidiaries
Statement of changes in equity For the year ended 31 December 2020

		Consolidated financial statements																			
		Retained earnings (Deficit)				Other components of equity															
						Gain / Loss on investments in equity instruments designated at fair value through other comprehensive income															
						Gain on remeasuring financial assets from associate		Revaluation deficit on land and building from associate		Translating foreign operation		Convertible debentures - equity component		Total other components of equity		Equity attributable to owners of the parent		Non-controlling interests		Total equity	
Note		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (Deficit)																
(in thousand Baht)																					
Year ended 31 December 2019																					
		762,769	5,192,673	92,255	131,911	2,027	352	-	(587,342)	59,458	(525,505)	5,654,103	124,046	5,778,149							
		-	-	-	(32,880)	-	-	-	-	-	-	(32,880)	11,273	(21,607)							
		-	-	-	652	450	(352)	-	(140,727)	-	(140,629)	(139,977)	(1,500)	(141,477)							
		-	-	-	(32,228)	450	(352)	-	(140,727)	-	(140,629)	(172,857)	9,773	(163,084)							
		-	-	-	-	-	-	-	-	-	-	-	(8,223)	(8,223)							
		762,769	5,192,673	92,255	99,683	2,477	-	-	(728,069)	59,458	(666,134)	5,481,246	125,596	5,606,842							
Year ended 31 December 2020																					
		762,769	5,192,673	92,255	99,683	2,477	-	-	(728,069)	59,458	(666,134)	5,481,246	125,596	5,606,842							
3		-	-	-	(114,388)	-	-	-	-	-	-	(114,388)	-	(114,388)							
		762,769	5,192,673	92,255	(14,705)	2,477	-	-	(728,069)	59,458	(666,134)	5,366,858	125,596	5,492,454							
		-	-	-	(1,238,953)	-	-	-	-	-	-	(1,238,953)	(2,021)	(1,240,974)							
		-	-	-	(2,805)	1,847	-	(87,176)	13,554	-	(71,775)	(74,580)	5,073	(69,507)							
		-	-	-	(1,241,758)	1,847	-	(87,176)	13,554	-	(71,775)	(1,313,533)	3,052	(1,310,481)							
		-	-	-	-	-	-	-	-	(14,119)	(14,119)	(14,119)	-	(14,119)							
23		762,769	5,192,673	92,255	(1,256,463)	4,324	-	(87,176)	(714,515)	45,339	(752,028)	4,039,206	128,648	4,167,854							

The accompanying notes are an integral part of these interim financial statements.

Group Lease Public Company Limited and its subsidiaries
 Statement of changes in equity (continued) For the year ended 31 December 2020

			Separate financial statements				
			Retained earnings (Deficit)		Other components of equity		
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (Deficit)	Convertible debentures - equity component	Total equity
	Note						
(in thousand Baht)							
Year ended 31 December 2019							
Balance as at 1 January 2019		762,769	5,192,673	92,255	(540,321)	59,458	5,566,834
Profit and other comprehensive income for the year		-	-	-	262,115	-	262,115
Balance as at 31 December 2019		762,769	5,192,673	92,255	(278,206)	59,458	5,828,949
Year ended 31 December 2020							
Balance as at 31 December 2019 - as reported		762,769	5,192,673	92,255	(278,206)	59,458	5,828,949
Impact of changes in accounting policies	3	-	-	-	(68,882)	-	(68,882)
Balance as at 1 January 2020 - restated		762,769	5,192,673	92,255	(347,088)	59,458	5,760,067
Loss and other comprehensive expense for the year		-	-	-	(2,803,834)	-	(2,803,834)
Reclassify convertible debentures - equity component	23	-	-	-	-	(14,119)	(14,119)
Balance as at 31 December 2020		762,769	5,192,673	92,255	(3,150,922)	45,339	2,942,114

The accompanying notes are an integral part of these interim financial statements.

Group Lease Public Company Limited and its subsidiaries
Statement of cash flows For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	(in thousand Baht)			
Cash flows from operating activities				
Profit (loss) before income tax expenses	(1,095,164)	103,388	(2,765,234)	327,324
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Depreciation and amortisation	73,055	51,417	25,489	21,316
Expected credit loss and loss arising from derecognition	600,698	-	266,432	-
Bad and doubtful debts expenses	-	428,253	-	318,862
Loss on disposals of assets foreclosed	218,460	286,829	189,344	250,841
(Gain) loss on diminution in value of assets foreclosed	(1,022)	6,740	(5,399)	6,360
Reversal of allowance on other receivables	(5,847)	(7,396)	-	-
Loss on allowance on other current assets	226,002	-	-	-
Impairment losses on investments in subsidiaries	-	-	2,960,394	-
Impairment losses on other investment	192,719	135,487	-	-
Expense allowance on loan and interest receivables	42,958	-	-	-
(Gain) loss on disposal and write-off assets	-	59	-	3
Loss on disposal and write-off property, plant and equipment	369	-	-	-
Loss on write-off of intangible assets	607	-	-	-
Unrealised gain on exchange	(12,154)	(54,498)	(2,868)	(107,718)
Provision for long-term employee benefits	6,765	8,228	6,765	8,228
Share of profit from investment in associate	3,644	(63,664)	-	-
Other interest income	(45,991)	(76,158)	(290,169)	(363,676)
Interest expenses	246,182	346,233	238,540	338,829
Interest expenses on lease liabilities	2,524	-	261	-
Amortised transaction cost of debentures	-	13,190	-	13,190
Amortised transaction cost of convertible debentures	1,447	2,320	1,447	2,320
Realised gain from repayment loans and interest receivables from subsidiary	-	-	(15,082)	-
Realised gain from offset loan with intangible	-	-	(883)	-
Realised (gain) loss on exchange from repayment convertible debentures	(382)	-	37,343	-
	454,870	1,180,428	646,380	815,879
Changes in operating assets and liabilities				
Hire purchase receivables	867,613	688,559	566,881	377,638
Loan receivables	30,772	(14,929)	-	-
Microfinance receivables	46,788	(95,611)	-	-
Consumer finance receivables under joint financing arrangements	2,760	18,390	-	-
Corporate loans and interest receivables	(1,818)	1,007	-	-
Inventories	305	(24)	-	-
Assets foreclosed	(197,807)	(291,828)	(178,100)	(264,735)
Other receivables	13,689	(32,362)	54,411	(28,883)
Other current assets	(103,401)	(130,481)	(2,206)	3,433
Other non-current assets	32,838	(4,368)	16,729	88
Trade accounts payables	(5,603)	(3,274)	(960)	(322)
Deposit from customers	10,907	16,738	-	-
Insurance premium payables	(6,513)	1,216	(3,891)	(3,085)
Other payables	482,024	64,927	(11,528)	39,146
Other current liabilities	10,739	962	4,958	(3,316)
Cash guarantee for damage on hire purchase agreements	-	(116)	-	-
Net cash generated from operating activities	1,638,163	1,399,234	1,092,674	935,843
Long-term employee benefits paid	(2,159)	(5,409)	(2,159)	(5,409)
Interest paid	(25,666)	(77,702)	(18,051)	(70,287)
Income tax paid	(86,402)	(136,404)	(1,432)	(55,366)
Net cash from operating activities	1,523,936	1,179,719	1,071,032	804,781

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

Group Lease Public Company Limited and its subsidiaries
Statement of cash flows (continued) For the year ended 31 December 2020

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
Note	2020	2019	2020	2019
	(in thousand Baht)			
Cash flows from investing activities				
(Increase) decrease in current investment	-	(89,949)	-	-
(Increase) decrease in pledged fixed deposits at financial institution	(2,311,837)	5,507	(1,503)	(3)
(Increase) decrease in accounts receivable and loans to employees	(616)	(224)	(616)	(224)
Long-term loans to subsidiaries	-	-	-	(450,000)
Acquisitions of equipments	(8,039)	(7,161)	(644)	(1,126)
Aquisitions of intangible assets	(701)	(8,974)	(159)	(800)
Proceeds from sales of equipment	678	321	25	-
Cash received from short-term loan to subsidiaries	-	-	423,846	780,994
Cash paid for long-term loan to subsidiaries	-	-	(220,000)	-
Cash receipt from Short-term investment	73,457	-	-	-
Cash paid for Short-term investment	(333,125)	-	(2,500)	-
Dividend received	-	16,040	-	-
Dividend paid to minority interest of subsidiary	-	(8,223)	-	-
Interest received	33,433	70,992	6,525	322,465
Net cash from (used in) from investing activities	(2,546,750)	(21,671)	204,974	651,306
Cash flows from financing activities				
Cash paid for lease liabilities	(31,814)	-	(6,712)	-
Cash received from short-term loans from subsidiaries	-	-	180,242	-
Cash received from short-term loans	145,154	-	-	-
Cash paid from short-term loans from and interest payable	(18,022)	-	-	-
Repayment of convertible debentures	(642,239)	-	(642,239)	-
Repayment of long-term loans	-	(22,155)	-	-
Repayment of debentures	-	(1,500,000)	-	(1,500,000)
Net cash used in financing activities	(546,921)	(1,522,155)	(468,709)	(1,500,000)
Net increase (decrease) in cash and cash equivalents,				
before effect of exchange rates	(1,569,735)	(364,107)	807,297	(43,913)
Effect of exchange rate changes on cash and cash equivalents	47,646	(289,381)	-	-
Net increase (decrease) in cash and cash equivalents	(1,522,089)	(653,488)	807,297	(43,913)
Cash and cash equivalents at 1 January	3,091,515	3,745,003	365,980	409,893
Cash and cash equivalents at 31 December	6 1,569,426	3,091,515	1,173,277	365,980
Non-cash items				
Transferred equipment to assets foreclosed	-	13	-	-
Transferred intangible asset from subsidaies	-	-	26,091	-
Transferred Short-term loan to and interest receivables from subsidiary	-	-	893,343	-
Reclassify other components of equity to short-term loans and interest payable	14,119	-	14,119	-
Reclassify current portion of convertible debentures - other				
to short-term loans and interest payable	640,095	-	640,095	-
Reclassify other payables to short-term loans and interest payable	16,336	-	16,336	-
Settlement of short-term loan to and interest receivables from subsidiary				
between GL and the group	-	-	(903,469)	-

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

Group Lease Public Company Limited and its subsidiaries

Notes to financial statements

For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issue by the Board of Directors on 3 August 2022.

1 General information

Group Lease Public Company Limited, (the “Company”) is incorporated in Thailand and was listed on the Stock Exchange of Thailand on October 2004 and has its registered head office at 63 Soi 1 Thetsabannimitai Road, Ladyao, Chatuchak, Bangkok.

The Company’s major shareholder during the financial year was Engine Holdings Asia Pte. Ltd. (incorporated in Singapore), which is a subsidiary company of Wedge Holdings Company Limited (incorporated in Japan) and A.P.F. Holding Company Limited (incorporated in Thailand).

The Group (the “Group”) are principally engaged in the activity of hire purchase and lending. Overseas subsidiaries principally provide services relating to business management, consulting including financing services to the corporates, other investment holding company, hire purchase, microfinance business and consumer finance business under joint financing arrangements.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 Financial Instruments and relevant financial reporting standards and TFRS 16 Leases and disclosed impact from changes to significant accounting policies in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Basis of measurement

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

(c) *Functional and presentation currency*

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

(d) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 7	Hire purchase receivables
	- whether an arrangement contains a lease;
	- whether the Group is reasonably certain to exercise extension options or not to exercise termination options;
	- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 7 - 10	Allowance for expected credit loss
Note 12, 13, 15, 19	Impairment testing
Note 24	Defined benefit obligations
Note 32	Measurement of fair value
Note 34	Litigation

(e) *Use of going concern basis of accounting*

As disclosed in Note 34, actions by the substantial convertible debenture holder and related matters may affect the Group's ability to comply with debt service coverage, raise funding or maintain adequate liquidity in the future. There are still uncertainties regarding the outcome of the cases which is subject to the final verdict of the court of justice. The management believes that those cases will not affect the going concern of the Company and the Group, and accordingly, the use of going concern basis of accounting continues to be appropriate.

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies on shareholders' equity are as follows:

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Retained earnings	Other components of equity (in thousand Baht)	Retained earnings	Other components of equity
At 31 December 2019 - as reported		191,938	(666,134)	(185,951)	59,458
<i>Increase (decrease) due to:</i>					
Adoption of TFRS - Financial instruments standards					
Impairment losses on financial assets	A(2)				
- The Company and Subsidiaries		(100,896)	-	(86,103)	-
- Associate		(34,616)	-	-	-
Related tax		21,124	-	17,221	-
At 1 January 2020 - restated		77,550	(666,134)	(254,833)	59,458

A. TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings on 1 January 2020. Comparative information has not been restated in accordance with the transitional provisions of the standard.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

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

Consolidated financial statements

Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss (in million Baht)	Fair value through other comprehe nsive income	Amortised cost - net
Cash and cash equivalents	3,092	-	-	3,092
Current investments	106	-	-	106
Current portion of loan receivables	233	-	-	233
Current portion of microfinance receivables	627	-	-	627
Current portion of corporate loans and interest receivables	41	-	-	41
Other long-term investments	536	-	343	193
Long-term portion of loan receivables	64	-	-	64
Long-term portion of microfinance receivables	22	-	-	22
Total	4,721	-	343	4,378
Deposits from customers	57	-	-	57
Short-term loans and interest payable	18	-	-	18
Current portion of convertible debentures under court cases	1,477	-	-	1,477
Current portion of convertible debentures - other	591	-	-	591
Total	2,143	-	-	2,143

Separate financial statements

Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss (in million Baht)	Fair value through other comprehensive income	Amortised cost - net
Cash and cash equivalents	366	-	-	366
Short-term loan to and interest receivables from subsidiaries	144	-	-	144
Long-term portion of loans to subsidiaries	4,646	-	-	4,646
Total	5,156	-	-	5,156
Current portion of convertible debentures under court cases	1,477	-	-	1,477
Current portion of convertible debentures - other	591	-	-	591
Total	2,068	-	-	2,068

Loan receivables, microfinance receivables, corporate loans and loan to subsidiaries are measured at amortised cost as it meets both of the following conditions:

- the asset is held within a business model whose objective is to hold assets 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.

(2) Impairment

TFRS 9 introduces forward-looking ‘expected credit loss’ (ECL) model whereas previously the Group estimated allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost and lease receivable, except for investments in equity instruments.

Significant accounting estimates and judgements

The Group expected credit loss calculations are based on complex models with a series of underlying assumptions. The significant judgements and estimates in determining expected credit loss include criteria for assessing if there has been a significant increase in credit risk and development of expected credit loss models, including the choice of inputs relating to macroeconomic variables.

The Group has determined that the application of TFRS 9’s impairment requirements at 1 January 2020 results in a change in the allowance for expected credit loss as follows:

Consolidated financial statement			
	Allowance for doubtful accounts as at 31 December 2019	Re-measurement (in thousand Baht)	Allowance for expected credit loss as at 1 January 2020
Hire purchase receivables	429,840	110,415	540,255
Loan receivables	26,930	(10,294)	16,636
Microfinance receivables	12,491	775	13,266
Corporate loans	1,409,558	-	1,409,558
Total	1,878,819	100,896	1,979,715

Separate financial statement			
	Allowance for doubtful accounts as at 31 December 2019	Re-measurement (in thousand Baht)	Allowance for expected credit loss as at 1 January 2020
Hire purchase receivables	367,068	86,103	453,171
Total	367,068	86,103	453,171

Prior to 1 January 2020, the Group provided allowance for doubtful accounts for hire purchase receivables, loan receivables and microfinance receivables based on the estimated collection losses that may be incurred in collection of receivables, by considering the current status receivables, their ability to make payment, past experience and historical data on actual losses on collection.

(3) Interest

From 1 January 2020, interest income and expense are recognised in profit or loss using the effective interest method. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

For financial assets and liabilities that exist on the date of transition, the effective interest rate will be applied prospectively because the change in interest rate has no material impact on the financial statements.

B. TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

Impact from the adoption of TFRS 16
At 1 January 2020

	Consolidated financial statements (in thousand Baht)	Separate financial statements
Increase in right-of-use assets	32,098	3,489
Increase in lease liabilities – current portion	20,617	3,342
Increase in lease liabilities – non-current portion	11,481	147

Measurement of lease liability

	Consolidated financial statements (in thousand Baht)	Separate financial statements
Operating lease commitment as disclosed at 31 December 2019	38,511	4,326
Recognition exemption for leases less than one year	(4,334)	(756)
Finance lease liabilities recognised as at 31 December 2019	34,177	3,570
Discounted using the incremental borrowing rate at 1 January 2020	(2,079)	(81)
Lease liabilities recognised at 1 January 2020	32,098	3,489
Weighted-average incremental borrowing rate (% per annum)	6.99	5.00

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 3, which address changes in accounting policies.

(a) Basis of consolidation

The consolidated financial statements relate to the Group (together referred to as the “Group”) and the Group’s interests in associates.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as described in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognized in profit or loss. However, foreign currency differences arising from the translation a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective are recognized in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments with an original maturity of three months or less and not subject to withdrawal restrictions.

(d) Hire purchase receivables

Accounting policies applicable from 1 January 2020

Hire purchase receivables are stated net of unearned hire purchase interest income and allowance for expected credit losses. The accounting policy for allowance for expected credit loss is disclosed in note 4 (h.3).

Accounting policies applicable before 1 January 2020

Hire purchase receivables are stated net of unearned hire purchase interest income and allowance for doubtful accounts.

The Group provide allowance for doubtful accounts for hire purchase receivables based on the estimated collection losses that may be incurred in collection of receivables, by considering of the current status of receivables, their ability to make payment, past experience and historical data on actual losses on collection.

(e) Inventories

Inventories are measured at the lower of cost (under the specific identification method) and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(f) Assets foreclosed

Assets foreclosed are measured at the lower of cost (which mostly comprises the net outstanding balance) and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investments in associate and subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investments in associate in the consolidated financial statements are accounted for using the equity method.

Investments in associate are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investee s, until the date on which significant influence ceases.

(h) Financial instruments***Accounting policies applicable from 1 January 2020******(1) Classification and measurement***

The Group initially recognise financial assets or financial liabilities in its statement of financial position on the transaction date, which is the date on which the Group become the party to the provisions of the instrument.

Financial assets or financial liabilities is initially measured at its fair value plus transaction costs that are directly attributable to its acquisition or issue of the financial assets or financial liabilities.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss, gain or loss on derecognition are recognised in profit or loss.
Debt investments measured at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments measured at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(2) *Derecognition and offsetting*

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(3) *Impairment of financial assets*

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI, lease receivables, and loan commitments issued which are not measured at FVTPL.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

An expected credit loss represents the present value of expected cash shortfalls over the residual term of a financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that are expected to be received over the contractual life of the instrument.

Expected credit losses are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward looking information.

The estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

Forward-looking macroeconomic assumptions are incorporated into the PD, LGD and EAD where relevant.

Cash shortfalls are discounted using the effective interest rate on the financial instrument.

Expected Loss Recognition

Stage 1

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the balance sheet date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit impaired. If an instrument is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12-month basis.

Stage 2

If a financial asset experiences a significant increase in credit risk (SICR) since initial recognition, an expected credit loss provision is recognised for default events that may occur over the lifetime of the asset. SICR is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

Stage 3

Financial assets that are credit impaired represent those that are at least/over 91 days past due in respect of principal and/or interest.

Impairment provisions against credit impaired financial assets are determined based on an assessment of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, representing the difference between the present value of the cash flows expected to be recovered, discounted at the instrument's original effective interest rate, and the gross carrying value of the instrument prior to any credit impairment.

(4) *Hedging*

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

Net investment hedges

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument for investment in foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument and, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Accounting policies applicable before 1 January 2020

(1) *Investments in equity securities*

Equity securities which are not marketable are stated at cost less any impairment losses.

Disposal of investments

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

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

(2) *Loan receivables*

Loan receivables are stated net of unearned interest income and allowance for doubtful accounts.

The Group provide allowance for doubtful accounts for loan receivables based on the estimated collection losses that may be incurred in collection of receivables, by considering of the current status of receivables, their ability to make payment, past experience and historical data on actual losses on collection.

(3) *Microfinance receivables*

Microfinance receivables are stated net of unearned interest income and allowance for doubtful accounts.

The subsidiary provides allowance for doubtful accounts for microfinance receivables based on the estimated collection losses that may be incurred in collection of receivables, taking into account the current status of receivables, their ability to make payment, past experience and historical data on actual losses on collection

(4) Consumer finance receivables under joint financing arrangements

In joint financing arrangements between the subsidiary and the joint financing facility provider, provider's financing portion is maximum of 95% from the total amount to consumer and the subsidiary's financing portion is 5% or the remaining amount. The subsidiary will comply with terms and conditions including obligation as detailed in the consumer financing agreement. The subsidiary has the right to set higher interest rates to consumer than the interest rates stated in the joint financing agreement with the joint financing facility provider. For all joint financing contracts entered by the subsidiary, the financing portion of the total installments financed by the subsidiary is recorded as consumer finance receivables in the statement of financial position (net approach off joint financing arrangement).

Consumer finance receivables are stated net of unearned interest income and allowance for doubtful accounts.

The subsidiary provides allowance for doubtful accounts for consumer finance receivables based on the estimated collection losses that may be incurred in collection of receivables, by considering the current status of receivables, their ability to make payment, past experience and historical data on actual losses on collection.

Write-offs are considered for consumer finance receivables with installments overdue more than 720 days, with write-offs approved by the subsidiary's Board of Directors. Recoveries from written-off receivables are recognised as other income upon receipt.

(5) Corporate loans and interest receivables

Corporate loan receivables are stated at the principal amount and accrued interest receivables net of allowance for doubtful accounts (if any).

The Group provide allowance for doubtful accounts for corporate loan receivables based on the amount of the debts that the Company expects to be recoverable in the future in comparison with the collateral value, and the amount of debts that may not be collectible, which is generally determined on the basis of collection experience and analysis of debt aging.

(6) Interest-bearing liabilities

Interest-bearing liabilities are stated at cost.

(i) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Depreciation

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

Depreciation of buildings and equipment is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of asset. The estimated useful lives are as follows:

Buildings	20 years
Building improvement and lease area	5 and 10 years
Furniture and office equipment	5 and 10 years

Depreciation of computers and motor vehicles is charged to profit or loss on a sum of the years digits basis over the estimated useful lives of each component of an item of asset. The estimated useful lives are 3-5 years.

No depreciation is provided on land.

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

(j) Leases

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

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(k) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful 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.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative years are as follows:

Exclusive right agreement	5 years 10 months
Computer software	3 and 10 years

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

(l) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(p) Measurement of fair values

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

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

(q) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(r) Revenue

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised as the services are provided.

Dividends

Dividends are recognized when the right to receive the dividends is established.

(s) Interest***Accounting policies applicable from 1 January 2020******Effective Interest Rate (EIR)***

Interest income or interest expense are recognised in profit or loss using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimate future cash flows considering all contractual terms of the financial instrument, but not allowance for expected credit loss.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial liability.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any allowance for expected credit loss. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any allowance for expected credit loss.

Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets, initial recognition of interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis of assets.

Accounting policies applicable before 1 January 2020***Hire purchase interest income***

Hire purchase interest income is recognised as income over the period of payment, using the effective rate method, with income recognised when the installments fall due irrespective of when actual collection is made. However, recognition of interest income is ceased for receivables which have defaulted on more than 4 scheduled installment payments.

Loan interest income

Loan interest income is recognised as income over the period of payment, using the effective rate method, with income recognised when the installments fall due irrespective of when actual collection is made. However, recognition of interest income is ceased for receivables which have defaulted on more than 4 scheduled installment payments.

Microfinance interest income

Microfinance interest income is recognised as income over the period of payment, using the effective rate method, with income recognised when the installments fall due irrespective of when actual collection is made.

Consumer finance under joint financing arrangements interest income

Consumer finance under joint financing arrangements interest income is recognised as income over the period of payment, using the effective rate method, with income recognised when the installments fall due irrespective of when actual collection is made. Consumer finance interest income is presented in the statement of profit or loss after deducting the financing portions belonging to other parties participating to these joint financing transactions. Unearned consumer financing income represents the difference between the total installment payments to be received from a consumer and the principal amount financed, and is recognised as income over the term of the contract based on effective interest rate of the related consumer finance receivables under joint financing arrangements.

Interest on corporate loan receivables

Interest on corporate loan receivables is recognised as income on an accrual basis, based on the interest rate of contract agreement.

Other interest income

Other interest income is recognized on an accrual basis, based on the interest rate of contract agreement.

Interest expenses

Interest expenses are charged to profit or loss for the period in which they are incurred.

(t) Commissions and direct expenses of the hire purchase business

The Group recorded the initial commissions and direct expenses arising in respect of hire purchase contracts, by the effective interest method, and deducting them from unearned income over the instalment period to reflect the effective rate of return of hire purchase agreements.

Unearned interest income is stated net of commissions and direct expenses incurred at the initiation of the hire purchase contract

(u) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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 they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(w) Related parties

Related parties are a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(x) Segment reporting

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Related parties

Relationships with associate and subsidiaries are described in Notes 12 and 13. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Asia Partnership Fund Pte. Ltd.	Singapore	Subsidiary's director is major shareholder
A.P.F. Group Co., Ltd.	British Virgin Islands	Subsidiary's director is major shareholder
APF Trading Plc. ("APFT")	Cambodia	Common director with subsidiary
Engine Holdings Asia Pte. Ltd.	Singapore	Major shareholder of the Company / Common director
Cambodian People Micro Insurance PLC.	Cambodia	Common director with the Company and subsidiary
J Trust Co., Ltd.	Japan	Ultimate parent company of shareholder of subsidiary
JTrust Asia Pte. Ltd. ("JTA")	Singapore	Shareholder of subsidiary
PT Bank JTrust Indonesia Tbk.	Indonesia	Shareholder of subsidiary
Wedge Holdings Co., Ltd.	Japan	Major shareholder of the Company / Common director
Showa Holdings Co., Ltd.	Japan	Major shareholder of the Company / Common director
Century Finance Co., Ltd.	Myanmar	Common director with subsidiary
PT Showa Rubber Indonesia	Indonesia	Common director with the Company

Significant transactions for the year ended 31 December 2020 and 2019 with related parties were as follows:

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		Consolidated		Separate	
	Pricing policy	financial statements		financial statements	
Year ended 31 December		2020	2019	2020	2019
		(in thousand Baht)			
Subsidiaries					
Other interest income	5.50% - 7.00% per annum	-	-	290,361	361,773
Management fee	Contract rate	-	-	81,000	102,000
Other income	Contract rate	-	-	6,026	3,520
Interest expenses	7.00% per annum	-	-	242	-
Service and administrative expenses	Contract rate	-	-	216	628
Other related parties					
Other interest income	6.50% per annum	11,626	11,503	-	-
Other income	Contract rate	251	1,152	-	-
Interest expenses	5.00% per annum	224,771	280,210	224,771	280,210
Service and administrative expenses ⁽¹⁾ _	Contract rate	500,302	1,483	-	-
Key management personnel compensation					
Short-term employee benefits		56,349	62,829	19,355	19,719
Total key management personnel compensation		56,349	62,829	19,355	19,719

In addition to above transaction, during September and October 2020, Group Lease Finance Plc. (“GLF”) has made a number of payments to APFT including an amount of USD 1.4 million on 9 October 2020. Management has confirmed this transaction was a mistake and that the funds had been returned on 19 November 2020.

⁽¹⁾ On 6 October 2020, the Court of Appeal of the Republic of Singapore revised the judgment of the High Court and rendered a decision that allowed partly JTA’s claims, holding that Group Lease Holding Pte. Ltd. (“GLH”) and the other defendants are jointly liable to JTA in damages. The damages included losses suffered by the substantial convertible debenture holder of the Company as a result of investment in convertible debenture 1/2017, warrants, shares of the Company and related cost and expenses plus interest. As at 31 December 2020, the Group had outstanding convertible debentures 1/2017 amounting to Baht 1,507 million (USD 50 million) and accrued interest expenses of Baht 190 million (USD 6 million). Therefore, the Group has recorded additional liabilities as other payable amounting to Baht 475 million (USD 16 million) in consolidated financial statements as at 31 December 2020 and corresponding expense as service and administrative expenses in the statement of comprehensive income. These amounts were fully paid from the Company via GLH to the plaintiff in July 2021.

On 1 July 2020, GLH entered into a Payment Agreement with the Company and its subsidiaries to make a payment for the Company’s loans by the way of transferring its right to receive the payment under the loans with GLH subsidiaries in the total amount of Baht 212.38 million and USD 21.94 million.

On 20 June 2020, GLH entered into a Memorandum of Understanding with the Company to make a payment for the Company’s loans by the way of transferring its software ownership in the total amount of USD 1.53 million.

On 1 December 2020, GLF entered into a consultancy agreement with APFT under which USD 150,000 per month (excluding VAT) is due to be paid to APFT by the subsidiary. The agreement was thereafter terminated on 31 December 2020.

Balances as at 31 December 2020 and 2019 with related parties were as follows:

<i>Loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019	2020	2019
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans						
Subsidiaries	5.50 - 7.00	7.00	-	-	4,556,319	-
Interest receivables from related parties						
Subsidiaries	5.50 - 7.00	7.00	-	-	230,780	144,127
Total short-term loans to related parties			-	-	4,787,099	144,127
Long-term loans						
Subsidiaries	5.50 - 7.00	7.00	-	-	-	4,646,075
Total long-term loans to related parties			-	-	-	4,646,075
Total loans and interest receivables to related parties			-	-	4,787,099	4,790,202

Movements during the year ended 31 December 2020 and 2019 of loans and interest receivables to related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	4,790,202	5,517,775
Increase	-	-	1,361,678	759,313
Decrease	-	-	(1,333,403)	(1,102,205)
Loss from exchange rate	-	-	(31,378)	(384,681)
At 31 December	-	-	4,787,099	4,790,202

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other receivables				
Subsidiaries	-	-	13,466	65,169
Key management personnel	-	558	-	-
Other related parties	18,943	173,262	-	-
	<u>18,943</u>	<u>173,820</u>	<u>13,466</u>	<u>65,169</u>
Less: allowance for expected credit loss / allowance for doubtful accounts	(2,700)	(157,718)	-	-
Net	<u>16,243</u>	<u>16,102</u>	<u>13,466</u>	<u>65,169</u>
Other current assets				
Other related parties	370,012	171,520	-	-
Less: allowance for expected credit loss / allowance for doubtful accounts	(370,012)	-	-	-
Net	<u>-</u>	<u>171,520</u>	<u>-</u>	<u>-</u>

During the year 2020, the Group has reclassified other receivables which related to advance payment to AFPT amounting Baht 149 million including allowance for expected credit loss to other current assets and made additional allowance for expected credit loss of other current assets amounting to Baht 221 million. The expense has been recognised as ‘service and administrative expenses’ in consolidated statement of comprehensive income.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other payables				
Subsidiaries	-	-	1,627	401
Other related parties	1,350,561	646,136	857,648	646,136
Total	<u>1,350,561</u>	<u>646,136</u>	<u>859,275</u>	<u>646,537</u>
Other current liabilities				
Subsidiaries	-	-	123	289
Key management personnel	-	84	-	-
Other related parties	11,805	6,310	-	-
Total	<u>11,805</u>	<u>6,394</u>	<u>123</u>	<u>289</u>
Convertible debenture - before transaction cost				
Other related parties	5,412,911	5,433,801	5,412,911	5,433,801

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	6,504	2,946	244	265
Cash at banks – current accounts	322,277	631,195	34,562	113,979
Cash at banks – saving accounts	1,183,997	336,340	1,138,471	251,736
Cash at banks – fixed deposit accounts	56,648	2,121,034	-	-
Cash and cash equivalents	<u>1,569,426</u>	<u>3,091,515</u>	<u>1,173,277</u>	<u>365,980</u>

7 Hire purchase receivables

7.1 As at 31 December 2020 and 2019, the balances of hire purchase receivables are as follows:

	Current portion hire purchase receivables		Non-current portion hire purchase receivables		Total	
	2020	2019	2020	2019	2020	2019
<i>(in thousand Baht)</i>						
Consolidated financial statements						
Normal receivables						
Hire purchase receivables	3,018,119	3,889,734	1,933,142	2,762,698	4,951,261	6,652,432
Accrued hire purchase income	122,808	154,433	-	-	122,808	154,433
Less: Unearned hire purchase income, net	(839,465)	(1,150,574)	(359,650)	(542,102)	(1,199,115)	(1,692,676)
Total normal receivables	2,301,462	2,893,593	1,573,492	2,220,596	3,874,954	5,114,189
Terminated agreements receivables						
Hire purchase receivables	428,506	561,916	-	-	428,506	561,916
Accrued hire purchase income	53,633	36,054	-	-	53,633	36,054
Less: Unearned hire purchase income, net	(126,033)	(177,634)	-	-	(126,033)	(177,634)
Total terminated agreements receivables	356,106	420,336	-	-	356,106	420,336
Total receivables	2,657,568	3,313,929	1,573,492	2,220,596	4,231,060	5,534,525
Less: Allowance for expected credit loss / allowance for doubtful accounts	(355,356)	(371,379)	(94,349)	(58,461)	(449,705)	(429,840)
Hire purchase receivables, net	2,302,212	2,942,550	1,479,143	2,162,135	3,781,355	5,104,685
Separate financial statements						
	Current portion hire purchase receivables		Non-current portion hire purchase receivables		Total	
	2020	2019	2020	2019	2020	2019
<i>(in thousand Baht)</i>						
Normal receivables						
Hire purchase receivables	2,022,084	2,666,874	1,399,787	1,974,139	3,421,871	4,641,013
Accrued hire purchase income	82,723	110,215	-	-	82,723	110,215
Less: Unearned hire purchase income, net	(619,155)	(864,486)	(263,381)	(390,965)	(882,536)	(1,255,451)
Total normal receivables	1,485,652	1,912,603	1,136,406	1,583,174	2,622,058	3,495,777
Terminated agreements receivables						
Hire purchase receivables	411,786	527,873	-	-	411,786	527,873
Accrued hire purchase income	52,256	33,213	-	-	52,256	33,213
Less: Unearned hire purchase income, net	(121,129)	(166,298)	-	-	(121,129)	(166,298)
Total terminated agreements receivables	342,913	394,788	-	-	342,913	394,788
Total receivables	1,828,565	2,307,391	1,136,406	1,583,174	2,964,971	3,890,565
Less: Allowance for expected credit loss / allowance for doubtful accounts	(290,431)	(328,294)	(70,459)	(38,774)	(360,890)	(367,068)
Hire purchase receivables, net	1,538,134	1,979,097	1,065,947	1,544,400	2,604,081	3,523,497

- 7.2 As at 31 December 2020, the balances of hire purchase receivables (net of unearned hire purchase income) and allowance for expected credit loss classified by status, are summarise below:

Consolidated financial statements			
Status	Hire purchase receivables	Allowance for expected credit loss 31 December 2020 (in thousand Baht)	Hire purchase receivables - net
Stage 1	3,336,147	147,885	3,188,262
Stage 2	366,767	46,060	320,707
Stage 3	528,146	255,760	272,386
Total	4,231,060	449,705	3,781,355

Separate financial statements			
Status	Hire purchase receivables	Allowance for expected credit loss 31 December 2020 (in thousand Baht)	Hire purchase receivables - net
Stage 1	2,235,198	102,741	2,132,457
Stage 2	291,440	40,697	250,743
Stage 3	438,333	217,452	220,881
Total	2,964,971	360,890	2,604,081

As at 31 December 2019, the balances of hire purchase receivables (net of unearned hire purchase income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below:

Consolidated financial statements			
	Hire purchase receivables	Allowance for doubtful accounts 31 December 2019 (in thousand Baht)	Hire purchase receivables - net
Aging			
Within due	4,417,742	35,413	4,382,329
Overdue:			
1 month	410,002	33,361	376,641
2 - 3 months	296,966	81,017	215,949
4 - 6 months	158,963	80,069	78,894
7 - 9 months	105,917	76,226	29,691
10 - 12 months	104,529	84,805	19,724
Over 12 months	40,406	38,949	1,457
Total	5,534,525	429,840	5,104,685

Separate financial statements			
	Hire purchase receivables	Allowance for doubtful accounts 31 December 2019 (in thousand Baht)	Hire purchase receivables - net
Aging			
Within due	3,059,061	29,751	3,029,310
Overdue:			
1 month	289,525	28,308	261,217
2 - 3 months	225,398	66,187	159,211
4 - 6 months	112,175	65,938	46,237
7 - 9 months	81,940	64,405	17,535
10 - 12 months	84,123	74,583	9,540
Over 12 months	38,343	37,896	447
Total	3,890,565	367,068	3,523,497

- 7.3 As at 31 December 2020 and 31 December 2019, the future minimum lease payments receivable under hire purchase agreements together with the present value of the net minimum lease payments receivable are as follows:

Consolidated financial statements		
	Minimum payments receivable	Present value of Minimum payments receivable
	31 December 2020 (in thousand Baht)	
Portion due within one year	3,623,006	2,657,568
Portion due over one year but within two years	1,510,004	1,205,947
Portion due over two years but within three years	399,890	347,578
Portion due over three years but within four years	21,800	18,780
Portion due over four years but within five years	380	202
Portion due over five years	1,068	985
	<u>5,556,208</u>	<u>4,231,060</u>
Less: unearned interest income	(1,325,148)	
Present value of minimum lease payments	<u>4,231,060</u>	

Separate financial statements		
	Minimum payments receivable	Present value of Minimum payments receivable
	31 December 2020 (in thousand Baht)	
Portion due within one year	2,568,849	1,828,565
Portion due over one year but within two years	1,057,250	839,192
Portion due over two years but within three years	322,847	280,108
Portion due over three years but within four years	19,690	17,106
	<u>3,968,636</u>	<u>2,964,971</u>
Less: unearned interest income	(1,003,665)	
Present value of minimum lease payments	<u>2,964,971</u>	

Consolidated financial statements		
	Minimum payments receivable	Present value of Minimum payments receivable
	31 December 2019 (in thousand Baht)	
Portion due within one year	4,642,137	3,313,929
Portion due after one year but within five years	2,762,698	2,220,596
	<u>7,404,835</u>	<u>5,534,525</u>
Less: unearned interest income	(1,870,310)	
Present value of minimum lease payments	<u>5,534,525</u>	

Separate financial statements

	Minimum payments receivable	Present value of Minimum payments receivable
	31 December 2019 (in thousand Baht)	
Portion due within one year	3,338,175	2,307,391
Portion due after one year but within five years	1,974,139	1,583,174
	<u>5,312,314</u>	<u>3,890,565</u>
Less: unearned interest income	(1,421,749)	
Present value of minimum lease payments	<u>3,890,565</u>	

- 7.4 Hire purchase agreements of the Group has terms of 8 months to 5 years and require settlement in equal installments.

As at 31 December 2020 and 2019, the Company has no agreement to transfer the rights of claim under hire purchase agreements (net of unearned hire purchase interest income) as the business security for short term credit facility, debentures and letter of guarantee facility granted by commercial banks.

- 7.5 In light of the ongoing COVID-19 crisis and the pandemic consequences, the management has started a relief program for the customers, which include granting a three-month grace period to the applicants in Thailand and a two-month grace period or splitting of an installment in to two for up to 3 installments, in Cambodia. As of 31 December 2020, hire purchase contracts for the Group and the company number of 9,946 contracts, comprising of Baht 361.9 million and 8,097 contracts, comprising of Baht 284.5 million in portfolio, have applied for the program. For the year ended 31 December 2020, the Group and the Company have recorded modification losses of Baht 28.1 million and Baht 23.6 million, respectively, in the profit or loss as disclosed in Note 16.

8 Loan receivables

8.1 As at 31 December 2020 and 2019, the balances of loan receivables are as follows:

	Consolidated financial statements					
	Current portion loan receivables		Non-current portion loan receivables		Total	
	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>					
Normal receivables						
Loan receivables	229,883	287,702	79,760	77,930	309,643	365,632
Interest receivables	6,369	8,391	-	-	6,369	8,391
Less: Unearned interest income, net	(43,275)	(54,535)	(10,134)	(11,200)	(53,409)	(65,735)
Total normal receivables	192,977	241,558	69,626	66,730	262,603	308,288
Terminated agreements receivables						
Loan receivables	21,797	18,301	-	-	21,797	18,301
Interest receivables	1,447	1,770	-	-	1,447	1,770
Less: Unearned interest income, net	(4,347)	(4,475)	-	-	(4,347)	(4,475)
Total terminated agreements receivables	18,897	15,596	-	-	18,897	15,596
Total receivables	211,874	257,154	69,626	66,730	281,500	323,884
Less: Allowance for expected credit loss / allowance for doubtful accounts	(14,471)	(24,400)	(2,644)	(2,530)	(17,115)	(26,930)
Loan receivables, net	197,403	232,754	66,982	64,200	264,385	296,954

8.2 As at 31 December 2020, the balances of loan receivables (net of unearned interest income) and allowance for expected credit loss classified by status, are summarised below:

Status	Consolidated financial statements		
	Loans receivables	Allowance for expected credit loss	Loans receivables - net
		31 December 2020	
	<i>(in thousand Baht)</i>		
Stage 1	219,556	7,568	211,988
Stage 2	44,167	2,156	42,011
Stage 3	17,777	7,391	10,386
Total	281,500	17,115	264,385

As at 31 December 2019, the balances of loan receivables (net of unearned interest income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below:

Consolidated financial statements			
	Loan receivables	Allowance for doubtful accounts 31 December 2019 (in thousand Baht)	Loan receivables, net
Aging			
Within due	239,738	2,348	237,390
Overdue:			
1 month	40,066	4,002	36,064
2 - 3 months	27,019	8,095	18,924
4 - 6 months	7,387	4,403	2,984
7 - 9 months	3,985	3,016	969
10 - 12 months	4,579	3,956	623
Over 12 months	1,110	1,110	-
Total	323,884	26,930	296,954

- 8.3 As at 31 December 2020 and 2019, the future minimum loan payment receivables under loan agreements together with the present value of the net minimum loan payments receivables are as follows:

Consolidated financial statements				
	2020		2019	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
		(in thousand Baht)		
Portion due within one year	259,496	211,874	316,164	257,154
Portion due after one year but within five years	79,760	69,626	77,930	66,730
	339,256	281,500	394,094	323,884
Less: unearned interest income	(57,756)		(70,210)	
Present value of minimum lease payments	281,500		323,884	

- 8.4 The subsidiaries' loan agreements have terms of 1 - 5 years and require settlement in fixed equal installments.
- 8.5 In light of the ongoing COVID-19 crisis and the pandemic consequences, the management has started a relief program for the customers, which include granting a three-month grace period to the applicants. As of 31 December 2020, loan contracts for the Group number of 927, comprising of Baht 22.4 million in portfolio, has applied for the program. For the year ended 31 December 2020, the Group has recorded modification loss of Baht 1.2 million in the profit or loss as disclosed in Note 16.

9 Microfinance receivables

9.1 As at 31 December 2020 and 2019, the balances of microfinance receivables are as follows:

	Consolidated financial statements					
	Current portion microfinance receivables		Non-current portion microfinance receivables		Total	
	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>					
Normal receivables						
Microfinance receivables	645,879	722,314	20,111	23,530	665,990	745,844
Accrued microfinance receivables	2,411	3,349	-	-	2,411	3,349
Less: Unearned interest income, net	(58,613)	(86,560)	(2,611)	(1,602)	(61,224)	(88,162)
Total normal receivable	589,677	639,103	17,500	21,928	607,177	661,031
Less: Allowance for expected credit loss / allowance for doubtful accounts	(226,598)	(12,270)	(990)	(221)	(227,588)	(12,491)
Microfinance receivables, net	363,079	626,833	16,510	21,707	379,589	648,540

9.2 As at 31 December 2020, the balances of microfinance receivables (net of unearned interest income) and allowance for expected credit loss classified by status, are summarised below:

Status	Consolidated financial statements		
	Microfinance receivables	Allowance for expected credit loss 31 December 2020 <i>(in thousand Baht)</i>	Microfinance Receivables - net
Stage 1	449,165	157,283	291,882
Stage 2	82,314	35,640	46,674
Stage 3	75,698	34,665	41,033
Total	607,177	227,588	379,589

As at 31 December 2019, the balances of microfinance receivables (net of unearned interest income) and allowance for doubtful accounts aged on the basis of due date, are summarised below:

Aging	Consolidated financial statements		
	Microfinance receivables	Allowance for doubtful accounts 31 December 2019 <i>(in thousand Baht)</i>	Microfinance Receivables, net
Within due	636,676	5,389	631,287
Overdue:			
1 month	2,760	166	2,594
2 - 3 months	4,711	1,077	3,634
4 - 6 months	13,235	3,031	10,204
7 - 9 months	1,748	1,227	521
10 - 12 months	1,020	820	200
Over 12 months	881	781	100
Total	661,031	12,491	648,540

- 9.3 As at 31 December 2020 and 2019, the future minimum loan payment receivables under microfinance loan agreements together with the present value of the net minimum loan payments receivable are as follows:

	Consolidated financial statements			
	2020		2019	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
		(in thousand Baht)		
Portion due within one year	648,290	589,677	725,663	639,103
Portion due after one year but within five years	20,111	17,500	23,530	21,928
	668,401	607,177	749,193	661,031
Less: unearned interest income	(61,224)		(88,162)	
Present value of minimum lease payments	607,177		661,031	

- 9.4 The subsidiaries' microfinance loan agreements have terms of 1 to 5 years and require settlement in fixed equal instalments

10 Corporate loans and interest receivables

- 10.1 The Company provided loans to its subsidiary in Singapore, which in turn loaned to borrowers in Cyprus and Singapore. The composition of these receivables as at 31 December 2020 and 2019 are as follows:

Location of borrowers	Interest rate (% per annum)	Consolidated financial statements			
		2020		2019	
		(in thousand)		(in thousand)	
		USD	THB	USD	THB
Cyprus	14.5 - 17.0	9,243	277,626	9,243	278,706
Singapore	14.5 - 25.0	36,106	1,084,516	36,106	1,088,736
Others	5.0	1,313	39,432	1,313	39,586
Total loans		46,662	1,401,574	46,662	1,407,028
Interest receivables			45,393		43,585
Total corporate loans and interest receivables			1,446,967		1,450,613
Less: Allowance for loan and interest receivables			(1,446,967)		(1,409,558)
Less: Current portion			-		(41,055)
Long-term portion of corporate loans and interest receivables			-		-

In April 2018, the Management of the Company's subsidiary gave notices of repayment to all the Singapore and Cyprus borrowers for the remainder of the outstanding loan amounts and interest due to 31 May 2018. Up to 31 December 2020, neither repayment of principal or interest has been received on these loans.

As a consequence of the default of the loan and other factors hampering collection, as at 31 December 2020 and 2019 the management believes that full provision against loans to Cyprus and Singapore group is appropriate in accordance with the Group accounting policy.

On 19 October 2017, the Company received a request from the SEC to revise/correct its financial statements, Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) in response to the criminal complaint filed by the Securities and Exchange Commission (“SEC”) to the Department of Special Investigation (“DSI”) on 16 October 2017 against a former executive director in relation to allegations of fraud, misappropriation of the Company’s assets and falsifying accounting records by executing concealed transactions through several associated companies abroad to exaggerate the Group’s operating results. As a result, the Company established a full provision against these and other loans and interest receivable and will record any future recoveries in the period in which they are received. The management understands that the DSI investigation against the former executive director is still ongoing but is not aware of any further consequences to the Company which may arise.

- 10.2 As at 31 December 2020 and 2019, both the disputed corporate loans and other corporate loans receivable balances in Singapore, Cyprus and others are presented as follows:

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Reflected in the statements of financial position as follows:		
Disputed corporate loans	542,958	545,071
Less: Allowance for expected credit loss / allowance on disputed corporate loans and interest receivables	(542,958)	(545,071)
Less: Current portion of disputed corporate loans	-	-
Long-term portion of disputed corporate loans	-	-
Corporate loans and interest receivables	904,009	905,542
Less: Allowance for expected credit loss / allowance on disputed corporate loans and interest receivables	(904,009)	(864,487)
Less: Current portion of corporate loans and interest receivables	-	(41,055)
Long-term portion of corporate loans and interest receivables	-	-

- 10.3 As at 31 December 2020, both the disputed corporate loans and other corporate loans receivable balances aged on the basis of due dates, are summarised below.

	Consolidated financial statements		
	Corporate loans and interest receivables	Allowance for expected credit loss 31 December 2020	Corporate loans and interest receivables, net
	<i>(in thousand Baht)</i>		
Status			
Stage 1	-	-	-
Stage 2	-	-	-
Stage 3	1,446,967	1,446,967	-
Total	1,446,967	1,446,967	-

As at 31 December 2019, both the disputed corporate loans and other corporate loans receivable balances aged on the basis of due dates, are summarised below.

	Consolidated financial statements		
	Corporate loans and interest receivables	Allowance for doubtful accounts 31 December 2019 (in thousand Baht)	Corporate loans and interest receivables, net
Aging			
Within due	-	-	-
Overdue:			
1 - 6 months	-	-	-
7 - 12 months	41,055	-	41,055
Over 12 months	1,409,558	1,409,558	-
Total	1,450,613	1,409,558	41,055

Both the disputed corporate loans and other corporate loans receivable balances of subsidiary company were subject to pledging of securities of properties in Japan, Cyprus and Brazil, Cypriot government bonds and stocks of other overseas companies.

11 Assets foreclosed

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Reposessed assets	59,539	80,192	18,553	29,799
Less: Allowance for diminution on value of assets foreclosed	(19,127)	(20,637)	(8,199)	(13,598)
Assets foreclosed, net	40,412	59,555	10,354	16,201

12 Investment in associate

Consolidated financial statements														
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Allowance for investment loss in associate		At equity - net	
			2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
			2020		2020		2020		2020		2020		2020	
			2019		2019		2019		2019		2019		2019	
			(%)		(in thousand Baht)		(in thousand Baht)		(in thousand Baht)		(in thousand Baht)		(in thousand Baht)	
Associate														
Commercial Credit and Finance PLC	Microfinance, loans and hire purchase	Sri Lanka	29.99	29.99	318,074 Thousand LKR	318,074 Thousand LKR	2,492,602	2,492,602	2,279,884	2,348,844	(582,085)	(582,085)	1,697,799	1,766,759

There was no dividend income for year ended 31 December 2020 (*For year ended 31 December 2019: Baht 16.04 million*).

Summarised financial information

The following table summarises the financial information of the associate as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in these companies.

	Commercial Credit and Finance PLC	
	2020	2019
	<i>(in million Baht)</i>	
Revenue	1,428	1,872
Profit from continuing operations	(14)	212
Other comprehensive income	(3)	3
Total comprehensive income (100%)	(17)	215
Total comprehensive income of the Group's interest	(5)	64
Elimination of unrealised profit on downstream sales	-	-
Group's share of total comprehensive income	(5)	64
Total assets	13,639	15,335
Total liabilities	(11,411)	(12,878)
Net assets (100%)	2,228	2,457
Group's share of net assets	668	737
Elimination	(55)	(55)
Intangibles recognised	523	523
Goodwill	1,322	1,322
Acquisition - related costs	30	30
Translation adjustment	(208)	(208)
Allowance for investment loss	(582)	(582)
Carrying amount of interest in associate	1,698	1,767

13 Investment in subsidiaries

Name of subsidiaries	Separate financial statements										Dividend income for the year ended 31 December		
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net				
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019			
	(%)						(in thousand Baht)				2020	2019	
Direct subsidiaries													
Thanaban Company Limited	100.00	100.00	565,000 Thousand Baht	565,000 Thousand Baht	629,696	629,696	-	-	629,696	629,696	-	-	
Group Lease Holdings Pte. Ltd. (“GLH”)	100.00	100.00	214,448 Thousand SGD	214,448 Thousand SGD	5,387,211	5,387,211	(5,387,211)	(2,426,818)	-	2,960,393	-	-	
GL Leasing (Lao) Company Limited	0.12	0.12	41,840,720 Thousand LAK	41,840,720 Thousand LAK	213	213	-	-	213	213	-	-	
Total					6,017,120	6,017,120	(5,387,211)	(2,426,818)	629,909	3,590,302	-	-	

During the year 2020, the Group has recognised additional allowance for impairment for investment in GLH amounting to Baht 2,960 million.

Investment in subsidiaries which are held by the Company's subsidiaries are as follows:

Name of subsidiaries	Ownership interest		Paid-up capital		Cost		Dividend income for the year ended 31 December	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)							
<i>Held by Group Lease Holdings Pte. Ltd.</i>								
GL Finance Plc. (“GLF”)	100.00	100.00	10,300 Thousand USD	10,300 Thousand USD	359,470	359,470	-	-
GL Leasing (Lao) Company Limited	99.88	99.88	41,840,720 Thousand LAK	41,840,720 Thousand LAK	176,195	176,195	-	-
PT Group Lease Finance Indonesia ⁽¹⁾	65.00	65.00	100,000,000 Thousand IDR	100,000,000 Thousand IDR	172,133	172,133	-	-
BG Microfinance Myanmar Co., Ltd.	100.00	100.00	18,849,080 Thousand MMK	18,849,080 Thousand MMK	717,922	717,922	-	-
GL-AMMK Co., Ltd.	57.00	57.00	4,080,000 Thousand MMK	4,080,000 Thousand MMK	59,350	59,350	-	9,816
<i>Held by Thanaban Company Limited</i>								
Comfort Services Development Company Limited	100.00	100.00	4,000 Thousand Baht	4,000 Thousand Baht	4,000	4,000	-	-
Total					1,489,070	1,489,070	-	9,816

⁽¹⁾ As disclosed in note 34, on 21 July 2022, a panel of judges of the Central Jakarta Commercial Court declared that PT Group Lease Finance Indonesia is bankrupt.

14 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2020		
	PT. Group Lease Finance Indonesia	GL-AMMK Co., Ltd.	Total
	<i>(in thousand Baht)</i>		
Non-controlling interest percentage	20%	43%	
Current assets	146,406	172,171	
Non-current assets	50,275	3,159	
Current liabilities	74,406	25,447	
Net assets	271,087	200,777	
Carrying amount of non-controlling interest	64,193	64,455	
Other individually immaterial subsidiaries			-
Intra-group eliminations			-
Total			128,648
Revenue	36,908	80,537	
Profit (loss)	(30,980)	7,815	
Total comprehensive income	(30,980)	7,815	
Profit (loss) allocated to non-controlling interest	(5,376)	3,355	
Other individually immaterial subsidiaries			-
Intra-group eliminations			-
Total			(2,021)
Cash flows from (used in) operating activities	22,433	(14,554)	
Cash flows used in investing activities	(130)	(1,454)	
Net increase (decrease) in cash and cash equivalents	22,303	(16,008)	

	31 December 2019		
	PT. Group Lease Finance Indonesia	GL-AMMK Co., Ltd.	Total
	<i>(in thousand Baht)</i>		
Non-controlling interest percentage	20%	43%	
Current assets	200,062	133,289	
Non-current assets	35,022	3,550	
Current liabilities	(79,194)	(9,722)	
Net assets	155,890	127,117	
Carrying amount of non-controlling interest	70,926	54,671	
Other individually immaterial subsidiaries			-
Intra-group eliminations			-
Total			125,597
Revenue	61,259	95,552	
Profit (loss)	(17,374)	34,297	
Total comprehensive income	(17,374)	34,297	
Profit (loss) allocated to non-controlling interest	(3,475)	14,748	
Other individually immaterial subsidiaries			-
Intra-group eliminations			-
Total			11,273
Cash flows used in operating activities	(13,826)	(35,254)	
Cash flows used in investing activities	(241)	(1,447)	
Cash flows used in financing activities			
(Dividends to non-controlling interest: Baht 8.2 million)	-	(19,123)	
Net decrease in cash and cash equivalents	(14,067)	(55,824)	

15 Other long-term investments

	Consolidated financial statements 31 December 2020 (in thousand Baht)
<i>Debt instruments measured at amortised cost</i>	
Convertible loan	192,718
Less: Allowance for impairment	(192,718)
Net	-
<i>Equity instruments designated at fair value through other comprehensive income</i>	
Bagan Innovation Technology (Singapore) Pte. Ltd.	-
PT Bank JTrust Indonesia Tbk.	255,614
Net	255,614
Total other long-term investments	255,614
	Consolidated financial statements 31 December 2019 (in thousand Baht)
<i>Investments in held-to-maturity debt securities</i>	
Convertible loan	192,718
Less: Allowance for impairment	-
Net	192,718
<i>Investments in other companies</i>	
Bagan Innovation Technology (Singapore) Pte. Ltd.	63,776
PT Bank JTrust Indonesia Tbk.	414,502
Less: Allowance for investment loss - PT Bank JTrust Indonesia Tbk.	(135,487)
Net	342,791
Total other long-term investments	535,509

Investment in PT Bank JTrust Indonesia Tbk.

The major shareholder in PT Bank JTrust Indonesia Tbk. (holding approximately 97% of the shares) is under the same group as the plaintiff in various legal cases against the Company as described in Note 34.

Movement of equity instruments designated at fair value through other comprehensive income during the year are as follows:

	Consolidated financial statements 2020 (in thousand Baht)
<i>Statement of comprehensive income</i>	
As at 1 January 2020	342,791
Change in fair value	(87,177)
As at 31 December 2020	255,614

16 Allowance for expected credit loss

The movements in the allowance for expected credit loss during the period were as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
At 1 January 2020 - restated <i>(see Note 3)</i>	1,979,715	453,171
Net remeasurement of loss allowance	(9,644)	(18,248)
Financial assets repaid and derecognition	(389,780)	(385,538)
New financial assets acquired	446,135	281,954
Modification losses <i>(see Note 7 and 8)</i>	29,336	23,594
The effect of changes in foreign exchange rate	(8,375)	-
At 31 December 2020	2,047,387	354,933

17 Property, plant and equipment

	Consolidated financial statements							Total
	Land	Buildings	Building improvement and lease area	Furniture and office equipment (in thousand Baht)	Computer and equipment	Motor vehicles	Work in process	
Cost								
At 1 January 2019	35,983	45,553	39,649	54,263	117,440	55,249	300	348,437
Additions	-	-	705	780	3,793	1,883	-	7,161
Disposals/Write-off	-	-	(26)	(3,570)	(3,029)	(336)	-	(6,961)
Effect of movement in exchange rate	-	-	(1,535)	(707)	(4,938)	(1,583)	-	(8,763)
At 31 December 2019 and 1 January 2020	35,983	45,553	38,793	50,766	113,266	55,213	300	339,874
Additions	189	58,369	321	5,453	1,264	5,421	-	71,017
Disposals/Write-off	(54)	(6,897)	-	(2,432)	(3,352)	(3,716)	-	(16,451)
Effect of movement in exchange rate	-	(96)	(55)	74	(128)	1,416	-	1,211
At 31 December 2020	36,118	96,929	39,059	53,861	111,050	58,334	300	395,651
Accumulated depreciation								
At 1 January 2019	-	41,541	22,043	40,996	88,799	36,178	-	229,557
Depreciation for the year	-	354	4,342	6,254	14,813	6,336	-	32,099
Depreciation on disposals/Write-off	-	-	(17)	(3,234)	(3,005)	(312)	-	(6,568)
Effect of movement in exchange rate	-	-	(850)	(533)	(4,195)	(980)	-	(6,558)
At 31 December 2019 and 1 January 2020	-	41,895	25,518	43,483	96,412	41,222	-	248,530
Depreciation for the year	133	28,951	4,188	5,054	10,434	5,664	-	54,424
Depreciation on disposals/Write-off	(54)	(6,897)	-	(2,150)	(5,402)	(2,976)	-	(17,479)
Effect of movement in exchange rate	-	(356)	(140)	(162)	116	709	-	167
At 31 December 2020	79	63,593	29,566	46,225	101,560	44,619	-	285,642

Consolidated financial statements

	Land	Buildings	Building improvement and lease area	Furniture and office equipment (in thousand Baht)	Computer and equipment	Motor vehicles	Work in process	Total
Net book value								
31 December 2019								
Owned assets	35,983	3,658	13,275	7,283	16,854	13,991	300	91,344
Right-of-use assets	-	-	-	-	-	-	-	-
	35,983	3,658	13,275	7,283	16,854	13,991	300	91,344
31 December 2020								
Owned assets	35,983	3,304	9,493	4,492	9,490	12,048	300	75,110
Right-of-use assets	56	30,032	-	3,144	-	1,667	-	34,899
	36,039	33,336	9,493	7,636	9,490	13,715	300	110,009

Separate financial statements

	Land	Buildings	Building improvement and lease area	Furniture and office equipment (in thousand Baht)	Computer and equipment	Motor vehicles	Work in process	Total
Cost								
1 January 2019	35,983	45,553	17,804	26,650	52,416	25,602	300	204,308
Additions	-	-	695	177	255	-	-	1,127
Disposals/Write-off	-	-	-	(918)	(2,856)	-	-	(3,774)
At 31 December 2019 and 1 January 2020	35,983	45,553	18,499	25,909	49,815	25,602	300	201,661
Additions	189	6,062	298	4,315	130	1,114	-	12,108
Disposals/Write-off	(54)	(2,155)	-	(799)	(121)	(854)	-	(3,983)
At 31 December 2020	36,118	49,460	18,797	29,425	49,824	25,862	300	209,786

	Separate financial statements							
	Land	Buildings	Building improvement and lease area	Furniture and office equipment (in thousand Baht)	Computer and equipment	Motor vehicles	Work in process	Total
<i>Accumulated depreciation</i>								
1 January 2019	-	41,541	11,099	22,135	46,182	22,502	-	143,459
Depreciation for the year	-	354	1,454	1,749	4,100	1,694	-	9,351
Depreciation on disposals/write-off	-	-	-	(915)	(2,856)	-	-	(3,771)
At 31 December 2019 and 1 January 2020	-	41,895	12,553	22,969	47,426	24,196	-	149,039
Depreciation for the year	133	5,586	1,335	2,453	1,659	1,065	-	12,231
Depreciation on disposals/write-off	(54)	(2,155)	-	(799)	(96)	(854)	-	(3,958)
At 31 December 2020	79	45,326	13,888	24,623	48,989	24,407	-	157,312
<i>Net book value</i>								
At 31 December 2019								
Owned assets	35,983	3,658	5,946	2,940	2,389	1,406	300	52,622
Right-of-use assets	-	-	-	-	-	-	-	-
	35,983	3,658	5,946	2,940	2,389	1,406	300	52,622
At 31 December 2020								
Owned assets	35,983	3,304	4,909	1,695	835	496	300	47,522
Right-of-use assets	56	830	-	3,107	-	959	-	4,952
	36,039	4,134	4,909	4,802	835	1,455	300	52,474

As at 31 December 2020 and 2019, certain equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 191.26 million and Baht 158.66 million, respectively (the Company only: Baht 134.68 million and Baht 106.16 million, respectively).

18 Intangible assets

	Consolidated financial statements				Total
	Exclusive right agreement	Computer software	Leasehold (in thousand Baht)	Software under development	
Cost					
At 1 January 2019	19,820	133,448	60	3,377	156,705
Acquisitions during the year	-	177	-	8,797	8,974
Transfer in (out)	-	12,160	-	(12,160)	-
Effect of movement in exchange rate	(1,402)	(3,116)	-	(14)	(4,532)
At 31 December 2019 and 1 January 2020	18,418	142,669	60	-	161,147
Acquisitions during the year	-	379	-	-	379
Write-off	-	(839)	(40)	-	(879)
Effect of movement in exchange rate	(71)	1,341	-	-	1,270
At 31 December 2020	18,347	143,550	20	-	161,917

	Consolidated financial statements				
	Exclusive right agreement	Computer software	Leasehold (in thousand Baht)	Software under development	Total
<i>Amortisation</i>					
At 1 January 2019	18,719	21,133	43	-	39,895
Amortisation for the year	1,075	18,232	11	-	19,318
Effect of movement in exchange rate	(1,376)	(681)	-	-	(2,057)
At 31 December 2019 and 1 January 2020	18,418	38,684	54	-	57,156
Amortisation for the year	-	18,630	-	-	18,630
Amortisation on write-off	-	(238)	(34)	-	(272)
Effect of movement in exchange rate	(71)	345	-	-	274
At 31 December 2020	18,347	57,421	20	-	75,788
<i>Net book value</i>					
At 31 December 2019	-	103,985	6	-	103,991
At 31 December 2020	-	86,129	-	-	86,129

	Separate financial statements		
	Computer software	Software under development (in thousand Baht)	Total
Cost			
At 1 January 2019	88,973	2,772	91,745
Acquisitions during the year	177	623	800
Transferred in (out)	3,395	(3,395)	-
At 31 December 2019 and 1 January 2020	92,545	-	92,545
Acquisitions during the year	26,251	-	26,251
Transferred in (out)	-	-	-
At 31 December 2020	118,796	-	118,796
Amortisation			
At 1 January 2019	12,714	-	12,714
Amortisation for the year	11,966	-	11,966
At 31 December 2019 and 1 January 2020	24,680	-	24,680
Amortisation for the year	13,257	-	13,257
At 31 December 2020	37,937	-	37,937
Net book value			
At 31 December 2019	67,865	-	67,865
At 31 December 2020	80,859	-	80,859

19 Goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows.

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Hire purchase services Thanaban Co., Ltd.	71,872	71,872
Hire purchase services GL Finance Plc.	42,154	42,318
Microfinance services BG Microfinance Myanmar Co., Ltd.	202,935	203,678
Total	316,961	317,868

20 Deposit from customers

The Microfinance Supervisory Committee of the Government of the Republic of the Union of Myanmar issued notification No. 4/2016 on 29 August 2016 detailing new regulations with respect to deposit taking from microfinance customers. This notification applies to BGMM as a deposit taking microfinance institution.

As a result of the notification, all microfinance retail customers are required to contribute a compulsory savings amount when paying for their installments. The total compulsory amount of each customer may not exceed 5% of the loan size. In addition, customers can contribute voluntary savings. In accordance with the notification, the Microfinance Supervisory Committee of the Republic of the Union of Myanmar has set required rates of interest payment to retail customers for BGMM at 15% per annum for compulsory savings and 10% per annum for voluntary savings.

As at 31 December 2020 total deposits, including accrued interest, recorded in BGMM's statement of financial position amounted to MMK 3,021 million (equivalent to approximately Baht 68.3 million) (2019: MMK 2,826 million (equivalent to approximately Baht 57.4 million)), and these had remaining terms ranging from 6 months to 1 year.

21 Short-term loans and interest payable

	<i>Note</i>	Consolidated financial statements	Separate financial statements
		<i>(in thousand Baht)</i>	
Balance at 1 January 2020		18,216	-
Addition		145,154	-
Repayment		(661,797)	(660,290)
<i>Non-cash items</i>			
Addition		14,911	13,528
Reclassified from convertible debentures	23	670,549	670,549
The effect of changes in foreign exchange rates		(41,879)	(23,787)
Balance at 31 December 2020		145,154	-

As at 31 December 2020 and 2019, the Group's loans were unsecured.

22 Other payables

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Accrued interest expenses - related parties (Note 5 and 28)	883,939	645,675	857,187	645,675
Accrued interest expenses	151	7,539	-	7,539
Accrued commission expenses	9,071	16,947	2,960	5,694
Accrued bonus	21,987	37,249	16,270	30,644
Accrued expenses - related parties (Note 5 and 28)	475,556	461	2,088	862
Accrued expenses	130,096	126,987	24,579	20,230
Total	1,520,800	834,858	903,084	710,644

23 Convertible debentures

	Consolidated and separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
2 nd investment agreement - Convertible debentures 1/2016	3,906,346	3,921,510
3 rd investment agreement - Convertible debentures 1/2017	1,506,565	1,512,291
Convertible debentures 2/2017	-	604,916
Total	5,412,911	6,038,717
Less: Unamortised portion of deferred transaction costs	(762)	(2,228)
Convertible debentures, net	5,412,149	6,036,489
Less: Amount classified as equity	(45,339)	(59,458)
Amount classified as liability	5,366,810	5,977,031
Reflected in the statements of financial position as follows:		
Convertible debentures under court cases		
- Current	5,366,810	1,476,772
- Non-current	-	3,909,559
Convertible debentures - other		
- Current	-	590,700
	5,366,810	5,977,031

Convertible debentures as at 31 December 2020 and 2019 were as follow:

	1/2016 ⁽¹⁾	1/2017 ⁽²⁾	2/2017 ⁽³⁾
Type of debentures	Unsubordinated, unsecured convertible debenture without debenture holders' representative	Unsubordinated, unsecured convertible debenture without debenture holders' representative	Unsubordinated, unsecured convertible debenture without debenture holders' representative
Number of units	1,300 units	500 units	200 units
Face value/unit	USD 100,000	USD 100,000	USD 100,000
Issue date	1 August 2016	20 March 2017	30 March 2017
Maturity date	1 August 2021	20 March 2020	30 March 2020
Term	5 years	3 years	3 years
Interest rate	5% per annum	5% per annum	5% per annum
Interest payment term	Semi-annually	Semi-annually	Semi-annually
Interest payment schedule	1 August and 1 February	20 March and 20 September	30 March and 30 September
Redemption at maturity date	1. Redeem in full in cash 2. Convert into common stock	1. Redeem in full in cash 2. Convert into common stock	1. Redeem in full in cash 2. Convert into common stock
Conversion to common stock	1 convertible debenture per 88,550 shares	1 convertible debenture per 49,507 shares	1 convertible debenture per 49,507 shares
Conversion price	Baht 40 per share	Baht 70 per share	Baht 70 per share
Date of conversion	Last business day of each quarter	Last business day of each month	Last business day of each month

- (1) JTA filed a civil case for avoidance of the voidable act of the Investment Agreement against the Company and sought damages for the amount of the repayment of the 2nd Investment Agreement and interest. This civil case caused the underlying ground and liability for the Company's position for repayment to be undetermined. Currently, such litigation case is still pending on the court

In addition to the ongoing civil case, JTA has breached the representations, warranties and undertakings including the object and purpose of the 2nd Investment Agreement, which has caused severe damage to the Company.

The Company terminated the 2nd Investment Agreement on 23 July 2021 and subsequently filed another civil case to seek damages from JTA's breach. And accordingly, the Company has no contractual obligation to pay the interest and principal on the maturity date as specified under the 2nd Investment Agreement. The actual settlement amount will be determined by the court case 83/2561 as disclosed in note 34.

The Company will review the position again once the relevant court in both civil cases has rendered the final decision.

- (2) During the second quarter of 2021, the Company has fully paid this convertible debenture and related accrued interest to JTA.

- (3) During the first quarter of 2020, the Group and Creation Investments Sri Lanka LLC (the holder of convertible debenture 2/2017), agreed to reschedule the repayment of the principal and interest due and to change the maturity date of this convertible debenture from 30 March 2020 to the last business day of September 2020 with the interest rate of 7% per annum. As at 31 March 2020 the Group reclassified this convertible debenture to short-term loans and interest payable of Baht 670.5 million. During the second quarter of 2020, this short-term loans and interest payable has been fully paid.

24 Provisions for employee benefits

Defined benefit plan

The Group operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Present value of the defined benefit obligations

	Consolidated and Separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
At 1 January	21,213	18,394
Include in profit or loss:		
Current service cost	6,178	5,937
Past Service Cost - Plan Changes	-	1,803
Interest on obligation	587	488
	6,765	8,228
Other		
Benefit paid	(2,159)	(5,409)
At 31 December	25,819	21,213

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	Consolidated and Separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Administrative expenses	6,765	8,228

The Company expects to pay Baht 0.5 million of long-term employee benefits during the next year (2019: Baht 2.0 million).

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate.

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated and Separate financial statements 2020 and 2019 (% per annum)
Discount rate	2.8
Future salary growth	4.5
Employee turnover	8.0 – 18.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2020 and 2019, the weighted-average duration of the defined benefit obligation were 12 years.

Sensitivity analysis

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

	Consolidated and Separate financial statements			
	2020		2019	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
Discount rate (1% movement)	(2,262)	2,606	(1,828)	2,107
Future salary growth (1% movement)	3,203	(2,797)	2,369	(2,081)
Employee turnover (10% movement)	(2,264)	2,607	(1,832)	2,113

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

25 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

26 Segment information

The Group are organised into business units based on its products and services. During the current period, the Group have not changed the organisation of their reportable segments. The following tables present revenue information regarding the Group' operating segments.

Consolidated financial statements

	Hire Purchase and lending services		Financing to corporates and investment holding		Business management and consulting services		Microfinance services		Consumer finance services under joint financing arrangements		Item not allocated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>Year ended 31 December</i>														
							<i>(in thousand Baht)</i>							
External revenues	1,702,428	2,123,455	2,059	1,965	83,275	91,534	174,150	190,925	1,777	5,700	-	-	1,963,689	2,413,579
Inter-segment revenue	382,993	467,323	29,231	111,023	11,465	23,735	-	-	-	-	-	-	423,689	602,081
Other income	36,407	19,823	19,898	59,398	8,215	6,908	24,627	8,923	2,464	4,189	-	-	91,611	99,241
Total segment revenue	2,121,828	2,610,601	51,188	172,386	102,955	122,177	198,777	199,848	4,241	9,889	-	-	2,478,989	3,114,901
Adjustment and eliminations	(382,993)	(467,323)	(29,231)	(111,023)	(11,465)	(23,735)	-	-	-	-	-	-	(423,689)	(602,081)
Total segment revenue, net	1,738,835	2,143,278	21,957	61,363	91,490	98,442	198,777	199,848	4,241	9,889	-	-	2,055,300	2,512,820
Segment profit (loss)	149,399	494,224	(847,580)	(199,660)	16,517	47,464	(95,107)	124,900	(64,595)	(65,461)	(399,608)	(298,079)	(1,240,974)	103,388
Segment assets as at														
31 December	4,570,580	6,067,000	279,103	325,583	138,626	83,852	610,702	702,753	101,864	121,499	5,836,396	5,423,805	11,537,271	12,724,492
Segment liabilities as at														
31 December	6,603,864	6,911,777	595,680	80,711	27,066	9,953	103,230	72,082	39,577	43,127	-	-	7,369,417	7,117,650

Geographic information

Revenue from external customers is based on locations of the customers

<i>Year ended 31 December</i>	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Revenue from external customers and other income		
Thailand	1,353,556	1,655,574
Cambodia	319,130	387,242
Singapore	7,682	47,892
Laos	79,133	89,989
Indonesia	38,967	61,268
Myanmar	256,832	270,855
Total	<u>2,055,300</u>	<u>2,512,820</u>

27 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Salary and wages and other employee benefits	637,305	659,021	347,488	380,714
Service agreement expenses	1,993	2,253	1,139	1,225
Debt following expenses	23,980	24,623	19,773	20,513
Depreciation	54,425	32,099	12,231	9,351
Amortisation	18,630	19,318	13,257	11,966
Registration fee	5,665	8,037	647	1,248
Rental fee	12,166	44,386	1,184	3,203
Professional fee	149,436	232,177	107,775	180,908

28 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Interest expense:					
<i>Convertible debentures</i>					
Related parties	5	224,771	280,210	224,771	280,210
Others		13,528	31,135	13,528	31,135
<i>Debentures</i>					
Others		-	27,484	-	27,484
<i>Loans</i>					
Related parties	5	-	-	-	-
Others		7,883	7,404	243	-
Total interest expense		246,182	346,233	238,542	338,829
Amortisation of transaction costs capitalised		3,971	15,510	1,706	15,510
Net		250,153	361,743	240,248	354,339

29 Hedge accounting for net investment in foreign operations

The Company has adopted hedge accounting for its net investment in foreign operations. The Company hedges currency risk arising from the translation of the financial statements of an overseas subsidiary (i.e. foreign operation) using convertible debentures denominated in the same foreign currency. For this purpose, it applies net investment hedge accounting, in which only the spot rate element of the convertible debentures is designated as the hedging instrument. The effective portion is recognised in other comprehensive income and will not be reversed and recognised in the income statement until the Group disposes of the foreign operation.

As at 31 December 2020 the value of the convertible debentures designated as a hedging instrument of USD 180 million, translated using the spot rate, was approximately Baht 5,367 million, and a resulting unrealised gain of Baht 20.89 million (2019: unrealised gain of Baht 455.2 million) was recognised in other comprehensive income in the consolidated financial statements for the year ended 31 December 2020. In the current period there was no ineffective portion for hedges of the net investment in foreign operations.

30 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	188,184	132,446	17,751	78,592
Deferred tax expense				
Movements in temporary differences	(42,374)	(7,451)	20,849	(13,383)
Total income tax expense	145,810	124,995	38,600	65,209

<i>Reconciliation of effective tax rate</i>	Consolidated financial statements			
	2020		2019	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit (loss) before income tax expense		(1,016,893)		103,388
Income tax using the Thai corporation tax rate	20	(203,379)	20	20,678
Income tax reduction - current		(38)		(2,135)
Income tax reduction - deferred		(42,374)		(7,451)
Effect of different tax rates in foreign jurisdictions		(8,477)		(13,480)
Income not subject to tax		(1,003)		(1,170)
Expenses not deductible for tax purposes		165,618		12,701
Current year losses for which no deferred tax asset was recognised		-		70,480
Other		235,463		45,372
Total	(5.86)	145,810	120.90	124,995

<i>Reconciliation of effective tax rate</i>	Separate financial statements			
	2020		2019	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit (loss) before income tax expense		(2,765,233)		327,324
Income tax using the Thai corporation tax rate	20	(553,047)	20	65,465
Income tax reduction – current		(34)		(2,086)
Income tax reduction – deferred		20,850		(13,384)
Expenses not deductible for tax purposes		570,831		15,214
Total	(1.40)	38,600	19.92	65,209

Movements in deferred tax balances are as follows:

	Consolidated financial statements		
	At 1 January 2020 (restated)	(Charged) / Credited to Profit or loss (in thousand Baht)	At 31 December 2020
Deferred tax assets			
Allowance for expected credit loss	99,507	(7,458)	91,135
Allowance for diminution of value foreclosed assets	3,680	(358)	3,318
Reserve for employee benefits	4,243	921	5,164
Loss brought forward	18,805	7,031	24,982
Allowance for doubtful account - other receivables	45,695	(42,226)	3,281
Others	6,349	(2,160)	4,188
Total	178,279	(44,250)	132,068
Deferred tax liabilities			
Prepaid commission expenses	13,045	243	13,288
Accumulated depreciation and amortisation	344	(313)	7
Amortised transaction cost of convertible debentures - liability component	429	(289)	140
Amortised transaction cost of convertible debentures - equity component	17	(4)	13
Amortised transaction cost of debentures	-	-	-
Interest income receivable from NPLs	1,947	(1,944)	-
Revaluation of loan and interest receivables from subsidiary	8,530	(551)	7,979
Revaluation of convertible debentures	7,800	(765)	7,035
Unremitted foreign income	47,923	-	47,736
Total	80,035	(3,623)	76,198
Net	98,244	(40,627)	55,870

	Consolidated financial statements			
	At 1 January 2019	(Charged) / Credited to Profit or loss <i>(in thousand Baht)</i>	Exchange differences	At 31 December 2019
Deferred tax assets				
Allowance for doubtful accounts	83,596	4,375	(8)	87,963
Allowance for diminution of value foreclosed assets	2,376	1,351	(47)	3,680
Reserve for employee benefits	3,679	564	-	4,243
Loss brought forward	19,233	-	(428)	18,805
Allowance for doubtful account - other receivables	48,937	108	(3,350)	45,695
Others	960	5,456	(67)	6,349
Total	158,781	11,854	(3,900)	166,735
Deferred tax liabilities				
Prepaid commission expenses	11,733	1,312	-	13,045
Accumulated depreciation and amortisation	896	(518)	(34)	344
Amortised transaction cost of convertible debentures - liability component	894	(464)	(1)	429
Amortised transaction cost of convertible debentures - equity component	17	-	-	17
Amortised transaction cost of debentures	2,638	(2,638)	-	-
Interest income receivable from NPLs	4,506	(2,245)	(314)	1,947
Revaluation of loan and interest receivables from subsidiary	8,673	(6,267)	6,124	8,530
Revaluation of convertible debentures	6,960	6,960	(6,120)	7,800
Unremitted foreign income	43,215	7,782	(3,074)	47,923
Total	79,532	3,922	(3,419)	80,035
Net	79,249	7,932	(481)	86,700

	Separate financial statements		
	At 1 January 2020 (restated)	(Charged) / Credited to Profit or loss	At 31 December 2020
	<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>			
Allowance for expected credit loss	91,528	(19,350)	72,178
Allowance for diminution of value foreclosed assets	2,720	(1,080)	1,640
Reserve for employee benefits	4,243	921	5,164
Others	6,129	(2,875)	3,254
Total	104,620	(22,384)	82,236
<i>Deferred tax liabilities</i>			
Prepaid commission expenses	13,045	243	13,288
Accumulated depreciation and amortisation	-	(168)	(168)
Amortised transaction cost of convertible debentures - liability component	429	(289)	140
Amortised transaction cost of convertible debentures - equity component	17	(4)	13
Revaluation of loan and interest receivables from subsidiary	8,530	(551)	7,979
Revaluation of convertible debentures	7,800	(766)	7,034
Total	29,821	(1,535)	28,286
Net	74,799	(20,849)	53,950

Reflected in the statements of financial position as follows:

	Separate financial statements			
	Assets		Liabilities	
<i>Deferred tax assets and liabilities</i>				
<i>At 31 December</i>	2020	2019	2020	2019
		(in thousand Baht)		
Total	82,236	87,399	28,286	(29,821)
Set off of tax	(28,286)	(29,821)	(28,286)	29,821
Net deferred tax assets (liabilities)	53,950	57,578	-	-

31 Earnings (loss) per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) for the year attributable to ordinary shareholders of the Company	(1,238,953)	(32,880)	(2,803,834)	262,115
Number of ordinary shares outstanding	1,525,538	1,525,538	1,525,538	1,525,538
Earnings (loss) per share (basic) (Baht)	(0.812)	(0.022)	(1.838)	0.172

32 Financial instruments

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and The Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its deposits with financial institutions, hire purchase receivables, loan receivables, microfinance receivables, consumer finance receivables under joint financing arrangement, corporate loans receivables, pledged fixed deposit at financial institution, other long-term investments, short-term loan, long-term loan, debentures and convertible debentures. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Group mitigates the risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivative financial instrument, principally interest rate swaps, to manage exposure to fluctuations in interest rates on borrowings.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rates 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.

Consolidated financial statements

Fixed Interest rated

	Within 1 year	After 1 year but within 5 years	Floating interest	Non-interest bearing	Total

(in thousand Baht)

2020**Financial assets**

Cash and cash equivalent	56,648	-	1,183,997	328,781	1,569,426
Current investment	368,048	-	-	-	368,048
Hire purchase receivables	2,302,212	1,479,143	-	-	3,781,355
Loan receivables	197,403	66,982	-	-	264,385
Microfinance receivables	363,079	16,510	-	-	379,589
Consumer finance receivables under joint financing arrangements	2,886	-	-	-	2,886
Corporate loans and interest receivables	-	-	-	-	-
Other receivables	-	-	-	124,015	124,015
Pledged fixed deposit at financial institution	-	2,312,180	-	-	2,312,180
Other long-term investments	-	-	-	255,614	255,614
Deposits	-	-	-	35,772	35,772
Total	3,290,276	3,874,815	1,183,997	744,182	9,093,270

Financial liabilities

Trade and other payables	-	-	-	1,526,263	1,526,263
Deposit from customer	68,269	-	-	-	68,269
Convertible debenture	5,366,810	-	-	-	5,366,810
Total	5,435,079	-	-	1,526,263	6,961,342

Consolidated financial statements

Fixed Interest rated

	Within 1 year	After 1 year but within 5 years	Floating interest	Non-interest bearing	Total

(in thousand Baht)

2019**Financial assets**

Cash and cash equivalent	2,121,034	-	336,340	634,141	3,091,515
Current investment	105,646	-	-	-	105,646
Hire purchase receivables	2,942,550	2,162,135	-	-	5,104,685
Loan receivables	232,754	64,200	-	-	296,954
Microfinance receivables	626,833	21,707	-	-	648,540
Consumer finance receivables under joint financing arrangements	6,086	322	-	-	6,408
Corporate loans and interest receivables	41,055	-	-	-	41,055
Other receivables	-	-	-	120,361	120,361
Pledged fixed deposit at financial institution	-	343	-	-	343
Other long-term investments	-	192,718	-	342,791	535,509
Deposits	-	-	-	51,783	51,783
Total	6,075,958	2,441,425	336,340	1,149,076	10,002,799

Financial liabilities

Trade and other payables	-	-	-	852,458	852,458
Deposit from customer	57,362	-	-	-	57,362
Short-term loans	18,216	-	-	-	18,216
Convertible debenture	2,067,472	3,909,559	-	-	5,977,031
Total	2,143,050	3,909,559	-	852,458	6,905,067

Separate financial statements

	Fixed Interest rated				Total
	Within 1 year	After 1 year but within 5 years	Floating interest	Non-interest bearing	
	<i>(in thousand Baht)</i>				
2020					
Financial assets					
Cash and cash equivalent	-	-	1,138,471	34,806	1,173,277
Hire purchase receivables	1,538,134	1,065,947	-	-	2,604,081
Short-term loans to and interest receivable from subsidiary	4,787,099	-	-	-	4,787,099
Other receivables	-	-	-	16,664	16,664
Pledged fixed deposit at financial institution	-	1,846	-	-	1,846
Long-term loan to and interest receivables from subsidiary	-	-	-	-	-
Deposits	-	-	-	7,751	7,751
Total	6,325,233	1,067,793	1,138,471	59,221	8,590,718
Financial liabilities					
Trade and other payables	-	-	-	904,599	904,599
Convertible debenture	5,366,810	-	-	-	5,366,810
Total	5,366,810	-	-	904,599	6,271,409

Separate financial statements

	Fixed Interest rated				Total
	Within 1 year	After 1 year but within 5 years	Floating interest	Non-interest bearing	
	<i>(in thousand Baht)</i>				
2019					
Financial assets					
Cash and cash equivalent	-	-	251,736	114,244	365,980
Hire purchase receivables	1,979,097	1,544,400	-	-	3,523,497
Short-term loans to and interest receivable from subsidiary	144,127	-	-	-	144,127
Other receivables	-	-	-	71,707	71,707
Pledged fixed deposit at financial institution	-	343	-	-	343
Long-term loan to and interest receivables from subsidiary	-	4,646,075	-	-	4,646,075
Deposits	-	-	-	8,145	8,145
Total	2,123,224	6,190,818	251,736	194,096	8,759,874
Financial liabilities					
Trade and other payables	-	-	-	717,009	717,009
Convertible debenture	2,067,472	3,909,559	-	-	5,977,031
Total	2,067,472	3,909,559	-	717,009	6,694,040

Liquidity risk

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

Financial assets and liabilities of the Group classified by remaining contractual maturities (undiscounted) as at 31 December 2020 were as follows:

Consolidated financial statements					
Remaining maturity periods					
<i>As at 31 December</i>	At call	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2020					
Financial assets					
Hire purchase receivables	-	3,623,066	1,932,074	1,068	5,556,208
Loan receivables	-	259,496	79,760	-	339,256
Microfinance receivables	-	648,290	20,111	-	668,401
Consumer finance receivables under joint financing arrangements	-	5,970	-	-	5,970
Corporate loans and interest receivables	-	1,446,967	-	-	1,446,967
Total financial assets	-	5,983,789	2,031,945	1,068	8,016,802
Financial liabilities					
Convertible debenture	-	5,366,810	-	-	5,366,810
Total financial liabilities	-	5,366,810	-	-	5,366,810
Separate financial statements					
Remaining maturity periods					
<i>As at 31 December</i>	At call	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2020					
Financial assets					
Hire purchase receivables	-	2,568,849	1,399,787	-	3,968,636
Total financial assets	-	2,568,849	1,399,787	-	3,968,636
Financial liabilities					
Convertible debenture	-	5,366,810	-	-	5,366,810
Total financial liabilities	-	5,366,810	-	-	5,366,810

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies.

As at 31 December 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

	Consolidated financial statements			
	Financial assets		Financial liabilities	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Foreign currency				
USD	47,724	11,594	6,223,997	7,540,600
SGD	3	13,160	-	-
LKR	6,675	17,861	-	-
KHR	59	11	-	-

	Separate financial statements			
	Financial assets		Financial liabilities	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Foreign currency				
USD	4,571,112	4,789,672	6,225,624	7,541,001

Sensitivity analysis

A reasonably possible strengthening (weakening) of the respective functional currencies of each entity in the Group against US dollar and Sri Lankan rupee at the reporting date would have affected the measurement of financial instruments denominated in a US dollar and Sri Lankan rupee and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant

Impact to profit or loss	Movement (%)	Consolidated financial statements		Separate financial statements	
		Strengthening	Weakening	Strengthening	Weakening
		<i>(in million Baht)</i>			
As at 31 December 2020					
USD	10	(3)	3	(3)	3
LKR	10	3	(3)	-	-

Credit risk

The Group is exposed to credit risk primarily with respect to hire purchase receivables, loan receivables and corporate loans receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of hire purchase, loan receivables and corporate loans receivables as stated in the statement of financial position.

Credit quality analysis

The following tables set out information about the credit quality as at 31 December 2020 of hire purchase receivables loan receivables and microfinance receivables without taking into account collateral or other credit enhancement.

Consolidated financial statements 2020				
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit impaired	Total
Current	3,467,961	-	-	3,467,961
Overdue:				
1 - 30 days	536,906	17,444	-	554,350
31 - 60 days	-	296,270	-	296,270
61 - 90 days	-	170,969	3,305	174,274
Overdue more than 90 days	-	8,566	618,317	626,883
Gross carrying amount	4,004,867	493,249	621,622	5,119,738
Less allowance for expected credit loss	(312,736)	(83,855)	(297,818)	(694,409)
Net carrying amount	3,692,131	409,394	323,804	4,425,329

Separate financial statements 2020				
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit impaired	Total
Current	1,856,854	-	-	1,856,854
Overdue:				
1 - 30 days	369,030	-	-	369,030
31 - 60 days	9,314	229,553	-	238,867
61 - 90 days	-	46,221	-	46,221
Overdue more than 90 days	-	15,667	438,333	454,000
Gross carrying amount	2,235,198	291,441	438,333	2,964,972
Less allowance for expected credit loss	(102,741)	(40,697)	(217,452)	(360,890)
Net carrying amount	2,132,457	250,744	220,881	2,604,082

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Determining fair value of assets and liabilities

		Consolidated financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
(in thousand Baht)					
31 December 2020					
Financial assets					
Other long-term investments					
Investments designated at fair value through other comprehensive income	255,614	-	-	255,614	255,614
Financial liabilities					
Convertible debentures	5,366,810	-	4,196,307	-	4,196,307
31 December 2019					
Financial assets					
Other long-term investments					
Investments in held-to-maturity debt securities	192,718	-	-	171,878	171,878
Investments in other companies	342,791	-	93,234	279,015	372,249
Financial liabilities					
Convertible debentures	3,909,559	-	4,213,645	-	4,213,645
		Separate financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
(in thousand Baht)					
31 December 2020					
Financial liabilities					
Convertible debentures	5,366,810	-	4,196,307	-	4,196,307
31 December 2019					
Financial liabilities					
Convertible debentures	3,909,559	-	4,213.645	-	4,213.645

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 maturity, including cash and cash equivalents, short-term loans to, corporate loan receivables, other receivables, trade and other payables, and short-term loans from, their carrying amounts in the statement of financial position approximate their fair value.
- For hire purchase receivables and loan receivables, fair value is stated net of unearned hire purchase interest income and allowance for doubtful accounts.
- For non-marketable securities, their fair value is estimated by discounting expected future cash flow by capital assets pricing model.
- For fixed rate convertible debentures, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the bonds with similar terms and conditions.

33 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	4,926	22,038	1,556	4,177
After one year but within five years	2,055	16,473	675	149
Total	6,981	38,511	2,231	4,326

Guarantees

As at 31 December 2020, The Group had outstanding bank guarantees of Baht 101.9 million. This is letters of guarantee for electricity, use of post services, guarantee credit card and bank overdraft (2019: Baht 0.3 million). The Company had outstanding bank guarantees of Baht 1.9 million. This is letters of guarantee for electricity, use of post services and guarantee credit card (2019: Baht 0.3 million).

34 Litigation

The Group is the defendant in several legal cases actioned by the substantial convertible debenture holder of the Company and its related companies alleging - misrepresentation of the financial status of the Company and defamation; misrepresentation of the financial position of the Company's subsidiary in Singapore; and breach of a joint finance agreement by the Company's subsidiary in Indonesia; - and claiming rehabilitation of the Company, monetary compensation and interest. The Group has filed counter actions, and preliminary hearings and discovery proceedings on these actions are in progress. The ultimate outcome of the above matters cannot presently be determined. The management consider that no provision for any liability, impairment of assets or reclassification of convertible debenture is required in the financial statements.

34.1 Litigations in Thailand

1) Civil Cases

a) Civil black case number Por. 83/2561

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
JTrust Asia Pte. Ltd. ("JTA")	Group Lease Public Company Limited ("GL"), directors and former directors of the Company	<ul style="list-style-type: none"> - Tort - Avoidance of Convertible Debenture Transaction - Compensation 	Baht 8,020,132,483.88	<ul style="list-style-type: none"> - On 9 January 2018, JTA filed a civil complaint to the Civil Court. - On 13 March 2018, GL submitted the answer to the Civil Court against the JTA's claims. - On 17 April 2018, GL submitted the petition to the Civil Court requesting the Court to first decide on legal issues to set aside the JTA's claim against GL case. - On 2 October 2018, GL filed a petition requesting the Court to grant an injunctive relief for the plaintiff to deposit money as security for the Court's fee and expense in the amount of THB 10 million. - On 7 December 2018, the Court ordered dismissal of GL's petition requesting the Court to grant an injunctive relief for JTA to deposit money as security in the amount of THB 10 million for the Court's fees and expenses. The petition request the Court to decide on legal issues to set aside JTA's claims. In addition, the Court has also fixed the disputed issues and burden of proof of the parties as fixed the schedules for witness examination between 20 August and 9 October 2019. - On 8 October 2019, the court cancelled all previous hearing process schedule and rescheduled new ones during 7 May to 24 June 2020. The judgement date was scheduled on 25 August 2020. - On 24 March 2020, JTA submitted an injunction petition (the "Injunction Petition").

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
				<ul style="list-style-type: none"> - Due to the COVID-19 pandemic, the Court cancelled all of the recent hearing process schedule and the judgement date and set up the date of preliminary hearing for setting up hearing process schedule and examination date for the Injunction Petition on 9 July 2020. - On 9 July 2020, the Court scheduled hearing process dates for JTA during 19 to 26 January 2021 and for GL during 2-19 February 2021. - On 30 July 2020, the Court rejected the Injunction Petition. - Due to the COVID-19 pandemic, the Court cancelled all of the recent hearing process schedule and the judgement date. The Court, therefore, will schedule the date of preliminary hearing for setting up the date of witness testimony again. - On 1 December 2021 it sets the court hearing dates during November – December 2022.

b) Civil black case number Por. 2313/2561

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
Group Lease Public Company Limited (“GL”)	JTrust Asia Pte. Ltd. (“JTA”)	<ul style="list-style-type: none"> - Tort - Claim for damage regarding violation to Bankruptcy Act B.E. 2483 	Baht 880,000,000	<ul style="list-style-type: none"> - On 30 April 2018, GL filed a civil complaint against JTA to the Civil Court. - On 17 December 2018, the Court ordered dismissal of the JTA’s petition requesting the Court to suspend further proceedings of the case. In addition, on the same day, the Court has also fixed the disputed issues and burden of proof of the parties as fixed schedules for the parties’ witness examination between 12 and 29 November 2019. - On 5 March 2020, the Court of First Instance ruled JTA to be liable for damages and lawyer fees in the amount of THB 685,500,000. - On 16 April 2020, JTA submitted an appeal together with a petition for a stay of execution. - On 30 July 2020, GL submitted an appeal answer and an objection of such stay of execution to the Court. - On 9 March 2021, the Appeal Court reversed the judgment of the Court of First Instance and ordered the acts by JTA were not tort. The Company is ordered to pay fees for both courts and lawyer fee of 700,000 baht for JTA. - On 7 July 2021, GL filed final appeal to the court. Now we are waiting for JTA filed the answer to the court which has a due date on 6 November 2021. - The Supreme Court’s Judgment date on 31 August 2022.

c) Civil black case number Por. 4613/2563

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
Group Lease Public Company Limited (“GL”)	JTrust Co., Ltd. (“JTrust”), JTrust Asia Pte. Ltd.	<ul style="list-style-type: none"> - Tort - Claim for damage 	THB 9,130,000,000	<ul style="list-style-type: none"> - On 11 September 2020, GL filed a civil complaint to the Civil Court.

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
	(“JTA”) and 2 directors.			<ul style="list-style-type: none"> - The Court scheduled the date of case management hearing to be on 24 February 2021. - Due to the COVID-19 pandemic, the Civil Court issued an order to rescheduled hearings to be on 24 November 2021. - Testimony for instant injunction, court hearing from the plaintiff on 17 February 2022 and 15 March 2022. - The interim injunction hearing dates will be set on 27-30 June 2023 (GL) and 4-7 July 2023 (JTrust/JTA).

d) Civil black case number Por. 5922/2564

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
Group Lease Public Company Limited (“GL”)	JTrust Asia Pte. Ltd. (“JTA”)	<ul style="list-style-type: none"> - Agreement Termination - Claim for damage 	THB 644,581,997	<ul style="list-style-type: none"> - On 15 December 2021, GL filed a civil complaint against JTA to the Civil Court, the hearing court date is 10 May 2022. - On 10 May 2022, JTA has not yet submitted the testimony so the court postpone for pretrial conference and taking plaintiff's witness on 27 July 2022 instead.

2) Rehabilitation Case

Black case number For. 1/2561

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
JTrust Asia Pte. Ltd. (“JTA”)	Group Lease Public Company Limited (“GL”)	Business rehabilitation	USD 180,000,000	<ul style="list-style-type: none"> - On 10 January 2018, JTA filed a petition for rehabilitation against GL to the Central Bankruptcy Court. - On 12 March 2018, GL submitted the objection statement against the rehabilitation petition to the Court. - On 19 March 2018, the Central Bankruptcy Court dismissed JTA’s rehabilitation petition.

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
				<ul style="list-style-type: none"> - On 17 April 2018, JTA submitted the appeal against the Court's order dismissing the Rehabilitation Petition. The appeal has been accepted by the Court on 18 April 2018. - On 19 September 2018, GL submitted its answer to the Petitioner's appeal. - On 26 February 2019, the Court of Appeal for Specialised Cases overruled the Central Bankruptcy Court's order and ordered for the re-hearing to be in accordance with the details of the case. - On 26 April 2019, the Court took testimony of some of JTA's witnesses. The Court scheduled the next hearing as the continuous trial during 26 June 2019 to 2 July 2019. - On 28 June 2019, were the examination of witnesses from both sides. - On 15 August 2019, JTA's rehabilitation petition. - On 26 November 2019, JTA submitted an appeal to the Central Bankruptcy Court. - On 20 May 2020, GL submitted an appeal answer. - On 29 September 2020, the Appeal Court for Specialised Cases upheld the Central Bankruptcy Court's judgment to dismiss JTA's rehabilitation petition. - The court allows JTA to file Deka Appeal within 1 April 2021 - JTA submitted petition for Deka Appeal enclosed with the Deka on 28 April 2021 - The case is on Supreme Court Procedure. - The Court rejected the petition, the case is finalized.

3) Criminal Cases

a) Criminal black case No. Aor 6/2561

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
Group Lease Public Company Limited ("GL")	1. JTrust Asia Pte. Ltd. ("JTA") 2. Mr. Nobuyoshi Fujisawa 3. Shigeyoshi Asano 4. Legal advisor	Submission of false business rehabilitation petition	-	<ul style="list-style-type: none"> - On 11 April 2018, GL filed the Criminal Complaint with the Central Bankruptcy Court. - On 18 September 2018, the Court has issued an order scheduling dates for cross examination of the plaintiff's witnesses and continuing the preliminary examination on 16 and 17 January 2019. - On 16 January 2019, there was the plaintiff's witness cross examination. - On 11 and 18 March 2019, the Court took the preliminary examination. - On 22 February 2019, GL withdraw the petition against the 4th defendant. - On 11 March 2019, the Court rendered the order that this case was temporarily struck out until the final judgment of the rehabilitation case. - On 30 December 2020, there was a request the central bankruptcy court to consider resuming this case, the court appointment was set on 14 February 2022. - On 14 February 2022, the court ordered the case to resume with GL hearing date set on 15-16 June 2022. - It was scheduled a hearing for announcement of order to be held on 9 August 2022.

34.2 Litigation in Singapore

1) Civil Cases

a) Suit 1212

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
JTrust Asia Pte. Ltd ("JTA")	Group Lease Holdings Pte. Ltd. ("GLH"), former director of GLH and other defendants	Tort of conspiracy by introducing to invest in GL	<ul style="list-style-type: none"> - Damages for the conspiracy - Interest - Costs - Other reliefs as the Court deems fit 	<ul style="list-style-type: none"> - On 26 December 2017 JTA commenced legal proceedings in Singapore court against GLH and other defendants. - JTA applied for and obtained an ex-parte interim injunction order restraining GLH from dealing with or disposing of its assets in Singapore up to the value of USD 180,000,000 (save allowances for ordinary business expenses, and legal fees). - GLH denies JTA's claims, and has duly engaged lawyers in Singapore to defend against these allegations. - On 23 February 2018, the High Court granted GLH's setting aside application and discharged the ex parte interim injunction order. In addition, the High Court dismissed JTA's applications to expand the scope of the ex parte interim injunction order. - JTA filed an appeal against this decision, and on 1 June 2018, the Singapore Court allowed the appeal in part. The Singapore Supreme Court reinstated the Mareva injunction against GLH and expanded its scope to cover its assets both in Singapore and worldwide up to the value of USD 180,000,000 (save allowances for ordinary business expenses, and legal fees). The Singapore Supreme Court however disallowed JTA's appeal in relation to its application to expand the scope of the Mareva injunction orders to include "asset sales, investments and/or loans", regardless of whether such transactions were made in the ordinary and proper course of business. - The trial for this case was held from 8 October to 31 October 2019.

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
				<ul style="list-style-type: none"> - On 12 February 2020, the High Court granted the decision to dismiss JTA's claim and ordered JTA to pay the costs of the defendants. - On 13 February 2020, JTA submitted an appeal to the Court of Appeal. - On 6 October 2020, the Court of Appeal reversed the Judgment of the High Court and rendered the decision that GLH and other defendants are jointly liable for damages amounting to around USD 70 million. - This case is final and GLH paid the full judgement already.

b) Suit 780

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
JTrust Asia Pte. Ltd ("JTA")	Group Lease Holdings Pte. Ltd. ("GLH"), former director of GLH and other defendants	Tort of conspiracy by introducing to invest in GL	- USD 124,474,854	<ul style="list-style-type: none"> - On 3 August 2021 JTA commenced legal proceedings in Singapore court against GLH and other defendants. - JTA applied for and obtained an ex-parte interim injunction order restraining GLH from dealing with or disposing of its assets in Singapore up to the value of USD 130,000,000 (save allowances for ordinary business expenses, and legal fees). - On 17 September 2021, GLH filed an application to stay the suit on grounds that Singapore is not the proper or appropriate forum for this dispute. - On 19 November 2021, JTA filed an application for permission to commence committal proceeding against GLH and other defendant for alleged breaches of the freezing order. The Court gave permission for the committal proceeding to proceed with a hearing scheduled for June 2022. - On 5 January 2022, the Court denied GLH's stay application and GLH is currently appealing that decision.

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
				<ul style="list-style-type: none"> - The committal proceeding ended as JTA and GLH came to an agreement to send roughly \$4million to Dentons Singapore to hold so that GL group could not use the funds. The tort issue will have its next hearing in October 2022

34.3 Litigation in Indonesia

a) Case number 542/PDT.G/2018/PN.JKT.PST

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
PT Bank JTrust Indonesia, TBK (“BJTI”)	PT Group Lease Finance Indonesia (“GLFI”)	Breaching of the Joint Financing agreement	IDR 103,636,408,863 (equivalent to approximately Baht 233.18 million)	<ul style="list-style-type: none"> - On 1 October 2018, BJTI filed a civil complaint against GLFI with the District Court of Central Jakarta. - During November to December 2018, there were the proceedings of mediation and all the mediations failed. - On 22 January 2019, GLFI submitted its reply to the Court. - On 12 February 2019, BJTI submitted its response of the rejoinder to the Court. - On 16 May 2019, the Court dismissed the case. - On 18 June 2019, GLFI received official notification on BJTI appeal, Memorandum of Appeal and the official summons for GLFI to appear before the District Court. - On 1 July 2019, GLFI submitted Counter Memorandum of Appeal to the High Court. - On 3 December 2019, the High Court dismiss BJTI’s claim due to inadmissible on the merit of the case. - This case is final.

b) Case number 321/PDT.G/2019/ PN.JKT.PST (revised from 254/PDT.G/2019/PN.JKT.PST)

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
PT Group Lease Finance Indonesia (“GLFI”)	PT Bank JTrust Indonesia, TBK (“BJTI”)	Compensation of damages	IDR 21,690,420,090 (equivalent to approximately Baht 48 million) Revised to IDR 20,735,749,549 (equivalent to approximately Baht 45 million)	<ul style="list-style-type: none"> - On 29 April 2019, GLFI filed a civil complaint against BJTI with District Court of Central Jakarta. - On 23 May 2019, The Panel of Judges (“PoJ”) examined the documents and concluded that the legal standing of both parties is complete and clear. PoJ appointed mediator to the case on 29 May 2019. - On 10 June 2019, GLFI submitted revised Statement of Claim, the case was registered under the number 321/PDT.G/2019/ PN.Jkt.Pst. - On 4 July 2019, during the mediation, GLFI informed Mediator that it revokes the claim registered under the number 254/PDT.G/2018/ PN. JKT.PST. Mediator closed the mediation. PoJ declared that the examination of the case shall be closed. - On 9 July 2019, the District Court of Central Jakarta examined the documents of the representatives of the parties in the case no. 321/PDT.G/2019/PN. JKT.PST. the BJTI’s representatives failed to submit POA since the notification of hearing had just been received on 8 July 2019. - There were many mediations and several of their postponements. - On 3 March 2020, hearing process from GLFI’s witness. - On 21 April 2020, hearing process from BJTI’s witness. - On 5 May 2020, both parties submitted their case conclusions to the court. - On 9 June 2020, the Court dismissed the case. - On 22 June 2020, GLFI received a copy of court judgement and submitted an appeal to the District Court of Central Jakarta - On 15 September 2020, GLFI has sent a memorandum of Appeal to the Central Jakarta High Court

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
				<ul style="list-style-type: none"> - On 19 February 2021, determination of the court hearing day. - On 17 March 2021, appeal decision, that the appeal lawsuit from PT. Group Lease Finance Indonesia has accepted and cancelled the verdict on the first verdict. - On 9 November 2021, the Appeals Jakarta High Court denied JTA's appeal and the case is now final.

c) Case number 552/PDT.G/2020/ PN.JKT.PST

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
PT Bank JTrust Indonesia, TBK ("BJTI")	PT Group Lease Finance Indonesia ("GLFI")	Breaching of the Joint Financing agreement		<ul style="list-style-type: none"> - On 28 September 2020, BJTI filed a civil complaint against GLFI with the District Court of Central Jakarta. - On 3 November 2020, the Court examined the legal standing document of BJTI and GLFI - On January 2021, the District Court of Central Jakarta was lockdown due to the COVID-19 pandemic. - On 16 February 2021, GLFI submitted an answer to the Court. - On 23 February 2021, BJTI submitted an answer to the Court - On 9 March 2021, GLFI submitted answer Duplik to the Court. - On 25 May 2021, the agenda of proof from the first witness BJTI - On 29 June 2021, GLFI presents the first witness - On 26 June 2021, the agenda for the last testimony was postponed to 3 August, 2021. - On 3 August 2021, the last testimony from GLFI, and for the next agenda is to provide conclusions.

d) Bankruptcy Case number 85/PDT.SUSPKPU/2022/PN.NIAGA.JKT.PST

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
PT Bank JTrust Indonesia, TBK (“BJTI”)	PT Group Lease Finance Indonesia (“GLFI”)	Bankruptcy		- On 21 July 2022, a panel of judges of the Central Jakarta Commercial Court declared that GLFI is bankrupt. Due to this decision, GLFI has lost the power to control and manage the business and now the business is under the control of a 3 rd party appointed by the Court.

34.4 Litigation in Cambodia

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
JTrust Asia Pte. Ltd (“JTA”)	1. GL Finance Plc. (“GLF”) 2. Group Lease Holdings Pte. Ltd. (“GLH”)	Tort	\$240 million	- JTA filed a Request for Preservative Relief dated 08 November 2019 to the Phnom Penh Municipal Court of First Instance - JTA filed the principal suit in a form of civil complaint dated 20 October 2020 - Currently GLF is restricted from selling or transfers its shares to any party

As discussed in the Notes 34.1 34.2 34.3 and 34.4, the Group is aware of the importance of the above situation and together with external legal advisors, have considered the likelihood that there has been any breach of covenants or event of default as stipulated in the Group's credit facility agreements, debentures agreements and joint finance agreements including court claims against the Group. Both Management and the legal advisors believe that the Group is not in breach of any conditions of the agreements with the creditors and the joint finance partner and has not violated any laws and the demands as claims. Furthermore, the Company believes that as long as the legal cases are outstanding, the non-payment of interest on convertible debentures does not regard as a default of the convertible debentures conditions.

35 Impact of COVID-19

The ongoing COVID-19 crisis certainly has had an impact to the Group in all countries and continues to do so. The severity of this impact naturally varies from one country to another. The management had started an analysis of the intensity of the pandemic consequences in each entity and used the results to set up a management overlay to help mitigate the existing and any future impacts. It has been estimated and extrapolated based on current indicators to alleviate any temporary negative revenue impact stemming from COVID-19 and the relief measures implemented for retail customers as described in Notes 7.

36 Event after reporting period

As disclose in note 5 and 23, on 6 October 2020, the Court of Appeal of the Republic of Singapore revised the judgment of the High Court and rendered a decision that allowed partly JTA's claims, holding that GLH and the other defendants are jointly liable to JTA in damages of roughly USD 70 million. About USD 50 million of the damages awarded to JTA is the remaining reimbursement of the CD JTA had with GL that was originally due in March 2020. The Company has started satisfying the Singapore judgment. During the second quarter of 2021, the Company has fully paid of the Singapore judgment using the Company's cash.

As disclose in note 23, the Company terminated the 2nd Investment Agreement on 23 July 2021 and subsequently filed another civil case to seek damages from JTA's breach.



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