

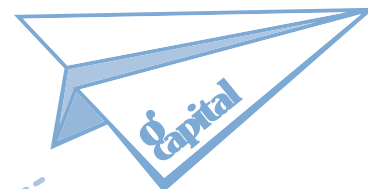
Annual Report 2017

G Capital Public Company Limited

Capital



Moving forward with GCAP by Sabaijai Loan



Annual Report 2017 G Capital Public Company Limited

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(Vision)

A leading financial services company providing hire purchase loans and personal loans with Innovative transparent and fair service. Focusing on the responsibility to stakeholders, society and the environment for the sustainable growth.

(Mission)

Commitment to provide differentiated loan services to our partner businesses and meet our customer's needs. Developing excellent service to maximize satisfaction to shareholders. Responsibility to society and all these by talented and united team.

(Corporate Values)



Collaboration

The use of internal and external networks to achieve the corporate goal together. Team working environment, knowledge sharing to help teams and organizations succeed.



Customer Focus

Strong commitment, enthusiasm and willingness to serve customer's need. Achieve objectives with a genuine understanding of the needs of customers.



Leading Change

Create its own new innovations that can be put into practice. Stimulate innovation to drive knowledge and improve / create new ways of working in businesses



Accountability

Self-expression with well attitudes, concepts, values with responsible to its own action.



Integrity

Honest, transparent, fair and professional. Build confidence and operate correctly, transparently, by the principles of law and ethics.





Message from Chairman and Managing Director for 2017

2017 is the year of a major transition of Thailand. We have entered the reign of King Rama X of Chakri Dynasty. The Executive Committee and employees of G Capital Public Company Limited wish to give the warmest congratulations to His Majesty King Rama X on his ascension to the Throne for good health and happiness. We would like to follow the given life and business development philosophy of His Majesty King Rama X. Nevertheless, we will always remember the grace of the late King Bhumibol Adulyadej (Rama IX), who we treat as our father. We will always embrace his philosophy and knowledge into our lives and business.

Despite of delays in some investment projects by the government, in 2017, Thailand's economy registered a 3.9% growth (comparing with 3.3% growth in 2016) which was due mostly to growth in export and tourism sectors. The production volume in agriculture sector improved by 6.2% (comparing with 2.5% diminishment in 2016), mainly from growth in rice and rubber production volume due to proper weather. This resulted in a 5.9% increase of revenues in agriculture sector in 2017.

In 2017, The Company has adjusted the business strategy and risk management in various aspects in order to, among dynamic business environment change, tap into business opportunities in digital age and Thailand 4.0 society. We have not only expanded our financial services to maintain existing customer base but also secured new customer base, in both agricultural and non-agricultural sectors and also tourism sector. However, we have continued to focus on the portfolio quality. We have our thoughtful principals and methodology in selecting our new customer targets in order to control the quality of our new customer base.



(Mr. BOONSAK CHIEMPRICHA)
Chairman

Regarding our new loan booking, we have outstandingly achieved THB 1,120 million new loan booking in 2017, comparing with THB 355.12 million in 2016, accounting for 215% growth. Such remarkable growth was a result of both hire purchase and personal loan growth, which posted approximately the same growth rate. The main factors of our new loan booking growth includes economic improvement of Thailand's agriculture sector, the Company's new marketing campaigns to better serve our customers, new loan products launched into the market and expansion to new customer base.

As a result of the huge growth in new loan booking, in 2017, the Company posted total revenues of THB 198.60 million, increasing THB 45.97 million, or 30.12%, from the





(Mr. SPAIN JINGKAOJAI)

Managing Director

previous year. The income from the right under the hire purchase contract is still the Company's main revenue source which was equivalent to 71% of total revenues in 2017. In addition, in 2017, the Company increased its new booking portion of personal loans which resulted in an increase in interest income from personal by 197% from the previous year.

Today's global and Thailand's economic situation, there are pros and cons; it can be the opportunity to develop and improve businesses and it can be the obstacle one needs to overcome. The Company is committed to developing the organization to achieve sustainable development with continued responsibility for the economy, society and environmental, social and governance (ESG). The Company

has been selected by the Stock Exchange of Thailand to be a listed company in the "Sustainable Stocks for the Year 2017" (Thailand Sustainability Investment 2017) for the third consecutive year. The Company will passionately continue our product and service development in order to provide agriculture sector and all relevant parties in the supply chain with the access to normal funding sources. In addition, we will keep improving our working processes for the eventual customer's and Company's success.

In 2018, the Company will continue to strive for more and better innovative products services, based on more diversified business strategy, for new financial services and innovations to serve customers' needs, and for high potential customers who don't have any access to funding in financial system. The Company is willing to support decent and determined people to be equipped with knowledge and expertise and hope that they will eventually drive economic growth and strengthen our country.

The Company continues to strive to create mutual benefits and values for all stakeholders to be part of driving the country to develop by adhering to the principals of good corporate governance, being transparent, fair and ethical in conducting business. For Anti-Corruption, the Company strictly follows the rules and regulations of the relevant laws. We also focus on developing employees to be more competent and be able to grow together, resulting in more stable and sustainable organization.

Finally, we would like to express our thanks to shareholders, investors, business partners, customers and all stakeholders for their confidence and supports. Also, we would like to express our thanks to all the executives and employees who has committed to hard work to make the company grow firmly and sustainably.



Financial Information Highlights

Unit : Thousand Baht

		2017	2016	2015
Assets				
Total assets		1,561,214	886,823	978,936
Liabilities and Shareholders'Equity				
Total liabilities		1,229,543	553,502	649,197
Total shareholders' equity		331,670	333,021	329,739
Operating Result				
Total revenues		198,604	152,629	177,359
Total expenses		125,511	71,878	71,461
Financial Cost		39,103	28,948	36,905
Income tax expense		6,967	10,524	13,785
Net profit (loss)		27,022	41,279	55,208
Profitability Ratio				
Interest spread	(%)	11.44%	12.08%	13.02%
Net profit margin	(%)	13.61%	27.05%	31.13%
Return on equity	(%)	8.13%	12.46%	17.40%
Book value per share	(Baht/Share)	1.66	1.67	1.65
Earning per share	(Baht/Share)	0.14	0.21	0.28
Dividend payout	(%)	96.23%	72.64%	72.45%
Dividend per share	(Baht/Share)	0.13	0.15	0.20
Efficiency Ratio				
Return on asset	(%)	2.21%	4.42%	5.42%
Asset turnover	(Times)	0.16	0.16	0.17
Current ratio	(Times)	1.53	10.93	1.76
Financial Ratio				
Debt equity	(Times)	3.71	1.66	1.97
Lendings to borrowing	(Times)	1.24	1.52	1.31
NPL to total lendings	(Times)	9.96%	17.22%	13.83%
Allowance Doubtful Account to NPL	(Times)	100.52%	80.41%	88.00%

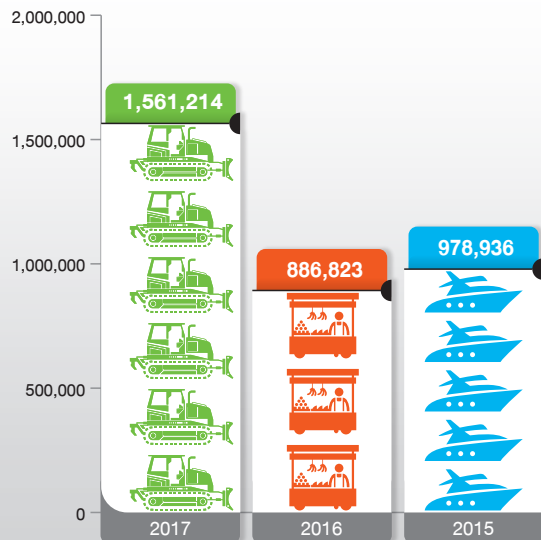
Source : Financial Statement of G Capital Public Company Limited for the year 2015-2017 audited by certified public accountant.





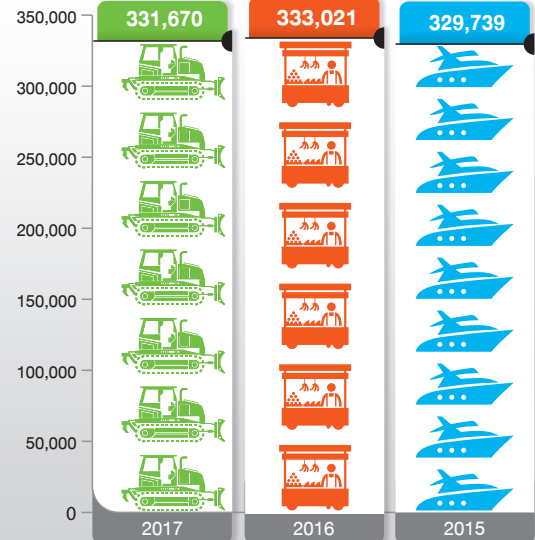
Total assets

Unit : Thoundsand Baht



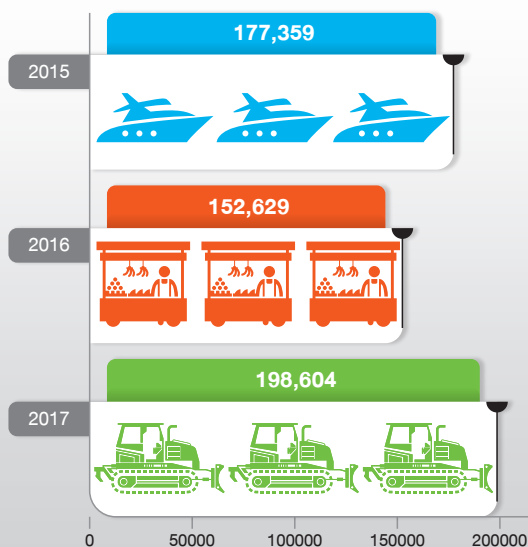
Total shareholders' equity

Unit : Thoundsand Baht



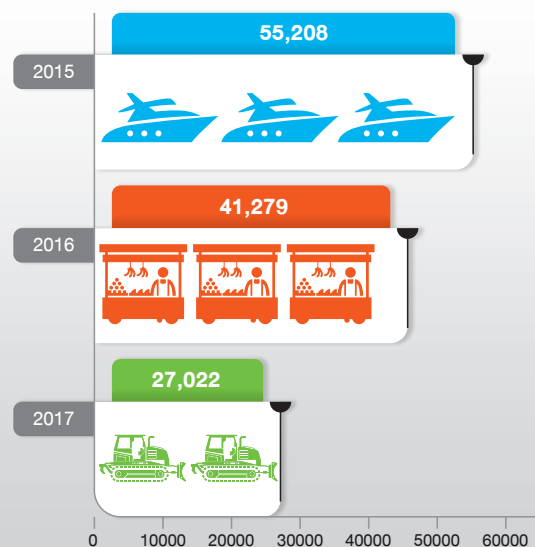
Total revenues

Unit : Thoundsand Baht



Profit for the year

Unit : Thoundsand Baht





Board of Directors



Mr. Boonsak Chiempricha
Chairman of the Board

Education

- Master of Business Administration, University of Santa Clara, San Jose, C.A., U.S.A.
- Bachelor in Accountancy, Chulalongkorn University
- Diploma, National Defense College (The National Defense Course Class 4111)

Training Course

- IOD Program, Thai Institute of Directors
- Director Certification Program (DCP 28/2003)
- Director Accreditation Program (DAP 19/2004)
- Role of the Chairman Program (RCP 15/2007)
- Corporate Governance for Capital Market Intermediaries (CGI 10/2014)

Shareholding

- None -

Relationship

- None -

Work Experience

- 2018 - Present Director Sub-Committee Audit and Assessment Public Sector Unit 4
- 2016 - Present Director and Chairman of Audit Committee Debt Electronics (Thailand) PCL.
- 2015 - Present Chairman of the Board Chairman of Executive Committee G Capital Public Company Limited
- 2015 - Present Specialist, Office of the Election Commission of Thailand
- 2013 - Present Finance Committee, The Thai Bar Under the Royal Patronage
- 2013 - Present Director and Chairman of Audit Committee, Mahasarakham University
- 2012 - Present Chairman of Audit Committee, CIMB-Principal Asset Management Limited
- 2010 - Present Director/Chairman of risk management committee, Audit Committee Member, President Bakery Public
- 2009 - Present Chairman of the Board, Indara Insurance Public Company Limited



Mr. Yongyuth Tariyo
Independent Director
Chairman of Executive Committee

Education

- MSc. In Management Information System, DE PUAL University Chicago Illinois, U.S.A.
- BSc. In Information Science, Northeastern Illinois University, U.S.A

Training Course

- The Senior Executive Program (SEP) Class 9th by Sasin Graduate Institute of Business Administration of Chulalongkorn University
- IOD Program, Thai Institute of Directors
- Role of Chairman Program (RCP 27/2012)
- Director Accreditation Program (DAP 9/2011)
- Director Certification Program (DCP 28/2003)
- Financial for Non-Directors (FND 5/2003)
- Financial Executive (FIINEX 10)

Shareholding

- None -

Relationship

- None -

Work Experience

- 2015 - Present Chairman of Executives Committee G Capital Public Company Limited
- 2006 - Present Director G Capital Public Company Limited
- 2009 - 2015 Chairman of the Board G Capital Public Company Limited
- 2013 - Present Senior Consultant, Prukha Real Estate Public Company Limited
- 2013 - Present Director, Digital Port Asia Co., Ltd.
- 2010 - 2012 First Senior Executive Vice President, Operational Group, Government Saving Bank





Asst. Prof. Wipada Tantiprabha
Independent Director
Chairman of Audit Committee

Education

- Master of Business Administration in Accounting, Thammasat University
- Master of Business Administration in Accounting, The University of Texas at Austin, U.S.A.
- Bachelor of Business Administration Accounting, 2nd Class Honors, Thammasat University

Training Course

- IOD Program, Thai Institute of Directors
- Director Accreditation Program (DAP 97/2012)
- Audit Committee Program (ACP 12/2013)
- Anti-Corruption for Executive Program (ACEP 1/2015)

Shareholding

- None -

Relationship

- None -

Work Experience

- 2011 - Present Independent Director and Chairman of Audit Committee
G Capital Public Company Limited
- 2008 - Present Director and Secretary of the Committee Set accounting standards,
Federation of Accounting Profession Under the Royal Patronage of his
majestic The King
- 2008 - Present Program Director of Master of Accounting, Department of Accounting,
Thammasat Business School, Thammasat University
- 1985 - Present Assistant Professor, Faculty of Commerce and Accountancy,
Thammasat University



Mr. Chaipyong Satjipan
Independent Director / Audit Committee Member
Chairman of Risk Management Committee
Nomination and Remuneration Committee

Education

- Ph.D., (Law and Diplomacy) The Fletcher School of Law and Diplomacy, Tufts University, U.S.A.
- M.A.L.D., The Fletcher School of Law and Diplomacy, Tufts University, U.S.A.

- M.A., Political Science Chulalongkorn University
- B.A., (Hons), Faculty of Political Science, Chulalongkorn University

Training Course

- IOD Program, Thai Institute of Directors
- Financial Statement for Director (FSD 32/2017)
- Risk Management Program (RMP) 6/2015 Director
- Certification Program (DC 212/2015)
- Director Accreditation Program (DAP) 112/2014

Shareholding

- None -

Relationship

- None -

Work Experience

- 2015 - Present Independent Director / Audit Committee Member / Chairman of Risk Management Committee and Nomination and Remuneration Committee
- 2015 - Present Independent Director Audit Committee Member Chairman of Risk Management Committee and Nomination and Remuneration Committee G Capital Public Company Limited
- 2014 - Present Director Pacific Pipe Public Company Limited
- Present Director
- Present Sino-Thai Engineering & Construction Public Company Limited
- Present Advisor National Blood Centre, Thai Red Cross Society
- Present Assistant to the President for Foreign Affairs Technology Siam University
- Present Director The Board of Princess Galyani Vadhana Institute of Music Youth Orchestra



Mr. Prameson Pisitpan
Independent Director / Audit Committee
Member / Chairman of Nomination
and Remuneration Committee

Education

- Master in Business Administration (International Banking and Finance), Joint Program between University of Thai Chamber of Commerce and University of Birmingham
- Master of science (Business Administration), East Texas State University, U.S.A. - Bachelor of Science (Business Administration), Kasetsart University

Training Course

- IOD Program, Thai Institute of Directors
- Director Accreditation Program (DAP 90/2011)
- Audit Committee Program (ACP 36/2011)
- Director Certification Program (DCP 152/2011)

Shareholding

- None -

Relationship

- None -

Work Experience

- 2015 - Present Chairman of Nomination and Remuneration Committee
G Capital Public Company Limited
- 2011 - Present Director and Audit Committee Member G Capital Public
Company Limited
- 2007 - 2013 Executive Vice President, Information Technology Division, Bangkok
Dusit Medical Services Public Company Limited
- 2007 - 2013 Managing Director, Greenline Synergy Company Limited



Mr. Nattaphon Sarasas
Director / Risk Committee Member
/ Nomination and Remuneration
Committee Member

Education

- High School Le Rosey Institute, Switzerland
- Certificate in Business Excellence Columbia Business School, New York, U.S.A.

Training Course

- IOD Program, Thai Institute of Directors
- Director Accreditation Program (DAP) 107/2014

Shareholding

- None-

Relationship

- Older Brother of Mr. Asa Sarasas

Work Experience

- 2017 - Present Risk Committee Member G Capital Public Company Limited
- 2015 - Present Nomination and Remuneration Committee
G Capital Public Company Limited
- 2009 - Present Director G Capital Public Company Limited
- 2013 - Present Director Kai Gai Company Limited
- 2010 - Present Director Baan Sam Lom Company Limited
- 2008 - Present Director Pa Koh Residence Company Limited
- 2007 - Present Director E.H.Y Company Limited





Mr. Asa Sarasas
Director

Education

- Master of International Law, University Jean Moulin Lyon 3, Lyon, France
- Bachelor of Law, Sripratum University

Training Course

- IOD Program, Thai Institute of Directors
Director Accreditation Program (DAP) 107/2014
- Diploma Program for Business and Economic Analyst (Business Analysis Program)
Faculty of Economics, Chulalongkorn University

Shareholding

- None-

Relationship

- Little Brother of Mr. Nattaphon Sarasas

Work Experience

- | | |
|----------------|--|
| 2016 - Present | Director G Capital Public Company Limited |
| 2012 - Present | Director, General Outsourcing Company Limited |
| 2014 - 2017 | Assistant Director Legal Department Choo Corporation Company Limited |
| 2011 - 2014 | Lawyer Siam Premier Internal Law Office Limited |



Mr. Spain Jingkaojai
Director
Managing Director

Training Course

- IOD Program, Thai Institute of Directors
Director Accreditation Program (DAP) 132/ 2016

Shareholding

- None-

Relationship

- None-

Work Experience

- | | |
|----------------|---|
| 2016 - Present | Director / Managing Director G Capital Public Company Limited |
| 2012 - 2016 | Director Payap University |
| 2013 - 2016 | Director Chiang Mai International School |
| 2012 - 2016 | Director and Managing Manager, The Prince Royal's College |
| 2014 | Director Chiangrai Vidhayakhome School |
| 2014 | Director Kenneth McKenzie School |
| 2010 | Executive Vice President Banking Retail Product and Strategy, CIMB Nirga Bank, KL, Malaysia |
| 2008 - 2009 | Chief Officer Business Development, Allianz Ayudhya Assurance Public Company Limited. |
| 2007 | Managing Director Ayudhya Capital Auto Lease Public Company Limited |

Education

- Banking and Finance Management Program, The Wharton Business School, University of Pennsylvania, PA, U.S.A.
- Master of Business Administration, Finance, Sasin Graduate Institute of Business Administration of Chulalongkorn University, Thailand
- Whitworth College, Business Administration, Spokane, WA, U.S. A.



The Advisory for the Board of Director



Mr. Supot Singhasaneh
Chairman of the Advisory for the
Board of Director

Education

- Honorable Ph.D. in Accounting, Sripatum University
- Honorable Ph.D. in Accounting, Thammasat University
- Master in Business Administration (Finance), Michigan State University, U.S.A.
- B.Sc. in Accountancy (First Class Honors), Thammasat University

Training Course

- IOD Program, Thai Institute of Directors
Director Certificate Program (DCP) 90/2007
Role of the Chairman Program (RCP) 18/2008
Successful Formulation & Execution of Strategy (SFE) 4/2009
- ASEAN Chartered Professional Accountant - Registration No. 000048

Shareholding

-None-

Relationship

-None-

Work Experience

- 2011 - Present Chairman of the Advisory for the Board of Director G Capital Public Company Limited
- 2011 - Present Chairman of the Audit Committee And Vice President of the Federation of Accounting Professions under the Royal Patronage.
- Present Accounting Advisory Millcon Steel Public Company Limited
- 2006 - Present Audit Committee Member Thammasart University
- Present Accounting Advisory TPI Polene Public Company Limited
- Present Honorary Director, Department of Accounting, Thammasat University
- Present Director Maroew Property Company Limited
- Present Audit Committee Member Humanica Public Company Limited



Mr. Chinavais Sarasas
Advisory for the Board of Director

Education

- Honorable Ph.D., Management of Rural Development Faculty, Khon Kaen University
- Bachelor of Business Administration in Finance University of Southern California, U.S.A.

Training Course

- IOD Program, Thai Institute of Directors
Director Accreditation Program (DAP) 107/2014

Shareholding

-None-

Relationship

Mr. Nattaphon Sarasas
Mr. Asa Sarasas

Work Experience

- 2016 - Present Advisory for the Board of Director G Capital Public Company Limited
- 2005 - 2016 Director G Capital Public Company Limited
- 2015 - Present President of the Mental Health Foundation, Suan Pung Hospital Chiangmai Province
- 2013 - Present Director Kai Gai Company Limited
- 2010 - Present Director Baan Sam Lom Company Limited
- 2009 - Present Director Honorary Chairman of the Advisory, Krungthai AXA Life Insurance Public Company Limited





Management Committee



Mr. Spain Jingkaojai
Director
Managing Director

Education

- Banking and Finance Management Program, The Wharton Business School, University of Pennsylvania, PA, U.S.A.
- Master of Business Administration, Finance, Sasin Graduate Institute of Business Administration of Chulalongkorn University, Thailand
- Whitworth College, Business Administration, Spokane, WA, U.S.A.

Training Course

- IOD Program, Thai Institute of Directors
- Director Accreditation Program (DAP) 132/ 2016

Shareholding

-None-

Relationship

-None-

Work Experience

- | | |
|----------------|---|
| 2016 - Present | Director / Managing Director G Capital Public Company Limited |
| 2012 - 2016 | Director Payap University |
| 2013 - 2016 | Director Chiang Mai International School |
| 2012 - 2016 | Director and Managing Manager, The Prince Royal's College |
| 2014 | Director Chiangrai Vidhayakhome School |
| 2014 | Director Kenneth McKenzie School |
| 2010 | Executive Vice President Banking Retail Product and Strategy, CIMB Nirga Bank, KL, Malaysia |
| 2008 - 2009 | Chief Officer Business Development, Allianz Ayudhya Assurance Public Company Limited. |
| 2007 | Managing Director Ayudhya Capital Auto Lease Public Company Limited |



Mr. Sutthi Sripratum
First Executive Vice President
(Operations Credit & Processing
Management)

Education

- Master of Business Administration, Kasetsart University
- Bachelor of Law, Ramkhamhaeng University

Training Course

- IOD Program, Thai Institute of Directors
- Company Secretary Program (CSP 41/2011)
- Certificate of Business Advisor, Faculty of Economics, Kasetsart University with FPM Certificate Company Limite

Shareholding

-None-

Relationship

-None-

Work Experience

- | | |
|----------------|---|
| 2003 - Present | First Executive Vice President G Capital Public Company Limited |
| 2011 - Present | Director Tak Mining Company Limited |
| 2009 - Present | Director Lam Nam Tok Company Limited |



Mr. Songyos Sumetkijakan
Chief Finance Officer

Education

- Master of Business Administration (Finance and Marketing), Indiana University, USA.
- Bachelor of Accounting (Finance), Thammasart University

Shareholding

-None-

Relationship

-None-

Work Experience

- | | |
|-----------|--|
| 2017 | Assistant Managing Director G Capital Public Company Limited |
| 2012-2016 | Director, Debt Capital Market,
Bank of Ayudhya Public Company Limited. |
| 2011 | Consultant Business Consulting of Renoir Consulting Group,
Kuala Lumpur, Malaysia |



Mrs. Sivapun Sriampai
Senior Vice President of Finance
and Accounting Department

Education

- Bachelor of Accounting, Bangkok University

Shareholding

-None-

Relationship

-None-

Work Experience

- | | |
|----------------|---|
| 2011 - Present | Senior Vice President of Finance and Accounting Department |
| 2005 - 2011 | Finance and Accounting Manager G Capital Public Company Limited |





Ms. Supasorn Phaotip
Senior Vice President
of Debt Management

Education

- Master of Business Administration, Ramkhamheang University.
- Bachelor of Business Administration, Sukhothai Thammathirat Open University.

Shareholding

-None-

Relationship

-None-

Work Experience

2017-Present	Senior Vice President of Debt Management G Capital Public Company Limited
2012-2016	Assistant of Managing Director Recovery Center Company Limited
2008-2016	Senior Vice President of Debt Management and Legal, Amanah Leasing Public Company Limited
2007-2008	Credit Manager, Capital OK Company Limited. Phone Collection Manager, Ayudhya Capital Auto Lease Public Company Limited.



Ms. Wirongrong Boonprateep
Senior Vice President of Marketing
& Sale Management

Education

- Master of Business Administration - General Management College of Management, Mahidol University
- Bachelor of Business Administration - Marketing
Mahidol University International College

Shareholding

-None-

Relationship

-None-

Work Experience

2017 - Present	Senior Vice President of Marketing & Sale Management G Capital Public Company Limited
2008 - 2017	Vice President of Marketing Car4Cash Bank of Ayudhya Public Company Limited



Corporate Profile

General Information

Company Name	: G Capital Public Company Limited
Stock Code	: GCAP
Registration Number	: 0-1075-55000-03-1
Type of Business	: Hire purchase loans, Personal loans is under supervision of the Bank of Thailand, and Nano Finance is under supervision of the Bank of Thailand.
Authorized Share Capital	: 100,000,000 Baht (As of 31 December 2017)
Issued and Paid-up Capital	: 100,000,000 Baht (As of 31 December 2017)
Type and Amount of Outstanding Shares	: 200,000,000 Ordinary Shares
Par Value of Share	: 0.50 Baht per share
Home Page	: www.gcapital.co.th
Head Office	: 161/1 3 SG Tower 8 th Floor, Soi Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel: 02-651-9995 Fax: 02-651-9553
Company Secretary	: Ms. Sirikanda Chansaenwilai 161/1 3 SG Tower 8 th Floor, Soi Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel. 02-651-9995 Ext.4300 Fax: 02-651-9553 E-mail: sirikandac@gcapital.co.th
Investor Relations	: Ms. Patsawaran Sitthipol Tel. 02-651-9995 Ext.4000 Fax: 02-651-9553 E-mail: ir.gcap@gcapital.co.th
Securities Registrar	: Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building 93 Ratchadaphisek Rd., Dindaeng, Bangkok 10400, Thailand Tel : 02-009-9000 Fax : 02-009-9991
Debenture Registrar and Payment Agent	: Bank of Ayudhya Public Company Limited 1222 Rama 3 Road, Bangphongphang, Yannawa, Bangkok 10120 Tel: 02-296-2000, 02-683-1000 Fax: 02-683-1304
Auditor	: Mr. Pojana Assawasantichai CPA License No. 4891 Dharmniti Auditing Co.,Ltd 267/1 Pracharaj Sai 1 Road, Bangsue, Bangkok 10800, Thailand Tel : 02-587-8080 Fax : 02-586-0301
Internal Audit	: Mr. Narongpoj Longchupol Legal & Internal Audit / Compliance 161/1 3 SG Tower 8th Floor, Soi Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel. 02-651-9995 Ext.1700 Fax: 02-651-9553 E-mail: narongpoj@gcapital.co.th

Other Relevant Information

Investors can study additional information about the Company in the Company's Annual Disclosure Form (Form 56-1) posted at www.sec.or.th or www.set.co.th and the company's website at www.gcapital.co.th





Policy and Nature of Business

G Capital Public Company Limited, was founded on August 18, 2004 by Songnam Company Limited, an investment company that provides executives with the knowledge, experience and expertise in the hire purchase business, together with the Government Saving Bank, the state of financial bank have policies to expand the availability of loans to the individual. The company established and start business for hire purchase for agricultural machinery. The company provide hire purchase agricultural machinery and was registered as a limited company to a public company on February 29, 2012. Subsequently listed on the Market for Alternative Investment on December 17, 2013. The Company registered capital of THB 100 million 200,000,000 ordinary shares with a par value of THB 0.50.

From concept and vision of executives that need financial support to farmers have easier access to capital to support the farmers to have modern agriculture machinery used to optimize the crop, harvest and processing of agricultural products, As a result of a better living and Sustainable income. With such a concept and vision of the company's business operations, expanding rapidly and continuously get well responses from customers.

The Company provide hire purchase in new and used agricultural machinery such as rice harvester combine crawling rotavator, farm tractor, wooden loader, sugar cane loader. The Company basically provided a hire purchase loan to the customer basis. Subsequently, the Company has expanded and provided a multipurpose loan for working capital and as a service to the customer that need to buy agricultural machinery. By using hire purchase loans. The Company also offering personal loans to existing customers by using databases and operating systems available in selected a customers with good repayment records.

Under the concept of business for the sustainable growth. The company focuses on providing financial services and products bringing used in occupational to be bring revenue and development quality of life and make a living and live in sustainable. The Company recognizes the importance of selecting a good product and effective and designed a financial product to be appropriate, inventive and consistent that meet customer's needs with focus on the development process and management system to ensure efficiency and effectiveness. The company has the concept of sustainability under CSR is "Achieving Mutual Goal, together" that is, when customers succeed in their careers, the company will be successful business and have sustainable growth together.

In addition, the Company has been licensed to operate a personal loan and Nano finance under supervision from the Ministry of Finance, the company has a policy to expand the availability of credit, increases in the personal loan portfolio to respond to the financial needs of the existing customer as well as increase new customer base. In order to expansion of finance service of the Company.



Important Development

The important changes and developments of the Company are as follows:

2004

August

■ Company incorporation with initial registered capital of THB 1 million from the issuance of 10,000 ordinary shares at par value of THB 100 intending to operate in hire purchasing of agricultural machinery. The Headquartered resides at SG Tower Building, 8th Floor, 161/1 Soi Mahadlekluang 3, Ratchadamri Road, Lumpini, Pathumwan, Bangkok 10330.

2005

June

■ The Company increased its share capital to be Baht 25.00 million by issuing 240,000 ordinary shares of par value of Baht 100 to be used for investment for expansion. The capital was allocated to existing shareholders of 177,500 shares and the Government Savings Bank of 62,500 shares under the shareholders' agreement resulting the Government Savings Bank shares in the Company increased to 25% of the paid-up capital, and Song Nam Company Limited holds 75.00% of the paid-up capital.

October

■ The Company increased its share capital to THB 50 million by issuing ordinary 250,000 shares at par value of THB 100 to be used for investment for expansion. The Shares were allocated to existing shareholders in proportion.



2006

January

■ The Company signed a memorandum of understanding for hire purchase loan for rice harvester combine project with Thai Agriculture Machinery Company Limited, a major supplier in the industry. The Company was a pioneer in the business of hire purchase of agricultural machinery in Thailand without the use of land as collateral.

■ The company creates innovative features combine to make one of the first accident insurance coverage in Thailand by coordination with Dhipaya Insurance Public

Company Limited.

■ The company have coordinate with Thai Agriculture Machinery Company Limited and Kasetphattana Industry Company Limited to made combine to register for the first time. As a document and proof of ownership in the property and to be use of the property in the hire purchasing of agricultural machinery company.



July

■ The Company increased its share capital to THB 75 million by issuing ordinary shares to 250,000 shares at par value of THB 100 to use for investment for expansion. 37,500 shares was allocated to Song Nam Company Limited and 212,500 shares was allocated to the Government Savings Bank, resulting the Government Savings Bank shares in the Company increased to 45% of the paid-up capital, and Song Nam Company Limited holds 55% of the paid up capital.





2008



March

■ The Company initiated multi-purposeloan project to expand customer base as well as to provide a full credit services. The project allowed customers to bring non-obligated combine harvesters to use as collateral to the Company.



2010



September

■ The company has changed the structure of its shareholders as follows:

(1) Song Nam Company Limited has acquired the Shares from Government Savings Bank accounted for 10% of the paid-up capital. The stake of Song Nam Company Limited rose from 55% to 65% of the paid-up capital. (2) The Government Savings Bank sold shares to the Government Savings Mutual Fund in the proportion of 24.99% and sold shares to the shareholders in proportion of 0.01% of the shares and sell shares to the Song

Nam Company Limited of 10% of the paid-up capital resulting the proportion of shares held by the Bank decreased from 45% to 10% of the paid-up capital.

■ The company has launched "G Cap Call Center" to provide information and coordination with clients in many areas such as rice harvester harvesters, areas for rice harvest, truck for transportation a agriculture machine providing information for rice area as well as providing consultancy services for harvest workers and so on.

2012



February

■ The Company transformed to a public company and changed the par value of THB 100 per share to THB 0.50 baht and THB 75 million registered capital from THB 100 million was allocated for offering 50 million shares to the public.



November

■ The Government Savings Bank has sold all shares they held which were 10% of the paid-up capital. 5% of the paid-up capital went to The Government Savings Bank's Private Fund by UOB Asset Management (Thai) Company Limited, The other 5% of the paid up capital went to United Overseas Bank's Private Fund by UOB Asset Management (Thai) Company Limited.

2013



April

■ The Government Savings Bank Mutual Fund sold all shares of 24.99% of the paid-up capital. 12.50% of the paid-up capital were sold to The Government Savings Bank's Private Fund by UOB Asset Management (Thai) Company Limited, and 12.50% of the paid-up capital were sold to United Overseas Bank's Private Fund by UOB Asset Management (Thai) Company Limited, resulting both private funds' equity increased to 17.50 % of the paid up capital. The company sold





2013

November

■ shares to the public of 50 million shares at par value THB 0.50 per share, representing 25% of the total shares the company listed first trading day in mai stock market on December 17, 2014

December

■ The Company is publicly first trading day on the Market for Alternative Investment on December 17, 2013.



2014

March

■ The company has introduced the concept of social responsibility to formulate a strategy to conduct business to provide a personal loan to customers in occupations with good repayment records.

August

■ The company launched the used rice harvester for hire purchase.
■ The company has been selected by the Stock Exchange of Thailand and Market for Alternative Investment (mai) as 1 in 5 companies listed on mai pilot of sustainability project (Corporate Sustainability Advisory Program) that effective on economic, social and environmental responsibility.

September

■ The Company signed MOU for the hire purchase farm tractors with Kamol Industry Company Limited

October

■ The Company had issued and offered the debenture to the general public named and unsubordinated, unsecured, interest rate 5.20% 1 and a half year, maturing in April 2016 of THB 300 million

■ The Company signed MOU for the hire purchase farm tractors with Workman Heavy Industry (Thailand) Company Limited.

2015

April

■ The Company had issued bonds in private placement offering. To investor is not more than 10 debenture holders, unsubordinated, unsecured, interest 5.18%, 3-year, maturing in April 2018 of THB 200 million

June

■ The Company signed MOU for the hire purchase agriculture machinery with Eureka Design Public Company Limited, the create and development a cassava planting and rice mill.

July

■ The Company has been assessed and certified as a membership of certified companies of Thailand Private Sector Collective Action Coalition against Corruption (CAC)





2015

September

- The Company signed MOU for the hire purchase crepe rubber machine with Yipta Agriculture Machine Trading Company Limited
- The Company signed MOU for the hire purchase grain dryer machine with Kun Sun Machinery Company Limited

October

- The Stock Exchange of Thailand has selected the Company to be listed in the "Thailand Sustainability Investment 2015"

November

- The Company had issued bonds in private placement offering. To investor is not more than 10 debenture holders, unsubordinated, unsecured, interest rate 5.18% 4-year 11-month 29-days, maturing in November 2020 of THB 100 million

2016

April

- The Company had issued and offered and offered the debenture to the general public named and unsubordinated, unsecured, interest rate 5.35%, 3 years, maturing in April 2019 of THB 200 million

June

- The Company signed MOU for the hire purchase Bio Generator with Bangkok NGV Company Limited
- The Company signed MOU for the hire purchase Front Loader with Saptawee Engineering Company Limited

October

- The National Innovation Agency (NIA) has select the company to be Innovative Enterprise 2016



2017

February

- The Stock Exchange of Thailand has selected the Company to be listed in the "Thailand Sustainability Investment 2016"

June

- The Company has signed MOU / agreement for the hire purchase of tractors with CNS Industrial Thailand.

October

- The Company has signed MOU / agreement for the hire purchase of tractors with CNS Industrial Thailand.
- The company has start up for the hire purchase of speed boat commercial segment with EU Marine Company Limited and Heri-Phuket Company Limited.
- The Stock Exchange of Thailand has selected the Company to be listed in the "Thailand Sustainability Investment 2017"
- The company has been selected as an outstanding company. In the corporate governance of the Thai listed company for the year 2017, it was rated at 5 stars.





Nature of Business

The Company has 4 main business categories as follow:

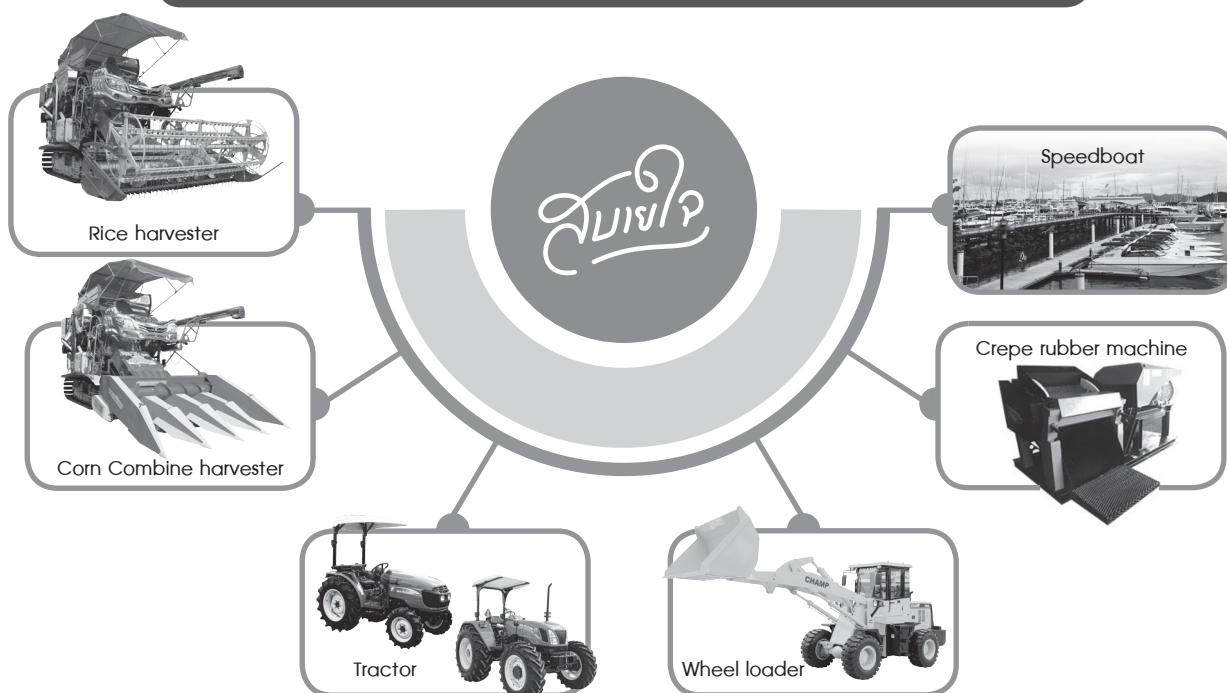
1. Hire purchase Loans Service
2. Refinance Loans Service
3. Secured Loans Service (Loan with Collateral)
4. Personal Loan and Nano Finance Service

1. Hire Purchase Loans

In the Past, the Company had offered Hire purchase loans in various agriculture machines such as combine harvester, corn combine harvester, and tractor, and peripheral, crepe rubber machine, wheel loader including other agriculture machines. Most customers are individuals that bring the agriculture machine to acquire hire purchase with the Company to be used in agriculture including other service for hire in the agricultural field.

In 2017, the Company has started expanding services to offer hire purchase loans to a new high potential target group in tourism industry, with the cooperation of first rate shipyard in Phuket, the Company has started credit for hire purchase service with cruise ship entrepreneur in Phuket area and neighbor towns. Entrepreneurs that wish to purchase speedboat for tourism business can apply for credit for hire purchase with the Company.

Example of agricultural machines offered by the Company for hire purchase





2. Refinance Loans Service

Refinance Loans Service is a service used for circulating fund when conducting business, or for purchasing spare part, for repairing car/ boat/ agriculture machines that the Company had offered hire purchase service or to be used as down payment for new car/ boat etc. Customers must have documents or evidence showing ownership of car/ boat/ agriculture machines (encumbrance free) to apply for credit with the Company (Consideration and credit limit is according to the terms of the Company).

3. Secured Loans Service

Secured Loans Service is a credit offer for the liquidity in conducting business or for personal use. Borrower need collateral to secure the loan by mortgaging/transferring right to the Company, however borrower needs to be a current customer of the Company with good records of paying installment as requirement dictated or a new customer with qualifications as specified by the Company.

4. Personal Loan and Nano Finance

The Company was granted personal loan business license under supervision of the Bank of Thailand from the Ministry of Finance on the 14 October 2015. The Company has started offering service for supervised personal loan on 1 December 2015.

Due to personal loan is an unsecured loan, the Company has set policy in offering personal loan to only existing customers with good financial records with the Company or group of customers that have good and stable career, permanent dwelling and person whose personal information is verified such as permanent employee, the Company has specified credit limits for personal loan according to the Company's policy and criteria to consider the credit limits by following the announcement of the Bank of Thailand.

In 2017, the Company has planned to expand personal loans service by keep focusing on people with good & stable career, permanent dwelling and whose personal information is verified, hence the "Sabaijai Employee" to serve the employee target group, and "Sabaijai Market" to answer the demand in loans for stall fee or be used as liquidity for vendors and entrepreneurs' business in the first-class market in Thailand.

For Nano Finance, the Company was granted the license from the Ministry of Finance on 14 October 2015 and has started this service on 22 March 2016.

Since Nano Finance is an unsecured loan, the Company has set policy in offering personal loan to only existing customers with good financial records with the Company, or groups of customers that have a career or individuals with permanent job and whose personal information is verified. However, the Company has limited the credit for the Nano Finance at the amount not exceeding THB 100,000 per person there are well defined the criteria for credit limit including the interest rate, and other fee by following the announcement of the Bank of Thailand.



The Company revenue structure divided by business categories as following

(Million)

Type of Income	2017		2016		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Hire Purchase Loan	140.46	70.72	123.55	80.95	156.18	88.06
Personal Loan and Nano Finance	36.02	18.14	10.15	6.65	3.88	2.19
Fine for Late Payment	16.79	8.45	16.34	10.70	13.84	7.80
Other	5.34	2.69	2.59	1.70	3.46	1.95
Total	198.61	100.00	152.63	100.00	177.36	100.00

Note : Other incomes are comprised of discount from the promotion, fee from the insurance, interest, claims, change of contract, and multi-purpose loan.

Marketing and Competition Situation

Thailand's overall economic in 2017 had expanded in the rate of 3.5% (forecasted by World Bank) which was higher than the previous forecast at 3.2% due to the better expansion on industry tourism export the tourism. However, the World Bank noticed saw that Thailand's economy still remain the lowest growth when comparing with other countries in the ASEAN.

Agricultural Machinery Hire Purchase

In 2017, the Economic in the agriculture industry had expanded 5.3 percent comparing to 2016. In plant sector, livestock sector, fishing sector, agriculture service sector and forestry sector had expanded at the rate of 6.8, 2.0, 2.2, 4.7, and 2.3 percent respectively. Factors that affected the agricultural economy are as follows:

Positive Factors

- Weather condition and the water level had well provided for the agricultural produces more than 2016, the quantity of the water that could be used in the significant reserves was sufficient for various of production processes in producing agricultural goods especially off-season rice around the Chao Phraya plain in the lower northern area and upper central which increased significantly together with the weather condition that well provided in various areas of the country, had good effect to the growth of numerous plants and ability to bear a lot of fruit.
- The economy of the country of the trading partner had improved such as ASEAN 9, Japan, China, USA, and EU, thus impacting the rising trend of export of the agricultural produce and goods.
- Ministry of Agriculture and Cooperatives had planned that 2017 would be a year of promotion of the changing towards Smart Agriculture by emphasizing the integration in the 13 main policies on agriculture including bringing innovations and technologies to reduce the cost of production and upgrade the agricultural production to be efficient and up to the standard.





Negative Factors

- During December 2016 - January 2017, many provinces in the southern region such as Nakhon Si Thammarat, Surat Thani, Phatthalung which are significant source of production of para rubber, palm oil, white leg shrimp had suffered from severe flood impacting the output of para rubber and white leg shrimps in the first quarter of 2017 resulting in declining trend.
- The end of July until the beginning of August 2017 and around September 2017, many provinces in the north eastern region such as Sakon Nakhon, Nakhon Phanom, Bueng Kan and Kalasin which are important source of production of in-season glutinous rice, had suffered by the influence of tropical storm SONCA and DOKSURI making it rain continuously, causing a severe flood resulting in the output of part of in-season rice that supposed to be sold in the 4th quarter in 2017 had been damaged.
- The end of November until the beginning of December 2017, many areas in the Southern region of Thailand has suffered from flood since the continuous rain from the monsoon causing sudden flood, flash flood and wetland in the plain especially in Phatthalung, Songkhla, Nakhon Si Thammarat, Trang, Surat Thani, Pattani, Yala and Narathiwat which are important source of production of para rubber, palm oil and fishing for the country causing the para rubber, palm oil and fishing goods to suffered from damage.

Growth Rate of the Gross National Product (GNP) (Unit: Percent)

Sectors	2017	2016	2015
Agricultural Section	5.3	-0.5	-4.2
plant	6.8	-1.8	-5.8
livestock	2.0	2.8	2.2
fishery	2.2	2.5	-1.3
Agricultural Services	4.7	-0.5	-4.0
Forest	2.3	2.2	2.8

Source : Bureau of Agriculture Plan and Policy, Office of Agriculture Economics

Competition Strategy

1. Creating differentiation in service strategy

The Company has policies in developing the financial services to be different and diversified and complete for customers along with adding value and brand loyalty in Company's services to maintain old customers as well as new customers. The Company focused on approaching customers in each target group by researching for their needs, behavior and demands in loan of each group, to be able to match the service with the product that customers' demand such as hire purchase services comprising of loan to hire purchasing agriculture machine, multi- propose loan for repairing parts of agriculture machines, loan for buying spared parts, liquidity loan, collateral loan, speedboat loan, and personal loan comprising of employee welfare loan, market loan, etc.



The Company focused on designing the loan service to match needs such as designing installment to match with the harvest time of the agriculturists for hire purchase loan on agriculture machine, and offers loan for stall fee and liquidity loan for vendors in the market etc.

The Company's services are easy and quickly for the customer. The Company provides door to door service to serve customers behaviors and characters and make them believe and feel comfortable. Moreover, the Company also arrange after-sales service by having customers service to recheck the customer is condition and problem to help and find solutions for them.

2. Expanding Business Strategy

Since 2017, the Company had planned in expanding business for credit service to other agriculture machine to such as tractor, making the Company's business not depending on only any agriculture machine as well as expand the business in personal loan to reduce risk relating to the weather condition or natural disaster occur each year.

In addition, the Company had planned to increase the trading partners to increase the finance product and marketing channel to serve need of customers in various industries.

3. Marketing Promotion Strategy

The Company has launched sales promotion to serve customers needs and arrange booth to join the exhibition with partners of the Company to encourage customers to buy products and use our financial services easier.

Moreover, the Company has offered promotions and privileges to existing original customers with good payment record in order to keep existing maintain customer bases.

In addition, the Company has a policy in giving discount for the installment for customers that pay the installment before its due to encourage customers to build a financial discipline and motivate the payment.

4. Public Relation Strategy

Public Relation Strategy is focusing on making customers understand the Company's credit services and create opportunities in accessing the source of formal fund for the customers, enabling the Company to expand to group of customers that had never used the Company's service before and maintaining original customer bases to be familiar with the services of the Company continuously.

The Companies has channels for advertising through various media such as local radio station, community radio, have an exhibition with trading partner, magazine advertising, advertisement, brochure, message, etc., and has expanded the public relation through social media more to fit with behavior and life style of customers and to be able to reach target group easier and quicker.





5. Branding awareness

In 2017, the Company has emphasized on build company image by targeting on diversified customers not only agriculturist, employee, but also vendors, business partners, etc., the communication and announcement from the Company must accurate, complete, inclusive and standardized, to reflect the high standard company the financial service. Moreover, the Company has rebranding its financial services, such as name of the various products, in public relation in 2017, the Company has launched a brand “Happy Loan” to be the main brand for the credit service of the Company and launched a sub-brand to support the credit service that has been launched to target each group of customers in order to make it easy to communicate and recognize the brand. However, last year the Company has launched a credit brand for a total of 5 brands such as “Happy Loan” which is a main brand, “Farmer Happy Loan,” credit service for agriculturist, “Employee Happy Loan” which is a loan targeting employees, “Market Happy Loan” offers credit service for vendors and other entrepreneur in the market, and “Andaman Happy Loan” offers tourism entrepreneur credit for hire purchase for the speedboat.

6. Customers Relationship Strategy

The Company pay attention to maintain and establish good relationship with customers by establishing customer service department to accept claims along with helping to resolve problems for customers in whatever issues they have. The customers can report issues through numerous channels such as local staff, the Company’s call center, website, social media for example Line and Facebook, etc.

In addition, the Company has continuously joined many exhibitions with partners and allies, besides a channel for team member to have a chance in meeting, conversing, accepting recommendation and complaint from customers directly, the Company prepared souvenirs and special prizes to give customers that has used credit service with the Company.

For existing customers that had used the financial service of the Company and have a good payment record in paying back, the Company has analyzed data to offer a special-rate credit service for the existing and current customers of the Company.

7. Maintaining and Building a Relationship with Partners and Allies Strategy

The Company has valued in keeping and building a good relationship with partners and allies, since partner and allies are big a part in supporting customers in familiarized with the Company’s financial service and influence customer to use the Company’s credit services. In the past, the Company has arranged a meeting to exchange information and bring forth the problem arising from cooperation to improve and resolve continuously including the Company always cooperate in activity arranged by partners and allies to strengthen relationship and creating opportunity in conducting business. Moreover, there are special credit campaign to answer the needs and is harmonizing with the marketing scheme that partner and allies had planned.



8. Developing and Maintaining Employee Strategy

In developing Human Resources, the Company gives highest precedence in developing its employee by often arrange training and seminar in various topics for employees in every level including executives. There are internal trainings and external training with various institutions etc. The Company has arranged for training for the new employee to be able to understand procedures that they are responsible to be working on before starting real work. Moreover, in increasing efficiency and skill in performing task of executives and employees, the Company has been arranging annual training and giving opportunity for employee to attend training from various institutions to strengthen the capacity of the organization and its personnel.

The Company has supported developing personnel fully by finding the good courses that are suitable for the employees, moreover planning on allocate more budget in developing its employee annually.

Besides, salary which are the compensation that the Company pays its employees. The Company has arranged for welfare considering from potential in procuring and affordability of the Company, both in the present and in the long term, to acquire a welfare that reinforce stability in the living of the employee and to lessen the burden in their living such as expense for medical treatment and dental care and other expenses such as expense allowance and vehicle support payment. Moreover, the Company has specified that welfare and compensation that are conform to the Company's revenue, both short term and long term. Short term such as Bonus that the Company pays its employees according to the Company's revenue with the amount also consistent with same business market, long term is a provident fund with main purpose is to strengthen stability in the living of the employees and an insurance when retired, the Company pays provident fund to employees that are members of the said fund in the rate of 3-7 percent of the standard salary rate with the terms in saving, counterpart fund and condition in receiving the said fund and the benefit of the counterpart fund is according to the specified terms and conditions.

Prizing Policy

The Company has policy in specified appropriate and fair interest rate. The Company shall consider trends of interest rate in currency market and other entrepreneur in business of hire purchase and other credit services including other factors to design credit scheme that harmonizes with the ability in paying back of the customers which are;

1. The cost of loan interest of the Company in the present and in other trend of factors that shall impact the said cost such as country's economy, trends of the change in interest rate in the currency market.
2. The operations cost of the Company.
3. Type of credit and interest rate of the similar credit (or nearly similar) from other credit service providers.
4. The quality of assets (car/ boat/ agriculture machine) that used as a collateral in hire purchase loan such as type and brand of goods, condition of the goods, and usage lifetime.
5. The qualification of applier for loan and guarantor. (if any)





Distribution Channel

In providing credit service, customers or prospect can contact to use hire purchase service, supervised personal loan, and other credit serviced through 3 channels as follows;

1. Contact through business allies of the Company

- a. Hire purchase: distributor shall be the one introducing and give information of the service to interested customers initially including introducing customers to the Company.
- b. Supervised personal Loan (Employee Happy Loan): interested individual who is an employee of companies that has signed in the cooperative program for Employee Happy Loan with the Company can contact via Human Resources officer of the employer's companies for information and applying for the Loan, Human Resources officer of the employer's companies shall coordinate with the officer of the Company.
- c. Supervised personal loan (Market Happy Loan): Vendors or entrepreneur that interested in applying for the service can contact companies that has authorized in managing the market areas, which the companies must have signed as an ally agreement with the Company already.

2. Contact through officers that has stayed at the service center at the office of distributor or business ally's office

3. Contact the Company directly through call center or website and the Company's Social Media.

In the past, the Company has offer service through the 1st and the 2nd channel the most, since the policy of the Company which focused on keeping good relationship with every business ally and conducting business in way that benefit every party involved. To facilitate customers and supporting the performance of the distributors/ business allies.

However, from the policy in 2017 which focused on bringing modern technology to improve the process of operation to be able to answer customer's need quickly and more efficiently. The Company has improve Call Center, improve and increase channel to communicate with customers covering more on digital channel according to the behavior of customers that have changed, improving website, add channels for connecting with customers through social media such as Company's Facebook Fan Page, or Line@'s Channel of each credit services which have officers from the Company informing, answering, accepting claims, coordinating and resolving customers' problems with other teams from other departments involved.

Credit Granting

The Company has specified the procedure of the credit service covering credit granting policy, publishing the policy to operating officers, stipulating terms and conditions in considering Loan, revising credit granting along with authorized in granting credit for standardizing in granting credit continuously and systematically.

However, granting supervised personal loan and Nano finance, the Company has performed according to the rules, procedure and terms in conducting credit service for supervised personal loan and Nano finance for entrepreneur that is not finance institution under the proclamation of the Bank of Thailand strictly.





Source of Capital

Source of Company's Capital can be concluded as follows:

1. Loan from Financial institutions.
2. Issuance and offering of short-term debt instruments and / or long-term debt securities.
3. Shareholder's capital comprised of paid-up capital and retained earnings.

The Company has a policy to provide financing in line with the business operation of the Company. The liquidity and the appropriate debt to equity ratio. Taking into account the adequacy of funding. Cost or interest rate and the appropriateness of cash flow.

Source of Capital

Source of Capital	31 Dec 2017		31 Dec 2016		31 Dec 2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Loans	1,152.21	77.54	498.97	59.97	607.64	64.80
Loan from Financial institutions	180.00	12.11	-	-	-	-
Short-term loans from other persons and companies	-	-	-	-	-	-
Short-term unsecured debentures	-	-	-	-	-	-
Long-term loans from financial institutions due within one year	-	-	-	-	8.33	0.89
Unsecured Long-term Debentures due more than one year	199.92	13.45	-	-	299.60	31.98
Long-term unsecured debentures	772.29	51.98	498.97	59.97	299.11	31.93
Long-term loans from financial institutions	-	-	-	-	-	-
Shareholders' Equity	333.68	22.46	333.02	40.03	329.74	35.20
Total sources of funding	1,485.89	100.00	831.99	100.00	936.78	100.00

However, the Company has policy in finding fund to be conformed with the purpose of expense and the period for using the money, in order for the Company to have liquidity and have a right ratio between debt and capital such as increasing the capital stock and finding loan that is conformed to duration of the credit that has been offered.

Purpose of Business

In 2017, the Company had aimed to be a first-class credit service provider with various types of credit services that could cover more needs of the customers and focused on services that are easy, quick and impressed by the standard and have credibility, which depending on staff with knowledge, experience, understanding along with good and effective managing system. The Company held firm to the moral and transparency for customers to believe and be satisfied by the Company's services. And the Company has been increasing customer bases through business allies and networks.





The Company applied modern technology to enhance efficiency in services, directing a long term plan in going digital to transfer the Company's financial core system to be in a platform that is easier, more comfortable, and self-reachable through internet, and the Company also learned to apply mobile application to enable customer to manage financial transactions by themselves in the future.

The Company has aims in sustainably developing its organization together with the growth of Supply Chain. The Company gave precedence and intent to be part of developing the supply chain of the Company in communication, development of working process and other for joint values in economy, society and environmental aspects.

The Company has realized the change in IT technology, is important and pay attention in managing data to meet the business requirements for customers efficiently. The Company has 3 years plans in developing the fundamental system structure, device center and network according to the Company's policies to drive employee's potential the most effective there are 3 main development parts.

1. **G-Trust** to build trustworthiness in the system to serve business's requirements and ready.
2. **S-Sale** to create system that help sales (front and member) work more easily fast, effective, etc.
3. **C-Quest** to create system to serve customers and allow them to access and manage their own information.

Main objectives of the IT management are to get the organization ready for change and Digital Transformation by applying technology to improve working process to most effective, response and create satisfaction to customers along with giving the most value to stakeholders.

1. Managing the IT Team - IT management work with Human Resources have developing man power to support digital transformation & workspace that enable staff work more as well as efficient increasing helpdesk to support staff constantly.
2. Developing core system of hire purchase and personal loan - to support more customers and ready for increasing demands of the market the system should support staff to work with mistake lessen the repetitive mistakes of various departments effectively.
3. Modification of structure and network security - IT management had changed network and put more firewall to enhance security in place.
4. Resource Optimize Management - IT management had inspected devices and tools stock on hand and create data base of assets, history of repaired in some devices they had modified and improved to be ready to use when needed such as computers, notebooks, printers, scanners, CCTV, WIFI, etc.
5. Managing Call Center & IVR - to provide more communication channels to customers, IT management had placed a Call Center & IVR system to support call center service for customer, partners, stakeholders to contact via phone also for customers, during work hours.

The Company will continue to implement the it system development plan to achieve the Company's goals. In order to get the organization ready to change and work in the next digital age.



Risk Factors

Key risk factors of the Company and risk management approach can be summarized as follows:

1) Marketing and Strategic Risk

1.1 Hire purchase for agricultural machinery and cruise ship

1) The agricultural machinery hire purchase business is not under the supervision of the Bank of Thailand. The current situation is not as serious as the car and motorcycle hire purchase businesses, so there may be a risk of having new competitors into the market. However, the company had experience and expertise in agricultural machinery hire purchase loan up to 13 years, it has strengths to outsmart new competitors. Also, the Company uses the strategy to understand the customer's change in farming regularly. The Company always has an adjustment of the installment period corresponding to different harvesting seasons, so that farmers have cash to repay their debts which are the way to reduce the risk of not being to pay their debts. However, the risk of reliance on a major agricultural machinery manufacturer, Kaset Phattana, which the Company has a strategy to keep close relationship with its partners. The Company's Executives are constantly visit its partners and instantly solve any problems that occurs for its partners. The Company focus on serving its partners and customers of the partners. It also manages the relationship by expanding the business channel of the partners by extending the loan to purchase spare parts, loan to repair, etc.

In mid 2017, the Company has cooperated with CNH Sales (Thailand) Co., Ltd. to expand the hire purchase business to add a turnkey support the farmers. And at the end of the year, the company expanded its hire purchase business to the tourism sector, providing a loan to hire an engine for a tour boat in the south. The Management has traveled to see the possibilities of the business, gaining an understanding in the area and lifestyle of people who need credit, making an analysis of various risk factor to be able to set up a hire purchase loan with good risk control and requiring collateral to reduce the risk as well.

1.2 Personal loans under supervision

Personal loans are relatively competitive, because the interest rates and fees are higher than credit card loans. Operators in personal loan sector under the supervision are bank and non-bank organizations, and more of them trends to enter in the business. As of 31 December 2016, and 2017, personal loans under supervision continued to grow from THB 332,996 million to THB 354,294 million, respectively. The number of accounts increased from 12.18 million accounts in 2019 to 12.78 million accounts, respectively.

(Source : Bank of Thailand <http://www2.bot.or.th/statistics/ReportPage.aspx?reportID=803&language=th>)

Since the personal loan business under supervision is a highly competitive market, the company sees the opportunity to generate more revenue. The Company was granted license for personal loan business under supervision from the Ministry of Finance on 14 October, 2015 and started to provide personal loans under the supervision on 1 December, 2016 and in the past year. The Company has begun to provide personal loan to employees of the Company who signed MOU, the name of the loan is "Sabaijai Employee", since the Company has risk concern in this high competitive environment. The risk management team studied and





analysed various risk factors, conditions, and features of the applicant by starting from existing customers. However, the Company perform credit analysis based on detailed financial history, together with working with the company's human resources for risk management process. Until today, " Sabaijai Employee " has the highest proportion in personal loans with higher 95% good quality loans.

Same as personal loans-working capital for merchant and vender, Started the first project at Klong Toey Market. After field data collection and to understand the needs of customers, the team designed personal loans under the brand. " Sabaijai Klong Toey" appropriately to various types of merchants in Klong Toey, as well as designing the team management for specific debt market. Currently, there are more than 400 market participants. And in 2018, the company plans to expand its market to other larger markets and will continue using customer's need base strategies to penetrate market and for effective risk management.

1.3 Nano finance loan

The Supervision of Nano Finance By Announcement No. 58 on retail loans for careers under supervision had set the financial institutions criteria and the interest rates that financial institutions may charge from the borrower. The Bank of Thailand has announced the definition of rules, procedures and conditions for conducting retail business under supervision for non-financial business operators to solve the problem of debt outside the system and allow a person who has no property or collateral can apply for loan for careers. As of December 31, 2016, and 2017, personal loans under supervision continued to grow significantly from THB 1,435 million Amounting to THB 4,777 million, respectively.

(Source: Bank of Thailand <http://www2.bot.or.th/statistics/ReportPage.aspx?reportID=876&language=th>)

The competition in the business of Nano Finance, although there are many licensed operators. However, The competition still low. Because each entrepreneur has a strategy to focus on their customers. And the large financial institutions do not offer Nano Finance. Therefore, the Nano finance service could be the good opportunity of the company to expand and leverage the business of the Company as well.

However, the Company has realized the risk on this high competitive market, therefore, the Company has due to start offering Nano finance loan to the group of merchants, in Khong Toey market close relationship with this group of customers and has stong relationship with partners in this business. This ensures the effectiveness of the risk management for this sector.

2 Financial risks

2.1 Risk from fluctuations in interest rates

The main business of the Company is financing hire purchase to agricultural machinery leasing business therefore, the main income of the Company is from the margin of the fixed accrued interest receivable on loans granted by the Company and the floating accrued interest payable rate the Company borrowed from financial institutions and from the fixed interest rate from bond market. This result as risk of the Company from interest rate fluctuations. The Company has restructured its borrowings by issuing long-term debt securities to fix the interest rate. The Company has careful policies for cash receipts (Loans from the bond market) and cash disbursement (Loan granting). In addition, the Company is able to reduce the risk of fluctuations in interest rates on new loan agreements. The new interest rate will be adjusted to reflect current





interest rates, thus reducing the risk of fluctuations in interest rates. At the same time, if the interest rate is likely to decrease, the Company will earn more as well.

2.2 Risk of reliance on borrowing sources

The source of loan to finance to customers was by issuing long-term debentures. The Company maintained the Debt to Equity Ratio at the end of the accounting period in the consolidated financial statements of the Issuer audited by the auditor not exceeding 5: 1 (five to one) times in accordance with the terms and conditions of the rights and obligations of the issuer and debenture holders. If the debt-to-equity ratio is likely to be higher, the Company may consider the options in reducing debt to equity ratio or request for capital increasing. However, on December 31, 2017; the Company had debt to equity ratio at 2.91 defined as debenture issuing obligations.

2.3 Risk from Non-Conformity between Credit Term and Source of Fund

Because of the Company's main credit is mainly due to the hire purchase of agricultural machinery. The typical hire-purchase loans period is more than 1 year while the source of funds is borrowing from financial institutions and the issuance of bond. There may be a risk of varying the length of time. And it can cause cash receipts and cash disbursement incompatible. This may lead to a lack of liquidity in the operation. The Company is aware of that and has been restructured from short to long term structure to be consistent with the repayment period of loans from various sources to be appropriate for the loan period. In April November 2015, April 2016 and August 2017, The Company issued long-term debentures of THB 200 million with maturity of 3 years, THB 100 million with maturity of 5 years, THB 200 million with maturity of 3 years and THB 354.50 million with maturity of 2 years, respectively. As of 31 December 2017, 31 December 2016, and 31 December 2015, the Company has average debtors of 3.86 years, 3.61 years and 3.55 years, respectively, while the average creditors are 2.69 years, 3.40 years and 2.58 years, respectively. The Company Reduced the difference in terms of lending and borrowing, manage capital adequately and reduce the risk of liquidity shortage.

2.4 Risk of redemption of Debentures prior maturity

The Company has the right to redeem the debentures (call option) in full or partial in according to the conditions specified in the terms and conditions of the debentures. The right is reserved for the Company so the investors are at risk of receiving repayment before maturity. The Company can exercise the right to redemption or principal repayment of debentures in whole or partial (at one time or many time) before the maturity date of debentures beginning with (and including) the first anniversary of the debentures. The maturity date of the debentures will be the same as the maturity date (of interest payment date). The exercise of the right to redeem the debentures is subject to the consideration of the overall situation. However, the redemption of the debentures before maturity may cause investors not to receive returns as expected. And investors would have risk form investment that has the change in interest rates in the money market. As a result, investors will not be able to redeem the principal and interest received from the redemption of such debentures to invest within the expected return on the previous level and also affect the return on their investment of the interest rate at that time. Although the company shall for the fee of debenture holder at the rate of 0.25% of the principal amount of the debenture.





3 Operational Risks

3.1 Risk of reliance on agricultural machinery manufacturers

The Company has income from financing hire purchase services, which rely on major agro-industrial manufacturers and dealers, namely Kaset Phattana Group from the agricultural machinery loan each year. The Yokubon family, which is a major shareholder of companies in Kaset Phattana Group (Agriculture Industry Development Company Limited, and TAMCO Company Limited, a group Threshing machine manufacturers) have no relationship as directors and/or executives. The controlling person, including related persons of such person are only shareholders of the Company who hold 0.54 percent (as at 31 December 2017). Nowadays, Kaset Phattana group sells their machine using the Company service about 40% of total sales of agricultural machinery. It may cause the company a risk for loan issuing in the future if the manufacturer stop doing business with the company, affecting the performance of the Company as the main revenue comes from the distribution of products. The company has added value and loyalty to its products by adding different types of credit to its products and customers, such as loan for spare parts, loan to repair agricultural machinery, loan for new cars, etc. These different and varied services are great ways to expand the customer base to the manufacturers. It is a business that relies on each other. Both the company and the manufacturers are long-standing business partners and have the same business goals as the customer's success. This will allow the Company and its partners to continue their business.

3.2 Risks from the Management of Seized Agricultural Machinery

In cases where the debtor has defaulted on the debt repayment, the Company will send the notice with the fine to the debtor. Meanwhile, the company will send a service representative to contact the debtor for a solution. If the debtor fails to make the corrective action under the joint plan, the company will negotiate for the debtor to deliver the agricultural machinery back to the company. The Company allows the debtors to contact for the redemption of agricultural machinery. And after the redemption period, the company will announce the auction to those interested in buying agricultural machinery. If the auction is insufficient to repay the debt, the Company can claim the remaining amount from the debtor and/or guarantor. In case the company cannot get the remaining amount, the Company shall recognize the loss from the sale of agricultural machinery. The auction price will depend on the condition, lifetime and the popularity of agricultural machinery, including the market conditions and the demand at the moment. In addition, the Company has a database to contact with customers or those who are interested in buying used agricultural machinery (second hand) to use as a channel for the sale of agricultural machinery obtained.

In addition, the Company is considering the agricultural machinery loan which is the demand and popularity of the market to reduce the impact of the auction of the assets that held back.

However, the Company has adequate allowance for doubtful accounts and can manage the risk of losses that may occur. And the company's customers are farmers who is quite honest in debt payment.

3.3 Risk of employee fraud

The Company engages in hire purchase business, secured Loans, and personal loan without collateral. The Company has set up a procedure for reviewing the lending to customers who receive loans from the





Company to confirm that the customer is fully paid according to the contract. And in payment of the customer, the company requires customers to pay through the channels that the company controls. When the company check the customer's payment, the Company will inform the customer and issue a receipt to the customer. And the company has the system to check and review the system of receipt and disbursement. Throughout the operations of the company, the employee fraud has never been detected.

In 2017, the Company structured its internal audit to plan and to monitor the system, work process, complaints and notices of misconduct from by the customer who was not salved well, had problems using credit service, or want to report a fraud. The customer can provide information through the channels as specified by the company. The company has set up the management and responsible for managing the complaint and notification of the offense. Throughout the operations, the Company never received a complaint and did not receive a clue.

3.4 Risk from reliance on specialized human resources

Either the Company provide hire purchase loans or personal loans, it experienced requires. Credit analysts and marketing staff who understanding agri-business, target customers which are different from salaries person, merchants in the market and customers from tour business. Therefore, the Company manages knowledge, ability and specific skills of its employees. Through, a clear operating system and operating manual with the same standard for staff to follow and encourage sharing of knowledge to reduce dependency on one of employees. In addition, the Company has encouraged employees to work with the company for long term appropriate benefit and fair, welfare, as well as career path.

4. Credit Risk

4.1 Risks to performance of overdue loans

The main customer base of the Company is farmers which income is usually from the cultivation of agricultural crops. In the case of natural disasters such as floods, droughts, pest outbreaks or changes in government policy regarding agricultural production structure or the price of crops fluctuation may have an impact on the ability to repay the debt. The business may have a risk of overdue loans if there is a lack of caution in approving loans and a lack of good internal controls. However, the credit analysis process of the company uses credit scoring and cash flow analysis. The Company has policy to reserve for doubtful accounts at the rate of 2.50% of total receivables under the loan agreement, along with the assessment of debt repayment, age of the debtor, and the forecasted future cash flows of customers and the value of hire purchase assets after taking back compared with the standards and will be discontinued when the receivables are overdue than 3 months. The hire purchase receivables as at 31 December, 2017, the Company had net receivables overdue more than 3 times and net receivables under legal proceedings amounted to THB 137.77 million. The Company has set aside allowance for doubtful account on 30 September 2017 was THB 123.90 million.

The Company has a strictly. The Company has developed a database of customers based on past transactions. With information related to the occupation, rice harvest broker information of the harvester's driver, thus enabling the Company effectively monitor the quality of its account receivables by reviewing the





repayment history from the existing debtors database. In addition, the Company has set up a business policy to prevent the risk of overdue debtors. The Company has focused on the quality of credit and collateral so it has set important measures in business such as setting clear criteria for loan approval in every step, including set up down payment amount to be appropriate to the risk of debtors and collateral. As well as internal control system by using the Check and Balance system which provides the system to the marketing officers, credit analysis officers directly checks customer's information and rechecks with the credit committee again. to comply with the credit approval standards of the Company, and also has an effective reporting system to know the current status of the debtor. As a result, the Company Credit management can be used to prevent a large number of outstanding installments. The Company can reduce and prevent the risk of overdue receivables.

For personal loan customers, the Company has changed the management structure of debt collection by dividing the management team into groups. However, the company still needs to improve its processes to manage outstanding loans for better performance on a regular basis.

5. Legal risks

5.1 Risk from the control of the government

Currently, the car & motorcycle hire purchase business is directed by the Office of the Consumer Protection Board ("OCPB"), which oversees the contract to ensure fairness to consumers and it is not under the Bank of Thailand ("BOT"). In the future, if the government plan to supervise the hire purchase business operators to control the operation of the same standard. It can affect all companies in engaged in hire purchase business. However, the Company follows the guidelines that the BOT uses to regulate financial institutions, such as the classification criteria and the provisioning of financial institutions. policy on recognition and non-recognition of income. The Company has complied with the regulations of OCPB and has confidence that future government oversight will not affect the company's performance, significantly

For personal loan business under supervision, small and medium sized commercial loans under the supervision of the Bank of Thailand has the criteria's, terms and conditions in doing personal loans business. For non-financial business operators such as application's qualifications, credit limits, determining the interest rate or any fees, receiving complaints and following up the payment. The Company has strictly adhered to the above guidelines in order to be fair to the users. And if the Bank of Thailand changes and/or issues additional regulations regarding personal loan services under supervision. As a result, the Company will adjust the guidelines to be in line with the Bank of Thailand's guidelines.



Shareholding Structure and Dividend Payment Policy

The first 10 major shareholders of the Company as of December 31, 2017, which was the last closing date, were listed as follows:

No.	List of Name	Number of shares held	%
1	Song Nam Company Limited	50,100,000	25.05
2	Mr. Chakhirt Suwannachot	9,999,900	5.00
3	Mr. Siraprasert Jirapornprapha	9,655,500	4.82
4	Mr. Pornchai Charumethee	5,530,000	2.76
5	Ms. Waraporn Punwongklum	5,210,000	2.60
6	Thai NVDR Co., Ltd	3,595,305	1.79
7	Mrs. Hadsadee Prachartum	3,100,000	1.55
8	Mr. Thawee Kositjiranun	2,850,000	1.42
9	Ms. Patcharee Maboonyanon	2,759,300	1.38
10	Mrs. Pharinya Khuncharoensuk	2,447,800	1.22
	Total of 10 major shareholders	95,247,805	47.59
11	Others	104,752,195	52.41
	Total	200,000,000	100.00

Source: List of major shareholders as of 31 December 2017 prepared by Thailand Securities Depository Co., Ltd.

Dividend Policy

The Company has the policy to pay dividends at a rate of not less than 50 percent of the net profit of consolidated financial statement after the deduction of corporate tax, and after deduction of all reserves according to the law and company's policy. The dividend payment shall have no significant impact on the normal operations of the Company. The payment of dividends is subject to change based on the results of operations and financial position, liquidity, expansion plan and any necessity and appropriation in the future, and other factors involved in the management of the Company as the Board of Directors and/or shareholders of the Company deems appropriate, and such action shall cause the maximum benefit to shareholders.





Dividend Payment to existing shareholders

By the resolution of the Annual General Shareholder's Meeting for the Year 2014 on April 22, 2014, the company authorized to pay cash dividends for the year 2013 to its shareholder at Baht 0.13 per share (Normal dividend at Baht 0.11 per share and special dividend at Baht 0.02 per share), that equivalent to 60.73 percent of the net profit, the details are as follows;

- The interim dividend at Baht 0.075 per share for the Company's performance from 1st January-30th June 2013 to shareholders on August 29, 2013 (The Company's paid-up share capital of 75,000,000 Baht into 150,000,000 ordinary shares with a par value of 0.50 Baht)
- The yearend dividend at Baht 0.07375 per share for the Company's performance from 1st July-31st December 2013 to shareholders on March 19, 2014 (The Company's paid-up share capital of 100,000,000 Baht into 200,000,000 ordinary shares with a par value of 0.50 Baht)

By the resolution of the Annual General Shareholder's Meeting for the Year 2015 on April 23, 2015, the company authorized to pay cash dividends for the year 2014 to its shareholder at Baht 0.16 per share, that equivalent to 53.86 percent of the net profit, the details are as follows;

- The interim dividend at Baht 0.06 per share for the Company's performance from 1st January-30th June 2014 to shareholders on September 5, 2014 (The Company's paid-up share capital of 100,000,000 Baht into 200,000,000 ordinary shares with a par value of 0.50 Baht)
- The yearend dividend at Baht 0.10 per share for the Company's performance from 1st July-31st December 2014 to shareholders on March 21, 2015 (The Company's paid-up share capital of 100,000,000 Baht into 200,000,000 ordinary shares with a par value of 0.50 Baht)

By the resolution of the Annual General Shareholder's Meeting for the Year 2016 on April 7, 2016, the company authorized to pay cash dividends for the year 2015 to its shareholder at Baht 0.20 per share, that equivalent to 72.45 percent of the net profit, the details are as follows;

- The interim dividend at Baht 0.05 per share for the Company's performance from 1st January-30th June 2015 to shareholders on September 11, 2015 (The Company's paid-up share capital of 100,000,000 Baht into 200,000,000 ordinary shares with a par value of 0.50 Baht)
- The yearend dividend at Baht 0.15 per share for the Company's performance from 1st July-31st December 2015 (normal dividend at the rate of Baht 0.10 per share and extra dividend for 10th Anniversary of the company operation in business at the rate of Baht 0.05 per share) to shareholders on April 25, 2016 (The Company's paid-up share capital of 100,000,000 Baht into 200,000,000 ordinary shares with a par value of 0.50 Baht)

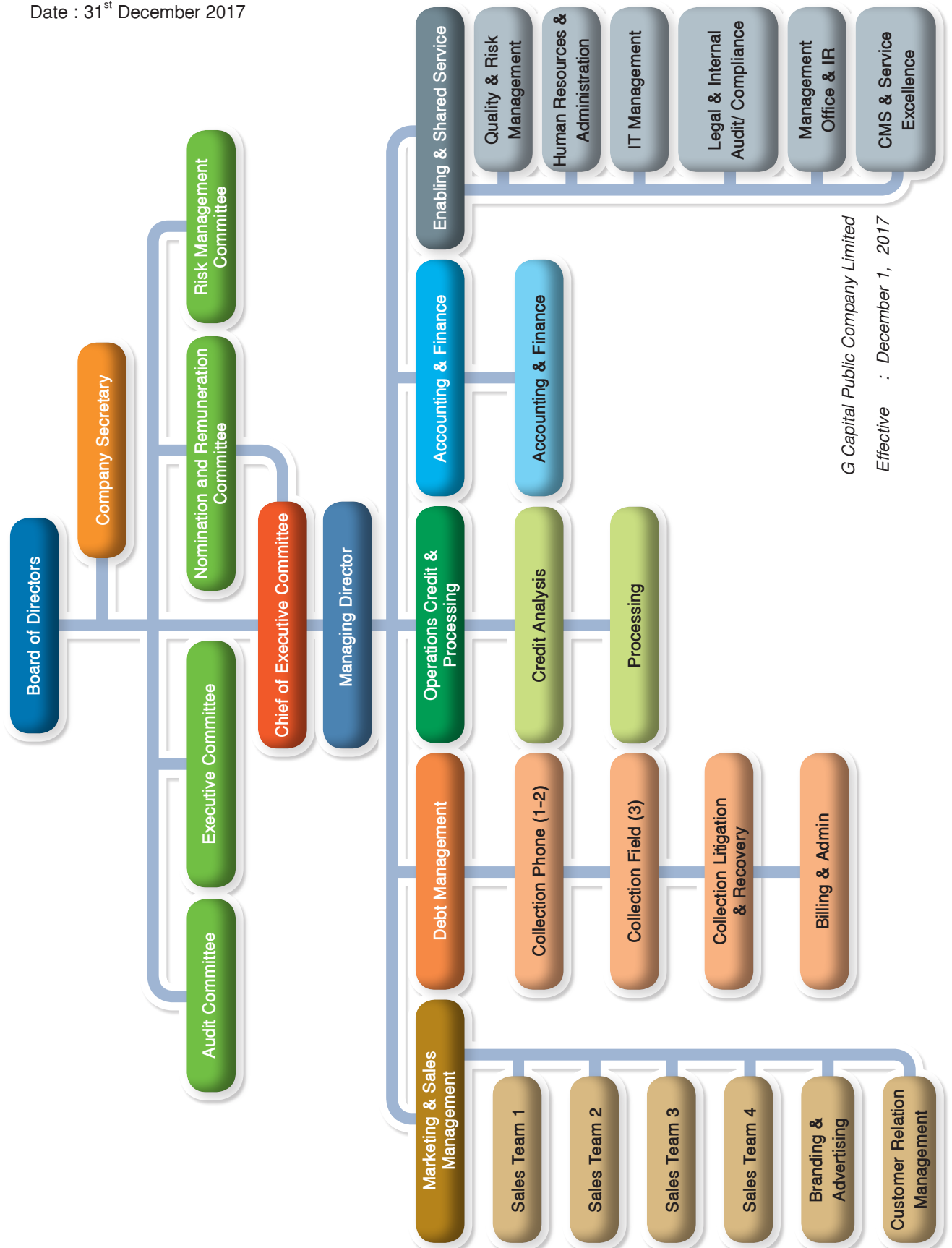
By the resolution of the Annual General Shareholder's Meeting for the Year 2017 on April 4, 2017, the company authorized to pay cash dividends for the year 2016 to its shareholder at Baht 0.15 per share, that equivalent to 72.68 percent of the net profit, the details are as follows;

- The interim dividend at Baht 0.04 per share for the Company's performance from 1st January-30th June 2016 to shareholders on September 8, 2016 (The Company's paid-up share capital of 100,000,000 Baht into 200,000,000 ordinary shares with a par value of 0.50 Baht)
- The yearend dividend at Baht 0.11 per share for the Company's performance from 1st July-31st December 2015 to shareholders on April 25, 2017 (The Company's paid-up share capital of 100,000,000 Baht into 200,000,000 ordinary shares with a par value of 0.50 Baht)



Organization Chart

Date : 31st December 2017



G Capital Public Company Limited
Effective : December 1, 2017





Management Structure

Management structure of the company have a consists of 5 committees as follow:

1. The Board of Directors
2. Audit Committee
3. Executives Committee
4. Nomination and Remuneration Committee
5. Risk Management Committee

The Board of Directors

The Board of Directors of the Company as of 31 December 2017, consists of 8 members as follows:

First-Last Name		Position
1. Mr. Boonsak	Chiempricha	Chairman of the Board
2. Mr.Yongyuth	Tariyo	Director and Chief of Executive Committee
3. Asst. Prof. Wipada	Tantiprabha	Independent Director and Chairman of the Audit Committee IndependDirec
4. Mr. Premsan	Pisitpan	Independent Director, Audit Committee Member and Chairman of Nomination and Remuneration Committee
5. Mr.Chaiyong	Satjipanon	Independent Director, Audit Committee, Chairman of Risk Management Committee and Nomination and Remuneration Committee
6. Mr. Nattaphon	Sarasas	Director, Nomination and Remuneration Committee Member and Risk Committee Member
7. Mr.Asa	Sarasas	Director
8. Mr.Spain	Jingkaojai	Director and Secretary of the Board of Directors

Remark : Ms. Sirikanda Chansaenwilai Appointed by the Board of Directors' Meeting No. 7/2560 on December 22, 2017 to be the Company Secretary to replace Mr. Niton Chaianate with effect from January 1, 2018.

Authorized Signatory

The Directors who is appointed as the authorized signatories of the Company are Mr. Nattaphon Sarasas and Mr. Spain Jingkaojai. Two Directors can co-sign with the seal of the Company.

Duties and responsibilities of the Board of Directors

The board of directors have a role and functions to set the corporate governance policy, business ethics including defining the vision, missions, strategies, goals and operation plans of the company. To supervise the execution of compliance with the policies, plans and budget effectively and efficiently in order to meet the goals of the company. The board of directors must be accountability to the company, shareholders and all





stakeholders. The board of directors have a roles and responsibilities to supervise the operations of the company in accordance with rules and regulations including the rules of the Stock Exchange of Thailand. and The Securities and Exchange Commission. Details of the role of the board of directors as follows.

1. To have power and duties and responsibilities in the management of the Company in accordance with the law, the Company's objectives and Articles of Association, and the resolutions of the general meeting of shareholders by the philosophy of "Best Practices for Directors of Listed Companies" according to The Stock Exchange of Thailand (SET).
2. To arrange to have a balance sheet and income statement of the Company as at the end of the accounting period of the company and shall be audited by the auditor and present to the shareholders for approval.
3. To set vision, mission, goals, policies, operations plan, budgets and policies for risk management, adequate system of internal control including review and amend as appropriate at least once every 3 years.
4. To monitor and supervise administration and management of the executive to comply with the set policies, plans and budget efficiently and effectively including fixing remuneration and reviewing the succession plan.
5. To oversee the Company to be in Compliance with the law regarding securities and SET, the Notification of the Capital Market, and the requirements of SET such as related transaction and the acquisition or disposition of significant assets or the laws relating to the business of the Company
6. To determine the management structure and use power to appoint the Executive Committee, Managing Director and other committees as appropriate, including defining the scope of authority of the Executive Committee, managing director and various committees appointed. The scope of authority shall not authorize the manner of the Executive Committee, Managing Director and various committees to be able to approve transactions that may have conflict of interests between the Company and other companies or subsidiaries (if any), unless the approval is in accordance with the policies and guidelines and approved by the Board.
7. To consider and approve the loans Through the approval of the Executive Committee. In excess of the amount authorized by the Board of Directors.
8. To Prepare an annual report of the board and responsible for the preparation and disclosure of financial statements to reflect the financial position and results of operations of the past year and presented to the shareholders for approval.
9. The Board may authorize one director or more or any other person(s) to act as the Board under the control of the Board of Directors or may delegate to such person to have authority as the Board deems appropriate within the time period under the Board's discretion. The Board may revoke, change or modify the authorization when see appropriate. However, the authorization shall not possess to make such individuals to be able to approve the transaction that the person or other may have conflict or interest and personal gain or may have a conflict of interest in any other way with the Company or its subsidiaries (if any) as defined in the Regulations of the Capital Market and/or SET and/or any announcement of the entities involved unless the approval is in accordance with the policies and guidelines and approved by the Board.
10. To appoint a company secretary to be responsible for various matters on behalf of the Company or the Directors, such as the register of directors, notice of the Board of Directors Meeting, notice of the Shareholders Meeting and made a minute of meeting.





Secretary of the board and company secretary

The board of directors meeting 1/2560 on 20 February 2017, appointed Mr. Spain Jingkaojai as the Secretary of the Board to act as a consultant to advise the Committee in compliance with the law regarding the duties and responsibilities of a director, including preparation of the Board of Directors' minutes and attending every meeting of the Board of Directors.

Company Secretary

The resolution of the board of director 7/2560 on December 22, 2017 appointed Ms. Sirikanda Chansaenwilai is company secretary to act as of work for company secretary. According to the regulation in article 89/15 of the Public Company Act 1992, company secretary has a responsibility as follow;

1. Produce and keep the following documents
 - (a) Registration of Members of the Board of Directors
 - (b) Board Meeting invitations, Board Meeting Reports and the Company's Annual Reports.
 - (c) Shareholders' meeting invitations and shareholders' meeting reports.
2. Keep stakeholder reports that have been submitted by members of the Board of Directors or the Executive committee and send copies of the reports to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven days from the date that the Company receives the reports.
3. Observes and makes arrangements for the disclosure of information and information technology reports on the areas under his/her responsibility to agencies; directs and supervises in compliance with the law, regulations and policies concerning the company's disclosure of news and information.
4. Contacts and communications with ordinary shareholders to inform them of various shareholders' rights/privileges and company news.
5. Delivers news and information to directors on topics concerning the company's business operations in order to accompany the performance of directors' duties.
6. The secretary is to work with responsibilities, care and integrity. One is to comply with the law, purposes, the Company's regulations, the resolutions of the Board of Directors as well as resolutions of shareholders. One is not to act in any way that significantly obstruct or conflict the Company's interests.
7. Makes arrangements for the provision of advice for newly appointed directors.
8. Other matters as assigned by the company's board of directors. In case the Company's secretary is retired from the position or cannot work, the Board of Directors is to appoint a new secretary for the Company within ninety days from the date of the previous secretary's retirement or inability to work.

Brief Background of Corporate Secretary

Ms. Sirikanda Chansaenwilai

Education: Bachelor of Administration Assumption University (ABAC)
Master of Economics, College of Management, Mahidol University (CMMU)

Training Courses: IOD Program, Thai Institute of Directors
Company Secretary Program (CSP), Class No. 85/2018



Audit Committee

The entire Board of Audit is composed of three independent directors who passes knowledge, ability, experience and qualifications in line with the SET's regulations. The Board is composed of non-executive directors with office terms of three years each.

First-Last Name	Position
1. Asst. Prof. Wipada Tantiprabha ^{1/}	Chairman of Audit Committee
2. Mr. Premesan Pisitpan	Audit Committee Member
3. Mr. Chaibong Satjipanon	Audit Committee Member

Remark : ^{1/} Asst. Prof. Wipada Tantiprabha is an Audit Committee who has knowledge and experience for reviewing the credibility financial statements.

Mr. Nitan Chaiyanate is Audit Committee Secretary

Qualifications of Audit Committee

The Audit Committee consists at least 3 members. Their qualifications are as follows.

1. All members of the Audit Committee shall be appointed by the Board of and the audit committee resolution to appointment a chairman of audit committee.
2. All members of the Audit Committee shall be independent directors and fully qualified in accordance with the qualifications prescribed by notification of the Stock Exchange of Thailand regarding qualifications and scope of work of the audit committee.
3. All the Committee members shall perform duties, give opinions and report work performance assigned independently, free of any potential influence by the management or major shareholders including any related persons or close relatives of those persons.
4. All the Committee members shall have sufficient relevant knowledge and experience to perform audit committee functions and at least one member of the Committee should have adequate relevant knowledge and experience to review the credibility of financial report.

Duties and responsibilities of the Audit Committee

1. To review financial reports to ensure the accuracy, completeness and reliability including the disclosure of adequate information by coordinating with the external auditors and the executives responsible for the preparation of financial reports quarterly and annual, and disclose information related to the Company sufficiently before submission to the Board of Directors.
2. To review internal control system and internal audit system of the Company to be appropriate and effective and consider the independence of the internal audit department. As well as to approve the appointment, transfer or dismissal of the chief internal audit unit or any other agency responsible for internal audit, and may suggest the auditor to review or examine any items that are necessary and important during the audit of the Company, and may suggest about how to improve the system of internal control if see important and necessary to the Board of Directors by coordinating with external auditors and head of internal audit or the third party audit company.
3. To ensure legal compliance with the regulations of SEC or SET includes policies, regulations and other laws relating to the Company's business.





4. To consider, select and nominate an independent person to act as auditor of the Company, including the remuneration of the auditors of the Company to propose to the shareholders' meeting for approval. As well as coordinate with the auditors about the purpose of performing audit scope, approach, plans and problems found during the inspection and issue that an auditor may see important, and attend meetings with the external auditors without management in attendance with at least 1 time per year.
5. To consider the disclosure of the Company in case of any transaction or items may have a conflict of interest, to have accurate and complete information in accordance with the laws and regulations of SET including the disclosure of the transaction correctly in order to ensure that they are reasonable and beneficial to the Company.
6. To reports the performance of the Audit Committee to the Board of Directors at least 4 times a year.
7. To perform duties, the Audit Committee has the authority to request related management or employees of the Company to comment or send documents as relevant or necessary.
8. To have the power or authority to hire independent consultants of the Company to make comments or give advice as necessary.
9. To prepare a report on the Corporate Governance by the Audit Committee and disclose in the annual report of the Company. Such report must be signed by the Chairman of the Audit Committee and must contain at least the following:
 - Comment on the accuracy, completeness and reliability of the financial reports of the Company
 - Comment on the adequacy of internal controls of the Company
 - Comment on compliance with SEC, regulations of SET or any other laws relating to the business of the Company
 - Comment on the suitability of an auditor
 - Comment on the transactions that may have conflict of interests
 - Comment on number of meetings of the Audit Committee and attendance of each Audit Committee member
 - Comment or overall remarks overall that the Audit Committee has performed its duties under the Charter
 - Other items that Shareholders and investors should be notified under the scope of duties and responsibilities assigned by the Board of Directors.
10. To self-evaluate the performance and report the assessment results and operational problems that could cause the operation not to achieve the purpose of the establishment of the Audit Committee to the Board of Directors every year.
11. To perform other tasks as assigned within the scope of duties and responsibilities of the Audit Committee. In order to perform such duties, the Audit Committee is directly responsible to the Board of Directors. And the Board of Directors continues to have responsibility for the operations of the Company to outside parties.
12. When the Audit Committee performs their duties, if there are any questions of transactions or actions that may have significant impact on the financial position and results of operations of the Company, the Audit Committee shall report to the Board of Directors of the Company for rectification within the period the Audit Committee deems appropriate. The transactions or actions that may have significant impact are as follows:
 - Items of a conflict of interest.
 - Fraud or irregularity or significant deficiencies in internal control system.
 - Violation of the regulations of SEC and SET or the laws relating to the business of the Company.





If the Board of Directors or management fails to make a rectification within the period above, any member of the Audit Committee may report such transaction or action to SEC or SET.

Executive Committee

The Executive Committee consist to Director / Executive who was appointed by the Board of Directors. To the position of Chairman of Executive Committee. The Executive committee comprises to managing director, deputy managing director assistant managing director, vice president, manager and representatives of the parties.

As of 31 December 2017, the Executive Committee consists of 12 members.

Executive Committee	Position	First-Last Name
1. Director/Executive assigned by board of directors.	Chairman of Executive Committee	Mr. Yongyuth Tariyo
2. Managing Director	Member	Mr. Spain Jingkaojai
3. First Executive Vice President	Member	Mr. Sutthi Sripratum
4. Chief Financial Officer	Member	Mr. Songyos Sumetkijakan
5. Finance and Accounting Department	Member	Ms. Sivapun Sriampai
6. Marketing & Sale Management	Member	Ms. Wirongrong Boonprateep
7. Debt Management	Member	Ms. Supasorn Phaotip
8. Legal & Internal Audit / Compliance	Member	Mr. Narongpoj Longchupol
9. Information Technology Management	Member	Mr. Wised Jongjam
10. Human Resources & Administration	Member	Ms. Peanpen Wongchalee
11. Enabling & Shared Services	Member	Ms. Sirikanda Chansaenwilai
12. Management Office & Investor Relations	Secretary of Executive Committee	Ms. Patsawaran Sitthipol ^{1/}

Remark : ^{1/} Ms. Patsawaran Sitthipol was appointed as Secretary of Executive Committee on 1 December 2017

Authorities and responsibilities of the Executive Committee

1. To run the business and affairs of the Company according to the objectives, articles of association, policies, rules and regulations, orders and resolutions of the Board of Directors and/or resolutions of the shareholders of the Company.
2. To consider proposals of the management, set organizational structure, policy, direction, strategy of business operations of the Company, expansion plan, financial and budget plan, human resource management and Information Technology investment to present to the Board of Directors for consideration and approval.
3. To appoint a subcommittee and/or a working group to be responsible for the operation or management of the Company and determine the scope of the authority and responsibilities of the subcommittee, and/or working group including supervising the operation of the subcommittee, and/or the appointed working group according to the Company's policies and targets.





4. To monitor the performance of the Company to be in accordance with the Board's policy and targets defined and supervise the implementation of quality and performance
5. To consider the allocation of the annual budget proposed by the administration prior to presentation to the Board for consideration and approval.
6. To have the power to approve the cost of normal business operations of the Company by regulatory authority, but less than the budget approved by the Board of Directors. To approve major capital expenditures defined in the annual budget according to the Board of Directors or by the Board of Directors has been approved in principle.
7. To consider contract processing and signing related to the normal business operations of the Company. Each item shall not exceed Baht 40 million, but less than the budget approved by the Board.
8. Consider and approve a loan and restructuring of the debtor. Both individual and group beyond the authority of the Credit Committee in the amount not exceed than 20 million baht.
9. Report any case of dishonest and/or suspect of being dishonest, illegal action or any act that lead to company disgraceful shall be immediately report to the board of director
10. To carry out any operations according to the assignment from the Board of Directors from time to time.

Note that the aforementioned scopes of power and responsibility of the Executive Committee do not include the power that enables a member of Executive Committee or an authorized representative for that member to express opinions about any cases that the particular member of the representative or the connected persons (as announced by the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) may have conflicts of interests with the Company or its subsidiaries. The Executive Committee shall report any cases or transactions causing conflicts of interests to the Company's Board of Directors and/or the shareholders meeting so that they can consider approving such cases or matters based on the rules and regulations of relevant laws.

Scope of the loan approval.

The Board of Directors meeting 7/2559 on 27 December 2016 have resolution for scope of loans approval in this below

Loans	Credit Team / Managing Director	Credit Committee	Executive Committee	Board of Director
Hire Purchase (new)	Not exceed 3 MB.	Not exceed 10 MB.	Not exceed 20 MB.	More than 20 MB.
Hire Purchase (old)	Not exceed 1 MB.	Not exceed 3 MB.	Not exceed 6 MB.	More than 6 MB.
Secured Loan	Not exceed 1 MB.	Not exceed 10 MB.	Not exceed 20 MB.	More than 20 MB.
Unsecured Loan	Not exceed 0.2 MB.	Not exceed 1 MB.	Not exceed 3 MB.	More than 3 MB.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consisting of not less than 3 members and more than a half of the members are independent directors.



As of 31 December 2017, The Nomination and Remuneration Committee consists of 3 members

First-Last Name	Position
1. Mr. Prameson Pisitpan ^{1/}	Chairman of Nomination and Remuneration Committee
2. Mr. Chaiyong Satjipanon ^{1/}	Nomination and Remuneration Member
3. Mr. Nattapon Sarasas	Nomination and Remuneration Member

Remark : ^{1/} Mr. Prameson Pisitpan and ^{1/} Mr. Chaiyong Satjipanon are Independent Director

Authorities and responsibilities of the Nomination and Remuneration Committee

Nomination

1. Setting guidelines of nominating Board of Directors and other Committee members by considering what would be the appropriate structure, number and composition of members and outlining recruitment method as appropriate.
2. Searching, selecting and proposing appropriate persons to assume the position of the Company's Directors, Executive Directors and managing director
3. Scrutinizing the name list of nominators and checking personal information and qualifications of the nominators according to the laws and the regulations of the organization the nominator is from and present to the Board for consideration.
4. Considering the performance, qualifications and suitability of directors who retired as the term has ended and deserves the re-election and present to the Board of Directors to consider the approval, and present at a meeting of shareholders to appoint for the re-election as Directors.
5. Considering the appropriateness to be directors of the company in case there are any changes associated with the qualifications of Directors.
6. Providing orientation for new directors and develop knowledge to current directors.
7. Planning for succession of senior management.

Remuneration

1. Formulating and preparing of the remuneration policy in written format.
2. Proposing guidelines and procedures for the payment of remuneration to the Board of Directors and other sub-committees in which the Board of Directors appointed.
3. Approving compensation form, criteria and the value of compensation for both salary and other benefits paid to Directors, other committee and advisory of the board committee

Others

Performing other duties assigned by the Board of Directors.

Note that the aforementioned scopes of power and responsibility of the Executive Committee do not include the power that enables a member of Executive Committee or an authorized representative for that member to express opinions about any cases that the particular member of the representative or the connected persons (as announced by the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) may have conflicts of interests with the Company or its subsidiaries. The Executive Committee shall report any cases or transactions causing conflicts of interests to the Company's Board of Directors and/or the shareholders meeting so that they can consider approving such cases or matters based on the rules and regulations of relevant laws.





Risk Management Committee

The Risk Management Committee consist to Director / Executive who was appointed by the Board of Directors. To the position of Chairman of Risk Management Committee. The Executive committee comprises to managing director, deputy managing director assistant managing director, vice president, manager and representatives of the parties.

As of 31 December 2017, Risk Management Committee consists of 6 members.

Risk Management Committee	Position	First-Last Name
1. Director/Executive assigned by board of directors.	Chairman of Risk Management Committee	Mr. Chaiyong Satjipanon
2. Director/Executive assigned by board of directors.	Member	Mr. Nattapon Sarasas
3. Managing Director	Member	Mr. Spain Jingkaojai
4. First Executive Vice President	Member	Mr. Sutthi Sripratum
5. Chief Financial Officer	Member	Mr. Songyos Sumetkijakan
6. Enabling & Shared Service	Secretary of Risk Management Committee	Ms. Sirikanda Chansaenwilai

Authorities and Responsibilities of the Risk Management Committee

1. To assess any potential risks and effects trends to have on the organization.
2. To determine risk management policies to cover any risks in administration to present to the Board of Directors.
3. To have the power to appoint a risk management team as necessary.
4. To monitor the implementation of risk management as well as analyze, evaluate, track and report systematically.
5. To report risks and suggestions for risks managing to the Board of Directors.
6. To perform other duties assigned by the Board of Directors from time to time.

Management

As of 31 December 2017, Management Team consists of 6 members as follows:

Name-Surname	Position
1. Mr. Spain Jingkaojai	Managing Director
2. Mr. Sutthi Sripratum	Deputy Managing Director
3. Mr. Songyos Sumetkijakan	Chief Finance Officer
4. Ms. Sivapun Sriampai	Senior Vice President of Finance and Accounting
5. Mrs. Supasorn Phaotip	Senior Vice President of Debt Management
6. Ms. Wirongrong Boonprateep	Senior Vice President of Marketing & Sale Management



Duties and responsibilities of the Managing Director

1. Taking care, managing, and operating normal business operations for the benefit of the Company according to its objectives and articles of association including regulations, resolutions, policies, plans and budgets approved by the Board of Directors and/or the general meeting of shareholders under related laws and the authority assigned by the Board of Directors.
2. Supervising the operations and/or daily administration of the Company.
3. Preparing and presenting business policy, business plans, goals, operational plans, business strategy, annual budget and setting the management authority to present to the Executive Committee and the Board of Directors of the Company.
4. Adopting the policies of the Board of Directors to determine the direction, methods, strategies and business goals to define the core mission for management to implement.
5. Monitoring the implementation of the management and offer guidance to fix their problems for the management and operations team to implement according to strategic and business plans in order to comply with company policy.
6. Monitoring and evaluating the implementation of the management and reporting of management performance, implementation progress to the Board of Directors, the Audit Committee and the Board of Directors regularly.
7. Having the authority to approve the cost of the Company's normal business operations such as purchasing a property, spending an important investment for the benefit of the Company, and processing another transaction for the benefit of the Company. The approval authority is the approval of normal trade. The total amount of each transaction shall not exceed Baht 20 million but not more than the budget approved by the Board.
8. Considering contract signing on normal business operations of the Company. Each transaction shall not exceed Baht 20 million but not more than the budget approved by the Board of Directors.
9. Performing other duties as assigned by the Executive Committee or Board of Directors.

For any action that the Managing Director or appointee of the Managing Director or individuals who may have a conflict (As defined by the Notification of the Capital Market and/or SET and/or associated entities) or have interest or a conflict of interest with the Company and/or its subsidiaries and/or related company, The Managing Director has no authority to act in the matter. The matter will be submitted to the meeting of the Board of Directors and/or shareholder (as applicable) for approval unless the approval is in accordance with normal business and normal commercial terms which are required by the Capital Market Supervisory Board and/or SET and/or the relevant regulations.

Authorities and responsibilities of the Chairman of the Board of Directors

1. To act as the chief of the Board of Directors having duties and responsibilities to supervise, follow up and monitor the due performance of the Board of Directors and other subcommittees to achieve the business objective and plans;
2. To act as the chairman at the meeting of the Board of Directors and to cast the vote in case of equality of votes;
3. To act as the chairman at the shareholders meetings and conduct the meeting according to the sequence of the agenda stipulated in the notice calling for the meeting.
4. Strengthen corporate governance of the Board of Directors.





Board of Directors Structure and Components

The company's board of directors allocated for a suitable number of directors based on its business size. At present, there are nine directors; one is executive directors and eight are non-executive directors. The 8 non-executive directors are 3 independent directors.

1. The Board of Directors consists of directors who are resident in Thailand not less than half of the total membership. The Directors can whether be shareholders of the company.
2. In the Board of Directors, there must be an independent director not less than 1 out of 3 of all directors. And there are at least three independent directors who hold no more than one percent of the total issued and paid-up share capital of the Company and related companies, including shares held by related parties, and qualified by the Capital Market Supervisory Board Tor Jor 28/2008 regarding the application and approval of offer for the sale of newly issued shares dated 15 December 2008.
3. In the annual general meeting of shareholders at all times, there shall be the resignation of a number of 1 out of 3 of the total membership at that time. If the number of directors cannot be divided into three parts, the resignation should be the number nearest to one third of the directors in the first following the registration of the Company. The second years after the registration of the Company, the resignation should happen by drawing out a name of a director. The later years the directors who were in office the longest shall retire from office. However, any director who retires by rotation may be chosen to the position again.
4. The shareholders shall appoint directors by a majority vote and pursuant as follows:
 - 4.1 One Shareholder has one vote per one share
 - 4.2 Each Shareholder will use all his votes according to elect one or several Directors but they cannot separate their vote to several people.
 - 4.3 The individuals receiving the largest numbers of votes shall be elected as a director or directors at that time depending on the number of directors the Company can have. If there are several individuals who have the same number of votes but there is not enough position for every one of them, the Chairman will cast the final vote.
5. In case of vacancy for reasons other than retirement by rotation. The Board of Directors shall elect a person who is qualified and not disqualified under the regulations of public limited company to be the Company's directors represented at the next Board Meeting. Except the director's remaining term is less than two months. The persons who are newly appointed would be in the position for the remaining term of the Director whom he represents. Such resolution of the Board of Directors shall consist of not less than 3/4 of the votes of the remaining directors.
6. One board member is to be selected as the Chairman of the Board of Directors. One or more other member(s) may be selected as vice chairman and managing director should the Board deems appropriate the vice chairman has the duties according to the regulations in businesses assigned by the Chairman of the Board of Directors.
7. A meeting of shareholders may resolve to remove any director from office before the expiration of their term with the votes of not less than three fourth of the shareholders present at the meeting and entitled to vote, and the shares amounting to not less than half of the shares held by the shareholders present at the meeting and entitled to vote.





The definition of its independent directors

The company has determined the definition of its independent directors as the director who is non-executive director and do not involve in the management permanently and is not the company's major shareholder. The company has specified requirements equal to the minimum requirements set by the SEC and the SET. Nominated independent directors of the company are fully qualified according to the definitions as below:

1. The independent Directors hold shares not exceed one percent of the total shares with voting rights of the Company, parent companies, subsidiaries, associated entities, legal entities that are major shareholders or controlling person of the Company. The shares held by those involved shall be counted.
2. The independent Directors shall not participate in the administration, nor be an employee, staff, advisor who receives regular salary or a controlling person of the company, not less than two years before his appointment. The prohibition does not include the case if they are public servants or advisor of Government organization which is a major shareholder or controlling person of the Company. Such forbidden character does not include the case where an independent member had been a civil servant or a consultant of a government agency who is a large shareholder or the authorized entity that controls the Company.
3. The independent Directors has no blood relationship or registered as father, mother, spouse, sibling, and child, including spouse of the children of executives, major shareholders, controlling authority or persons to be nominated as executive or controlling person of the subsidiaries.
4. The independent Directors don't have a business or have not been in a business relationship with a value more than three percent of the net tangible assets or more than Bath 20 million baht (whichever is lower) with its parent company, subsidiaries, associated entities, major shareholder or controlling person of the Company and not being or having been a shareholder or a controlling person of any person who have business relationship with the Company, parent companies, subsidiaries, associated entities, legal entities who are major shareholders or controlling person of the Company. Unless it is clear from the manner for not less than two years before the appointment. The definition of business relationship shall include item under the Notification of the Capital Market Supervisory Board Tor Jor 28/2008 regarding the application for the sale of new shares.
5. The independent Directors is not or has not been an auditor of the Company, parent companies, subsidiaries, associated entities, legal entity who is a major shareholder or controlling person of the Company and is not a major shareholder, controlling authority or partners of the audit firm which is the auditor of the Company, parent companies, subsidiaries, associated entities, legal entity as a major shareholder or authorized under the Company's control, unless it is clear from the manner for not less than two years before the appointment.
6. The independent Directors is not or has not been a provider of any professional such as legal advisor, financial advisor, property appraiser, etc., which has more than 2 million baht per year from the company, parent company, subsidiary, associated entities, legal entity as a major shareholder nor a controlling person or partner of the professional service provider unless it is clear from the manner for not less than two years before the appointment.
7. The independent Directors is not or has not been a director appointed as representative of the Directors of the Company, major shareholders or shareholders who are related to the major shareholders of the Company.





8. The independent Directors do not operate a business with the same nature and in competition to the business of the Company or its subsidiaries or not be a significant partner in a Partnership Company or be an executive director, employee, staff, advisor who receives a regular salary or hold 1 percent of the total shares with voting rights of another company with the same nature of the Company and is a competitor of the Company or its subsidiaries.
9. The independent Directors have no any characteristics that prevent from giving independent comments.
10. Not being a director appointed by the Board to decide on the operations of the Company, its subsidiaries, parent company, subsidiary, associates, subsidiaries in same level, major shareholders or controlling person of the Company.
11. Not a director of parent company, subsidiary or subsidiaries in same level which are listed as public company limited.

Nomination of Board of Directors and Managing Director

The company's plan is to appoint directors and managing director appropriately and transparently to ensure that the company has directors and managing director who are professionals capable of independent management from major shareholders or other shareholders. The Recruitment Committee determines remunerations and corporate governance and is responsible for appointing suitable people into selection according to specified selection methods, the criteria and selection method of which is dependent upon the propriety of the company's situation during which time.

The Nomination and Remuneration Committee responsibilities in recruiting individuals with the right to hold office as directors. The consideration and approval. For presentation to the Board of Directors and propose to the AGM for approval.

Persons who are appointed as members of the Board of Directors and the Executives of the Company are those who are qualified in accordance with article 68 of the Public Company Act 1992 and the Announcement of the Capital Market Supervisory Board No. Tor.Jor.28/2551 on the request and the permission to sell new shares dated 15 December 2008. The qualified persons must not be of forbidden character according to the Announcement of the Capital Market Supervisory Board on the Regulations related to the executives of a Company issuing securities. All persons must not have a record of bankruptcy, violation of rules, regulations, announcements, orders, resolutions of the Board of Directors or the agreement on security registration with the Stock Exchange of Thailand and the circular notice at the Stock Exchange of Thailand

The Nomination and Remuneration Committee, to nominate managing director who have knowledge of management experience with the ability to work in a related field to propose to the Board of Directors. appoint a person to be nominated to the position of managing director.

Board of Directors Meetings

At least one Board of Directors' meeting is held in each quarter with additional meeting to be called if required. The Company requires the directors to attend every Board of Directors' meeting except in case of emergency. Meeting agenda must be clearly indicated prior to each Board of Directors' meeting with the inclusion of agenda on operational monitoring on a regular basis. The Company delivers the meeting invitation letter together with meeting agenda and support documents for the meeting to each director at least 7 days in advance of the meeting





date to allow sufficient timing for the Board of Directors to study on the information prior to attend the meeting. In each Board of Directors' meeting, the Chairman of the Board of Directors is obliged to allocate adequate timing in order to enable the management to propose and provide thorough explanation on the material issues. Minutes of the meeting are accurately and completely recorded in writing. Minutes of the meeting, certified by the Board of Directors, will be retained for further examination by the Board of Directors and other related parties.

In addition, in the Board of Directors meeting, chief executives of the Company are requested to attend the meeting to provide additional information directly responsible. The Company has a policy in regards to the minimum quorum at the point the board will vote in a meeting, there must be at least two third of the directors in present.

The Company has committed that the information the Board received shall be continuously and adequate in timely manner before each meeting. However, the Directors may feel free to contact the Company Secretary directly. The Company Secretary is responsible for advising the Board of Directors in matters related to the compliance with laws and regulations.

The attendance details of each Director for 2017 are summarized as follows:

First-Last Name	Meeting attendance (Times)					AGM
	Company Director	Auditing Director	Executive Director	Risk Management Director	Nomination & Remuneration	
Mr. Boonsak Chiempricha	7/7	-	-	-	-	1/1
Mr. Yongyuth Tariyo	7/7	-	12/12	-	-	1/1
Asst. Prof. Wipada Tantibrapha	7/7	4/4	-	-	-	1/1
Mr. Prameson Pisitphan	7/7	4/4	-	-	2/2	1/1
Mr. Chaiyong Satjipanon	7/7	4/4	-	4/4	2/2	1/1
Mr. Nattaphon Sarasas	5/7	-	-	4/4	2/2	1/1
Mr. Asa Sarasas	6/7	-	6/6	-	-	0/1
Mr. Spain Jingkaojai	7/7	-	6/6	4/4	-	1/1

Remuneration for Director and Executives

Remuneration for the Board of Director

The remuneration policy has been clearly and transparently set out for directors which are enough to attract and retain board members and are set at a level that is market aligned. However, the directors will receive an extra remuneration for any extra works and duties such as being appointed as the member of any sub-committees. The Nominating & Compensation Committee will consider and submit the remuneration of the directors, which comprises of meeting allowance and bonus, to the Board of Directors and Shareholders' Meeting for approval. The remuneration shall be disclosed in comply with the Office of the Securities and Exchange Commission.





Monetary Remuneration

Board of Director

The 2017 Annual General Meeting of Shareholders, held on April 4, 2017, approved a resolution on the remuneration of the Board/ the remuneration Audit Committee/ the compensation to Directors of the Company in 2017 in an amount not exceeding THB 4,00,000 per year. The remunerations were classified by meeting allowances as follows:

Position	Meeting Allowance Attendance
Chairman of the Board	25,000 Bath
Director	15,000 Bath
Chairman of the Audit Committee	25,000 Bath
Audit Committee	15,000 Bath
Chairman of Executive Committee	10,000 Bath
Chairman of Nomination and Remuneration	15,000 Bath
Nomination and Remuneration Committee	10,000 Bath
Chairman of Risk Committee	15,000 Bath

The compensation of the board of directors

The compensation of the board of directors depending on the results of operations of the Company and approval by the shareholders' meeting. The Board of director has resolution appointed the chairman of the board of director allocate a remuneration to each director's duties, responsibilities and qualifications.

The remuneration to Directors in 2017 was as follows

First-Last Name	Meeting Gratuily						Total (Baht)
	Company Director	Auditing Director	Executive Director	Risk Man- agement Director	Nomina- tion & Remunera- tion	Compensa- tion 2017	
1. Mr. Boonsak Chiempricha	175,000	-	-	-	-	215,546	390,546
2. Mr. Yongyuth Tariyo	105,000	-	120,000	-	-	212,546	437,546
3. Asst. Prof. Wipada Tantibrappa	105,000	100,000	-	-	-	212,546	417,546
4. Mr. Prameson Pisitphan	105,000	60,000	-	-	30,000	212,546	407,546
5. Mr. Chaiyong Satjipanon	105,000	60,000	-	60,000	20,000	212,546	457,546
6. Mr. Nattaphon Sarasas	75,000	-	-	40,000	20,000	170,392	305,392
7. Mr. Asa Sarasas	90,000	-	70,000	-	-	190,469	455,469
8. Mr. Spain Jingkaojai	105,000	-	-	-	-	210,546	315,546

Other Remuneration

The company had a policy for Chairman of the Board of Director and Chairman of the Executive Director would be a company car.

Executive Remuneration

In 2017 and 2016, the company paid remuneration to executives amounting to THB 25.97 million and THB 19.49 million respectively. The aforementioned remuneration includes salaries, bonuses provident fund and employment benefits.

Non-Remuneration or others benefit;

- None-

Personal

Number of Employees of the company as of 31 December 2016 and 2017 details as follow;

Department	2016 No. of Employees	2017 No. of Employees
1. Management Office & Investor Relationship	3	5
2. Marketing	1	2
3. Sales & Distribution	10	25
4. Finance and Accounting	6	7
5. Debt Management	7	10
6. Operation Credit and Processing	6	6
7. Information Technology	2	4
8. Quality & Risk Management	-	1
9. Sales-Tele sale	-	3
10. Human Resources & Administration	7	8
11. Legal & Internal Audit / Compliance	-	1
Total	42	72





Employee Remuneration

The board of directors has set policies and practice guidelines concerning employee remuneration and benefits as follows:

Besides, salary which are the compensation that the Company pays its employees. The Company has arranged the welfare considering from potential in procuring and affordability of the Company, both in the present and in the long term, to acquire a welfare that reinforce stability in the living of the employee and to lessen the burden in their living such as expense for medical treatment and dental care and other expenses such as expense allowance and vehicle support payment. Moreover, the Company has specified that welfare and compensation that are conform to the Company's revenue, both short term and long term. Short term such as Bonus that the Company pays its employees according to the Company's revenue with the amount also consistent with same business market, long term is a provident fund with main purpose is to strengthen stability in the living of the employees and an insurance when retired, the Company pays provident fund to employees that are members of the said fund in the rate of 3-7 percent of the standard salary rate with the terms in saving, counterpart fund and condition in receiving the said fund and the benefit of the counterpart fund is according to the specified terms and conditions.

Monetary Remuneration

In 2017 and 2016, the company paid remuneration to its employees (not including executives) amounting to THB 14.16 million and THB 13.38 million in the form of salaries, bonuses, overtime payment, provident fund, employment benefits and other benefits.

Other Remuneration

-None-

Policy of Human Resource Development

In developing Human Resources, the Company gives highest precedence in developing its staff/employee by often arrange training and seminar in various topics for employees in every level including executives. There are internal trainings and external training with various institutions etc. The Company has arranged for training for the new employee to be able to understand procedures that they are responsible to be working on before starting real work. Moreover, in increasing efficiency and skill in performing task of executives and employees, the Company has been arranging annual training and giving opportunity for employee to attend training from various institutions to strengthen the capacity of the organization and its personnel.



Auditor's Fee

Fee for the review of interim and fee for audit financial statement;

In 2017, the company paid the following fee to its auditor, Dharmniti Auditing Company Limited that is the auditors of the Company as follows;

- ◆ Fee for the audit of the annual financial statement in the amount of 330,000 Baht.
- ◆ Fee for the review of interim financial statements in the amount of 300,000 Baht (for 3 quarter at Baht 100,000 each)
- ◆ Non-Audit Fee

Total audit fee for year 2017 in the amount of 630,000 Baht.

In 2016, the company paid the following fee to its auditor, Dharmniti Auditing Company Limited that is the auditors of the Company as follows;

- ◆ Fee for the audit of the annual financial statement in the amount of 315,000 Baht.
- ◆ Fee for the review of interim financial statements in the amount of 285,000 Baht (for 3 quarter at Baht 95,000 each)
- ◆ Non-Audit Fee

Total audit fee for year 2016 in the amount of 600,000 Baht.

In 2015, the company paid the following fee to its auditor, Dharmniti Auditing Company Limited that is the auditors of the Company as follows;

- ◆ Fee for the audit of the annual financial statement in the amount of 290,000 Baht.
- ◆ Fee for the review of interim financial statements in the amount of 270,000 Baht (for 3 quarter at Baht 90,000 each)
- ◆ Non-Audit Fee

Total audit fee for year 2015 in the amount of 560,000 Baht.

In 2014, the company paid the following fee to its auditor, Dharmniti Auditing Company Limited that is the auditors of the Company as follows;

- ◆ Fee for the audit of the annual financial statement in the amount of 275,000 Baht.
- ◆ Fee for the review of interim financial statements in the amount of 240,000 Baht (for 3 quarter at Baht 80,000 each)
- ◆ Non-Audit Fee

Total audit fee for year 2014 in the amount of 515,000 Baht.





Corporate Governance

Corporate Governance

G Capital Public Company Limited is committed to the growth of business stability and sustainability by giving value added to all shareholders and shared value to all stakeholders. The Board of Directors concentrates on the practices complying to the Stock Exchange of Thailand (SET) to apply Good Corporate Governance. The Company assigns corporate governance and ethics as well as business ethics to directors, executives and employees for their implementation to all stakeholders which are announced and communicated to employees including published on the website www.gcapital.co.th. Its objectives are for all employees and related persons to acknowledge and comprehend in the same direction of corporate governance by adhering to transparency, equality, audit, ethics and complying to regulations and related laws as well as responding to economic, social and environment.

The Board of Directors assures that Good Corporate Governance Policy are crucial factors for being the leading Company growing constantly and sustainably as well as participates in developing economy, society and environment of Thailand which create confidence and strong image to all shareholders, investors and related persons both at the present and in the future.

In addition, the Board of Directors considers, reviews and improves corporate governance to achieve the completeness, modern and appropriateness corresponding to present situations; Divided into 5 principles details as follows:

1. The Rights of Shareholders

The Board of Directors realizes the importance of shareholders to carefully and prudently operating business by concerning rights and equality as well as maintaining the highest benefits for shareholders. The Company provides the basic rights as follows:

- ◆ Rights to buy, sell or transfer the Company's shares
- ◆ Rights to participate in the shareholders' meeting
- ◆ Rights to grant the power of attorney for other persons to attend the meeting and vote on their behalf.
- ◆ Rights to add meeting agenda
- ◆ Rights to receive dividends
- ◆ Rights to nominate a person to become a board member
- ◆ Rights to vote in election or impeach board member individually
- ◆ Rights to vote in appointment and remuneration of auditors
- ◆ Rights to vote in various agenda
- ◆ Rights to provide opinions and ask question in the shareholders' meeting and propose criteria in advance
- ◆ Rights to receive information in sufficient and timely manner
- ◆ Provide the most convenience in favor of participating and voting to shareholders



Arrangement of Shareholders' Meeting

The board of directors arranges the Annual General Shareholders' Meeting within 4 months after the end of fiscal year which were established on April 4th 2017 during 14:00-16:20 at Arnoma 3rd Floor. Arnoma Hotel, 99 Rajdamri Road, Lumpini, Pathumwan, Bangkok. In that shareholders' meeting, the board send the invitation letter assigning place, date, time, agenda and criteria as well as details and reasons which were clearly defined the proposed issues to be informed, approved and considered or as the case may be including such opinions; then delivering to shareholders and registrar. When any shareholders are unable to attend that meeting themselves, the letter of attorney will be delivered by registered postal service no less than 14 days and published in newspaper no less than 3 days prior to such meeting corresponding to regulations of the Company or regulated by laws

Moreover, the proper meeting will be arranged by its officer to facilitate, assist, verify documents, prepare revenue stamps for shareholders who give/are received the letter of attorney, provide light meals prior the meeting as well as enrollment and count the votes using barcode system. Nonetheless, shareholders allow enrolling 2 hours before the meeting starts and completely receive the voting cards relating to each agenda.

The board, Executives board, secretary and auditors will present in the meeting and answer any doubts to shareholders likewise the president of directors represents as the chairman of the meeting. Prior to the meeting, the chairman assigns the secretary to demonstrate number of shareholders participating by themselves and whom given the authorizations as well as rights according to regulations, conduct, agenda, exercise how to enquire or comment and procedures to vote with the voting cards to each agenda separately; finally disclose the results of voting cards to the meeting. The chairman and the participants; the proxy of shareholders, observe and are eye-witness in counting vote.

The chairman represents corresponding to the assigned agendas and appropriately designated time considering each agenda including propose opportunities to all shareholders to preserve their rights and benefits, such as give opinions, raise questions join debates, etc. Moreover, questions and answers are written and recorded in the minutes of the meeting as well as the results of approval, disapproval and abstained votes from each meeting.

Then, the Company always records each minute of shareholders' meetings which define accurate and complete contents and numbers of director, Executives board, secretary and auditors participating the meeting, inform the results of votes, questions and answers as well as important opinions for the examination of shareholders. Also, these resolutions and statements of such meetings are reported to the SET within 14 days right after the shareholders' meeting date. The annual reports with copy of balance sheet and income statement; which are audited by the auditors and approved by shareholders, plus copy of minutes of the meetings relating to the approved balance sheet, profit allotment, dividends payments to the registrar of public company limited as well as published on website of the Company.

In 2017, the Company's assessment outcome of the quality of the Annual General Shareholders' Meeting and the evaluate for AGM Meeting by Thai Investors Association is 99 by 100 points, was "excellent" (five stars).





2. The Equitable Treatment to Shareholders

The board of directors realizes and respects the equally treats to all shareholders, minor, major and foreign shareholders as well as institutional investors. In addition, shareholders holding small number of shares receive the equally treats and rights' protections from any actions concerning to be direct and indirect advantages.

The Company arranged The Annual General Meeting on April 4th 2017 during 14:00-16:20 at Arnoma 3rd Floor. Arnoma Hotel, 99 Rajdamri Road, Lumpini, Pathumwan, Bangkok and delivered the invitation letters including accurate and complete agendas in timely manner to shareholders. For those who are unable to participate such meeting, the Company will deliver Proxy Form A and B (or Proxy Form C for foreign shareholders who have custodian in Thailand published on Company's website) comprising to the Department of Business Development (DBD) under topic: Prescribed Form of Proxy (No.5) 2550 which are both general model and specific model for shareholders to assign their own votes. These shareholders are able to give their authorization to individual person or independent directors whom the Company informs to vote on behalf of these shareholders. This Proxy Form must be affixed 20 Baht duty stamp by the Proxy Holder or the Company if the Proxy Holder does not.

At 2017 Annual General Shareholders' Meeting, 8 of 9 Company's participants consist of chairman of directors, chairman of Executive directors, chairman of audit committee, independent directors, secretary and Company's auditor.

The chairman assigns the secretary to demonstrate number of shareholders participating by themselves and whom given the authorizations as well as rights according to regulations, conduct, agenda, exercise how to enquire or comment and procedures to vote with the voting cards to each agenda separately; finally disclose the results of voting cards. In addition, the Company regulates corresponding to Company's rules in which one share for one vote and disclosure the voting by preparing the voting cards to each shareholder for each agenda. The Company allows each shareholder for consideration of directors' nominations individually.

The company operate the meeting in strictly to the regulations, the meeting must be conducted to the agendas without additional topics assigned in the invitation letter. Moreover, the chairman of the meeting governs and proposes opportunities to shareholders' comment and enquiry sufficiently and appropriately prior to each resolution. After giving the voting cards to shareholders, the Company allows shareholders who are candidates to count, observe and assure the disclosure and transparency of the votes in each agenda. Those voting cards are collected as evidences for further examination, recorded number of approval, disapproval, abstained votes, questions, answers and comments in each agenda in the meeting. Visual Media Video is applied for recording evidences in the meeting, too.

Then, the Company reports the minutes of the meeting to the SET within 14 days right after the shareholders' meeting date as well as publish on website of the Company for examination of shareholders and related persons.

The board of directors sets up measures to prevent insider trading by related individuals, including directors, executives, employees, employees as well as the spouses and underage children of the aforementioned individuals. The board of directors has also set up punitive regulations on the company's disclosure of information, or the use of the company's information for personal gain in line with the policy to prevent insider trading. The company educates directors and its executives on the burden and duty to report shareholdings of the directors as well as the director's spouses and underage children, and to report changes in shareholdings to the Securities and Exchange pursuant to Article 59 and the punitive clauses of the Securities and Exchange Act of 1992.





3. The Roles of Stakeholders

The board of directors realizes and emphasizes the rights of both internal (directors, Executives and employees) and external (competitors, creditors, government and related sectors) stakeholders. These rights are defined by laws and agreed contracts including responsibilities to economy, society and environment to create high ability in competition and business operation stability and sustainability as well as firmly relationship and collaboration between the Company and stakeholders.

Employees: concentrate on its employees with care and fair to continually promote and constantly support in self-develop and trainings in diversified programs; determine fair and appropriate compensations by employee knowledge and comply with the business of the company in short and long term, provide health check-up annually, group insurances, provident fund, loan for continuous educations, emergency loan as well as an awareness of the environment. And working conditions with regard to quality of life and safety.

Shareholders: realize the equally treats to all shareholders as well as access necessary, correct and appropriate information in timely manner.

Customer: focus on the transparency; fairness; correct examination; qualified, standard, quick and on-time services responding to their needs and closely the company closely tracking with the customer and assistance equitably and fairly. The aim is to achieve customer satisfaction. successful and have improvement a quality of life.

Trade partners: transparently select trade partners; strictly follow on agreed contracts; consistently communicate and exchange opinions to maintain strong relationships; and continual development in each operation to jointly accomplish objectives and goals together.

Creditors: respect fairness; strictly adhere to agreed conditions and contracts; timely manner; and do not ruin on agreed contracts.

Competitors: compete and operate business corresponding to rules, regulations and related laws; do not destroy their reputations; do not strive for their secret information; and do not violate their copyrights and intellectual rights.

Community, society and environment : govern corresponding to rules, regulations, and related laws; apply ethics and moral; transparently, fairly and equally operate business; do not take advantages over community society, environment and all stakeholders and do not make any On the contrary, illegal; jointly create value; thus communicate and continually develop trainings to acknowledge and increase the comprehension of social responsibility as well as to instill environmental awareness in the same direction.

Notifying the Information and Complaints

The Company has been assessed and certified as a membership of certified companies of Private Sector Collective Action Coalition against Corruption (CAC), the company has a policy against corruption, corrupt. Court prohibits bribery and corruption in any form. Whether direct or indirect business interests of the Company. And inadmissible behavior involving corruption and corrupt. The Company Has set up a review to assess the risk of





fraud and corrupt regularly. As well as the monitoring, evaluation and reporting to the Audit Committee have been informed about the performance of anti-corruption and the corrupt. If a breach of any action. As a support or cooperate with corruption corrupt will be punished according to the regulations of the company.

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

Postal service: Company Secretary / Managing Director / Audit Committee
 G Capital Public Company Limited
 161/1, SG Tower bldg., 8 Fl,
 Soi. Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan Bangkok. 10330

Telephone : 02-651-9995 ext. 4300 (Company Secretary)

Fax : 02-651-9553

Website : www.gcapital.co.th

Email : sirikandac@gcapital.co.th

Employees are able to notify complaints or propose opinions to board of directors and Executives directly via email in Company's system.

The Company To ensure fairness and protect the whistleblower act. The confidentiality of those involved in the investigation of acts of corruption.

Channels to Directly Contact Audit Committee / Board of Directors

Stakeholders request to contact and complain with audit committee / board of directors via email: sirikandac@gcapital.co.th. Moreover, the protection and keep secrets of the informants are processed to examine such complaints and find solutions by the Company.

Investor Relations

Roles and responsibilities of company secretary for investor relations are to correctly and completely communicate as well as disclose information in timely manner for investors, analysts, related parties and Medias such as publications, newspapers, radio, television, meeting and other press conferences including via websites and email, etc.

Investor relations: G Capital Public Company Limited
 161/1, SG Tower bldg, 8 Fl,
 Soi. Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan
 Bangkok. 10330

Telephone: 02-651-9995 ext. 4000 (Investor relations)

Fax : 02-651-9553

Website : www.gcapital.co.th

Email : ir.gcap@gcapital.co.th



Also, the Company consistently encourages officers of investor relations to join useful programs in various seminars arranged by IR Development, Good Governance for Development of SET in which 2017.

4. The Disclosure and Transparency

The board of Directors places importance on correct, complete and transparent information disclosure, from reports on financial data and general data according to the criteria of the SEC and the Stock Exchange of Thailand to the key information which may affect the company's security's prices and potentially affect the decision-making process of the company's investors and stakeholders, so the company's related individuals receive equal the information. Following this proposed sale of stock and following the company's listing on the Stock Exchange of Thailand, the company will disclose information to the shareholders and the public via Stock Exchange of Thailand data dissemination channels and the company's website www.gcapital.co.th⁵⁴

The board of directors is aware of its responsibilities and firmly committed to strictly overseeing compliance with the laws and regulations related to information disclosure and transparency as follows:

- ◆ The company publishes information in line with the set criteria through channels of the SET, Annual Disclosure Form (Form 56-1) and the Annual Report (Form 56-2) and via the company's website in both Thai and English with regular information updates.
- ◆ The board of directors reports corporate governance compliance results through the Annual Disclosure Form (Form 56-1) and the Annual Report (Form 56-2) and company's website.
- ◆ The board of Directors compiles reports on the board of directors' responsibilities for financial transactions displayed together with the auditor's report and arranges for reports on corporate governance by the Board of Audit in the Annual Report (Form 56-2).
- ◆ Annual Disclosure Form (Form 56-1) and the Annual Report (Form 56-2) the board of directors publishes name list, roles and responsibilities of members of the board of directors and sub-committees, number of meeting and number of meetings attended by each director in each year through the Annual Disclosure Form (Form 56-1) and the Annual Report (Form 56-2).
- ◆ The company has set policy for information disclosure through the Annual Disclosure Form (Form 56-1) to assure compliance with the Capital Market Supervisory Board's notification on the criteria, terms and methods for information
- ◆ disclosure regarding a company's financial status and business performance in the following areas: 1) general information; 2) risk factors; 3) characteristics of business operations; 4) business operations of each product line; 5) assets utilized in business operation; 6) legal disputes; 7) capital structure; 8) management; 9) internal control; 10) related transactions; 11) financial status and business performance; and 12) other related information 13) Financial Highlight 14) Management discussion and analysis
- ◆ The board of directors and executives report shareholdings and the changes in shareholdings in line with regulations set by the Securities and Exchange Commission.
- ◆ The first four directors and executives counted from the Managing Director are under obligation to submit a report on their own stake holdings and the stake holdings of related individuals to the chairman of the board and the chairman of the Board of Audit with disclosure of information for all directors'





awareness in line with the Securities and Exchange Act of 2008. The board of directors has set policy to designate executive level employees with the title of division manager to submit to the Board of Audit their personal stake holdings and the stake holdings of related individuals in order to assure transparency and fairness in business conduct.

- ◆ The board of directors has held the maintenance of the internal control system covering all aspect such as financial, operation, in accordance with the laws and regulations. And provide a check and balance mechanism powerful enough to protect and maintain the investments of shareholders and assets of the Company are always defined procedures. Has hired an internal auditor who is independent, reports directly to the Audit Committee for monitors the performance of all parts to adhere to the rules.
- ◆ The board of directors has held on risk management system that involves all aspects. Covering risks that related to vision, goals, business strategies, Management, Operations corruption and other operation aspects by taking to the likelihood and severity of the impact., setting a measure in prevention and monitoring. The Risk Management Committee is responsible for the risk assessment and proposed risk management plan to the Board of Directors.
- ◆ The board of directors arranges for the maintenance of effective internal controls in order provide reasonable assurance that accounting records are recorded accurately, completely and sufficiently to maintain the company's assets, and in order to be aware of the weaknesses so misconduct or significant irregular operations can be prevented. The board of directors has established the Board of Audit composed of non-executive directors serving to audit financial transactions, related party transactions and internal control systems. The Board of Audit directly reports to the board of directors.
- ◆ The company has established a company secretary for the purpose of communications with outside individuals, namely, shareholders, institution investors, general investors and related public analysts as follows:
 1. To disclose important information for public awareness.
 2. To thoroughly publish information to the people.
 3. To clarify rumors or news.
 4. To prevent the promotional disclosure of unreasonable information.
 5. To use inside information in the trading of listed companies with accuracy, sufficiency, modernity, equity, transparency and fairness.
 6. To carry out procedures when the securities trading of listed companies deviates from the market's normal conditions can be contacted through the following channels:

Telephone : 02-651-9995 ext. 4000 (Investor relations)
Fax : 02-651-9553
Email : ir.gcap@gcapital.co.th
Website : www.gcapital.co.th





In addition, the company has appointed the Chief Executive Officer or the Managing Director as the party with the authorization to provide the aforementioned information.

- ◆ The company has appointed contact persons who are authorized to coordinate with the SET in disclosing information.
 - Matters on the disclosure of information in line with events occurring, namely, asset acquisition/ discharge (sales) transactions, related transactions, shareholders' meeting schedules, changes in directors and auditors, relocating headquarters, minutes to the shareholders' meetings and investment projects, dividend payments/ dividend payment suspensions are to be made by the Managing Director.
 - The disclosure of information according to accounting cycle, namely, annual financial statements, and quarterly financial statement, Annual Disclosure Form (Form 56-1) and the Annual Report (Form 56-2) are to be made by the Managing Director.
- ◆ The Managing Director are the parties authorized to provide general news and information on corporate management to the media.
- ◆ Appointing contact persons with other related agencies:
 - The corporate secretary is the party to coordinate with Thailand Securities Depository Company Limited
 - The corporate secretary is the party to coordinate with the Securities and Exchange Commission.

Investor Relations Activities

- ◆ Opportunity Day by SET with the objectives to clarify the information about the business and operations of the Company to securities analysts, investors, the media and interested persons joining the activity. The SET organizes this Opportunity Day after the announcement of quarterly financial statements; then the Company continuously joins this activity as well as reveals such information to shareholders and investors for a video retrospective from website of Company (www.gcapiatal.co.th) and SET (www.set.or.th).
- ◆ Company Visit by the Company with the objectives to clarify the information about the business and operations of the Company to securities analysts, investors, the media and interested persons joining to acknowledge the administration and operations of the Company which establish good relationship between the Executives and investors joining this activity. Moreover, this activity creates confidence, reliability, impress and proud to be shareholders of the Company leading to expand base investment in the future.

Throughout the year, the Company has provided the meeting with many security companies such as Phillip Securities (Thailand) Public Company Limited, Krungsri Securities Public Company Limited, One Asset Management Limited, Krung Thai Securities Public Company Limited, Country Group Securities Public Company Limited, KT ZMICO Securities Company Limited and MFC Asset Management (Public) Company Limited etc.





The Company has also gathered the questions from analysts and investors. This is the 10 most asked questions.

- 1) How will the loan amount of this year and next year grow?
- 2) How many debentures will be issued and when?
- 3) How much the capital will be increased and when?
- 4) What is the probability of doubtful accounts for hire purchase loans and personal loans?
- 5) What is the Yield of hire purchase loans and personal loans?
- 6) How many percentages of Sabaijai Talad of the overall volume of the company?
- 7) Does the company still focus on agricultural machinery?
- 8) How many employees did the company employ?
- 9) When will the new team finish?
- 10) How many additional Debt Collection teams are performing and how many lawsuits have been made this year?

Consequently, securities analysts issued analysis of corporate which were shown on Company's website (www.gcapital.co.th).

- ◆ mai FORUM 2017 on July 2, 2017 by Market for Alternative and Investment and Association of Listed Companies in the Market for Alternative and Investment organize this mai FORUM 2017 at Centara Grand at Central World with the objects to publicize information of listed companies in Market for Alternative and Investment to investors, securities analysts, the media and interested persons including policies, guidelines and previous business performance. Many activities relating to investments were demonstrated inside the forum i.e. the booth for details and products of listed companies, investment seminars, opportunity day, etc. The listed companies joining such forum were grateful and accomplished the attention of investors, securities analysts, the media and interested persons.
- ◆ Activities to publish information through different channels by the Company about its introductions, performances and interviews during its impact on negative information to shareholders, investors, all stakeholders and interested persons to continually receive correct information i.e. newspapers, TV broadcast, radio and narrator in the converse, etc.

5. Role and Responsibilities of the Board

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



The company balances its directors' power with the composition of 8 directors. Details are as follows:

Position	Executive Director	Non-Executive Director	Audit Committee	Total
Shareholder Representative	1	2	-	3
Independent Director	-	2	3	5
Total	1	4	3	8

Three of Audit Committees are Independent Committee or equivalent to 33.33 percent while five of the committees are Non-Executive Director or equivalent to 55.56 percent of the total committee. Thus, a total of eight committees (88.89 percent) is a Non-Executive Committee. The Board of Directors is appointed with the Checks and balances system for its effective management. Moreover, the company also identifies company's corporate structure with clearly line of authority and decentralization to prevent the empowerment of individual or a group of persons in decision-making.

Management structure of the company consists to 5 committees as follow:

1. The Board of Directors
2. Audit Committee
3. Executives Committee
4. Nomination and Remuneration Committee
5. Risk Management Committee

(Remark : The details of each committee show on management structure content.)

Terms of committee

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

Board of Directors' Meeting

The Board of Directors meets on a quarterly basis with certain agenda and extraordinary meetings due to special requirements and has been conducted by the Chairman of the Board of Directors. Directors are freely to vote and express an opinion toward matters proposed agenda. Executive Directors and/or Independent Directors sometime will be invited to attend the meeting. In voting, each committee is entitled to one vote and the majority vote of the committee who attends the meeting and cast their votes. In the case of a tie vote, the chairman of the meeting shall have a casting vote.

All committees are required to attend the meeting except emergency case and any absence shall be informed to the company secretary in advance. The company secretary will arrange meeting agenda for the entire year and will sent invitation letter to directors at least 7 days in advance. The Company Secretary should propose, invite and inform agenda items to all directors for meeting preparation and arrangement which directors may propose an agenda which may incorporate into the meeting's agenda. Meeting minutes shall be submitted to the Chairman of the Board and keep confidential.





In addition, the Board of Directors will be invited to attend the executive committee meeting to provide further details as directly related. The company policy regarding the number of board quorum, directors are required to have at least half of all directors in order to form a meeting quorum.

(Remark : The details of directors' attendance for meetings, show on management structure content.)

Reporting of information

1. The Board of Directors is responsible for the reporting of financial information and general information to shareholders and general investors in an accurate, truthful, comprehensive and transparent manner. Information comes with rational explanations and quantitative supporting evidence both in terms of policies and performances, future trends as well as successes and obstacles of the business.

2. The Board of Directors understands and supports the compliance with the professional standards of auditors.

3. The Company's Board of Directors has produced a report on the responsibilities of the Board of Directors on the provision and publication of financial reports of the business and has publicized it alongside the financial statements and reports of auditors. It covers;

- Legal regulations assign the Board of Directors with the duty to produce financial statements to show the financial status and the performance in the previous year that are accurate/true and rational.
- The responsibilities of the Company's Board of Directors in the provision of correct, comprehensive and sufficient accounting information to be able to maintain the Company's assets and to realize problem, threat to prevent corruption or abnormalities.
- Confirmation that the Company has adhered to the generally accepted accounting standards. The Company uses appropriate accounting policies and constantly adheres to them. The Company has carefully considered the rationality and appropriateness in producing financial statements of the Company.

Positions in other companies.

The Board recognizes the importance of their duties as directors. And senior executives of the Company. Considering the performance of the incumbent companies carefully. To ensure that the time to act in the company. Adequately The policy determines the number of companies able to serve as Director and Managing Director positions in other companies, in line with best practice. According to the corporate governance of regulatory agencies such as the Stock Exchange of Thailand.

- The number of company in which each director holds office must be a director in no more than 5 listed company
- The position of Managing Director at the company. Board of Directors There are guidelines to follow, including the Companies Act 2535, regulations or rules of regulatory requirements related.





Risk Management

The company assessed the Risk Management Committee responsible for consideration the overall organizational risks both internal and external, which shall have an effect in management such as financial risk, operation risk, market and competition risk, strategic risk, compliance risk, credit risk, asset management risk, and other risk factors. The Risk Management Committee shall classify risk levels, prescribe risk management guidelines and assign the responsible persons to carry out risks control measures to make them in acceptable level with aims to make the Company achieve the set objectives and strategies.

Self – Evaluation of the Board of Directors

The board of directors requires the evaluation on the operation of the board of directors annually at least 1 time per year to perceive problems and threats during the last year and improve the efficiency of operation of Board of Directors because they can perceive their responsibilities and duties explicitly. In addition to improve the relationship between Board of Directors and Management Department as well as improve direction of problem solving to meet with good corporate governance. Assessment criteria has the following details: board structure, a variety of membership, the nomination and appointment committees, knowledge development of director, prepare before a meeting, the appropriateness of the meeting, the acting of chairman of the meeting, performance management policy, lawfulness, corporate governance, code of conduct, internal control system, risk management, the duties of the committee, acting as the management of the company. In additions the company provide an assessment of the board of directors of the Company for satisfaction survey on the functioning of the committee. The results of the evaluation informed to the board of director for implementation.

Succession Planning for director and managing director

The company plans to nominate directors and the managing director, as appropriate, and to ensure transparency to have a system of recruiting and managing director with professionalism. Recruitment is the recruitment process has to consider both internal and external parties. The Board of Nomination and Remuneration Committee. is recruiting individuals with the right to be elected. Through rules and procedures for recruitment, selection. As well as provides for the development, management, coupled with the succession plan. To ensure that the Company have executives with the knowledge and ability to succeed is more important in the future.

Orientation for New Directors

The Company will arrange an orientation program designed to familiarize new directors with the Company and operations, its management structure, shareholder structure, committees, business performance and financial highlight. Directors will be provided with information regarding corporate governance, Business ethic, rules and regulation as well as related law such as Public Limited Companies Act B.E. 2535, The Securities and Exchange Act (No.4) B.E. 2551.





- The company also announces that all new committees shall participate in training course of Director Accreditation Program (DAP) arranged by the Thai Institute of Directors (IOD) within 6 months of announcement of appointed.

Directors and Management Development

The company attaches importance to the development of its directors and encourages directors to regularly participate in such courses or activities as will serve to enhance their knowledge and performance as members of the Board of Directors and Board committees. List of Training courses and participators in 2014 are as follows;

In 2017, there were directors and executives attending the seminar in various courses.

- ◆ Corruption Program / Company Secretary Organized by the Thai Institute of Directors (IOD)
- ◆ CSR Training held by Social Responsibility Center, The stock Exchange of Thailand

In addition, chief executive also participated as well as was a guest lecturer in many dialogue and seminar activities aimed to share their direct experience, knowledge and opinion.

In 2017, the company as listed companies in Market for Alternative Investment (mai) was pilot project, from The stock Exchange of Thailand, to participate in Corporate Sustainability Advisory Program (continue from year 2014) aimed to enhanced the awareness of and understanding about socially responsible investment as well as sharing the board experiences with the broader development which will be useful for manage and develop organization with efficiency. The company also produced Sustainability Report Year of 2017, which divided from Annual Report, so as to disseminate the company policy and working process with good corporate governance to ensuring the company long-term sustainability growth as well as to advance social, economic and environment responsibility. All information is posted on The Company's website (www.gcapital.co.th)

Corporate Governance Policy

The directors determine good corporate governance policy in written in accordance with the principles of Good Corporate Governance as well as strictly comply with company policies, rules, regulations and related law. All details of corporate governance are disclosed in the annual report and Form 56-1 and company website.

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

Business Ethics

The company has set guidelines regarding the code of conduct of the management and employees to provide relevant guidance in duties for the Company with honesty and integrity and operation with stakeholders. In addition, to monitoring of compliance with such guidelines regularly.

The Company was announced and communicated to all staff understand and adhere strictly observed. Including compliance with such guidelines. The Company had evaluation to understanding of ethics and business ethics of the Company.





Internal Control

The Board has assessed the Company's internal control system for both financial and operation based on the company rules and regulation and work procedure as well as set up an examining procedure with check-balance and efficiency. Moreover, the company also appointed authorized Director in writing. The Company will monitor and ensure that Company's regulations, Corporate Governance Policy and Business Ethics have been strictly and continually complied. In addition, the company also hire Office Pitisevi Co., Ltd. as an Auditor Independence for inspection the Company's internal control system and internal audit system to ensure that they are suitable and efficient.

Decision on acquisition or disposition of related party transaction of the company's asset

Transaction of the listed company and any of its subsidiaries (in which the listed company hold shares in an amount exceeding 50 percent of the subsidiary's paid in capital) make a decision to enter into an acquisition or disposition of connected transaction of fundamentally important company assets. The company has decision to enter into any transaction as specified by the Exchange. In the case of connected transaction, Company should be use the approval of shareholders in decision to enter into acquisition or disposition of connected transaction of fundamentally important company's asset. The approval of the shareholders for the decision to enter into the transaction requires a vote of not less than three of fourths of the total votes of the shareholders or their proxies (if any) who are present at the meeting and who have right to vote, excluding the votes of interested shareholders have to follow Rules and Procedures of the Stock Exchange of Thailand.

Conflict of Interest

The committee determines conflict of interest policy and code of conduct that any action cause conflict of interest shall be avoid as for the highest benefit for the company. All cases of conflict of interest which involve with employees shall be declared to the Company and those who has the beneficial interest shall have no right to vote on that matter.

Any case of conflict of interest which involve with employees shall have to report to the Audit Committee for consideration and submit the issue to the Board of Director and Shareholder Meeting, which participated person will not attend. The said conflict of interest will be carefully examined to ensure that the transaction is complied with SET's regulation. All details of such transaction must be disclosed in the annual report (56-2) and Form 56-1 as well as financial statement remark.

Prevention of inside information used by management

The Company has policies and procedures to take care and manage the use of information within the company which was not disclosed to the public to use for personal gain, including trading securities as follows:





- To educate the Directors as well as management in every departments about the duty to report the securities holding of themselves, their spouse and minor children to the Securities and Exchange Commission and The Stock Exchange of Thailand under Section 59 and penalty provisions under section 275 of the Securities and Exchange Act of 1992.
- The company orders the directors and management to report the change of the holding of securities to The Securities and Exchange Commission under Section 59 of the Securities Exchange Act of 1992 within 3 business days from the date of the transaction and send copies of this report to the Company on the same date to submit a report to the Securities and Exchange Commission.
- The Company has determined that directors, executives and related practitioners who get inside information related to the subject matter which affects the stock price shall suspend the trading of the Company before the financial statements or information is disclosed to the public within a period of one month and should wait at least 24 hours after disclosure to the public, including prohibiting the disclosure of a material to others.
- The Company set disciplinary actions if there is a violation of using inside information for their own benefits starting from written warning, pay cut, and temporary suspension without pay or force to leave. Their punishment will be determined by the intention of the action and the seriousness of the offense.

Report of Interest of Directors and shareholding report

Our company assigns the committees and Board of Directors to report their own interests and those of related persons when they commence to hold the position or when there is any changing of information.

In addition, they have to revise all information annually according to rules and methods of report on interests of company's committees and executives defined.





Social Responsibility

In addition to the improvement of the company's work processes to meet customer's needs. The Company also carries out business with social responsibilities and stakeholders in various sectors.

The Company has designed many credit products to offer fair interests and are suitable to the affordability in paying back of the customers. The Company designed the new credit products to answer target customers that need loans but cannot apply for loan from financial institutions, thus depending on shark loan business with high rate interest and creating issue of compounding debt in the long run. "Sabaijai Market" is designed to meet with the needs of vendors whose businesses are in the market with no regular income, making it difficult to apply for loan from financial institutions. And when they most need circulating fund or big lump sum to pay for the stall fee, they need to depend on loan sharks. This is an opportunity for loan applying in a transparent, fair and verifiable system with the interests regulated by the Bank of Thailand. "Sabaijai Employee" is a personal loan targeting employee in various companies. A lot of them have debts and have been blacklisted by the credit bureau, making them unable to apply for the formal loan so they depend on the loan sharks for the loan with high interest rate. "Sabaijai Employee" has clear rules in considering the credit limit and the ability for the customers to pay back without taking credit bureau record in consideration to expand the opportunity in applying for formal loan to the customers with debt problem but had resolved it and improved so they have normal lives, to have more option in applying for the loan.

In addition to the improvement of the company's work processes to meet customer's needs. The Company also carries out business with social responsibilities and stakeholders in various sectors.

The Company has designed many credit products to offer fair interests and are suitable to the affordability in paying back of the customers. The Company designed the new credit products to answer target customers that need loans but cannot apply for loan from financial institutions, thus depending on shark loan business with high rate interest and creating issue of compounding debt in the long run. "Sabaijai Marker" is designed to meet with the needs of vendors whose businesses are in the market with no regular income, making it difficult to apply for loan from financial institutions. And when they most need circulating fund or big lump sum to pay for the stall fee, they need to depend on loan sharks. This is an opportunity for loan applying in a transparent, fair and verifiable system with the interests regulated by the Bank of Thailand. "Sabaijai Employee" is a personal loan targeting employee in various companies. A lot of them have debts and have been blacklisted by the credit bureau, making them unable to apply for the formal loan so they depend on the loan sharks for the loan with high interest rate. Sabaijai Employee" has clear rules in considering the credit limit and the ability for the customers to pay back without taking credit bureau record in consideration to expand the opportunity in applying for formal loan to the customers with debt problem but had resolved it and improved so they have normal lives, to have more option in applying for the loan.





Anti-corruption

G Capital Public Company Limited is committed to conduct its business with integrity, ethics and corporate social responsibility. And all stakeholders in the group following the good Corporate Governance. G Capital Public Company Limited has officially launched campaign against the corruption in the organization, to understand and show commitment to anti all types of corruption

To ensure that G Capital Plc. has guidelines and appropriate operating procedures to prevent the corruption that may occur within the company's business as well as to make decisions and to operate business that may be at risk of corruption. The company has regulated and implemented the Anti-Corruption guidelines in written with clarification and communication the appropriate action to Board of Directors, Executive Committee And employees at all levels to provide clear guidelines for conducting business and developing into a sustainable organization.

On September 6, 2016, G Capital Public Company Limited's Executives and staffs has participate in events "Anti-Corruption Day, 2560" under the concept of "New Government, Old Corruption?", with the participation of many public and private sectors. The event was held at Centara Grand at Central World. Currently, GCAP has been certified as a member of the Thai Private Sector Anti-Corruption Group



The Company has a policy to support its partners and stakeholders in all sectors as well as recognize and focus on the fight against the corruption. By communicating through various appropriate channels Stakeholders. It also supports the establishment to prevent and anti-corruption systems in the organization or join the anti-corruption networking, these all to against and to consolidate the power to get rid of the corruption from Thai society.





Internal Control and Risk Management

The Company has strategic managements align with Good Corporate Government, Risk Management and Internal Control to achieve business operation properly and efficiently.

The efficiency internal control is an important management tools to the Company goals. The procedures are aligned with the internal integrated framework of the Committee of Sponsoring Organization of the Treadway Commission (COSO) that was improvement in 2014 to apply in operations management as follows:

Internal Environment

- ◆ The Boards of Directors and management stipulate code of conduct and code of conduct for the Boards of Directors, management and staff.
- ◆ The Boards of Directors consists of 44.44 independent directors which are more than the regulation minimum requirement which allow independence from management in assessment and decision making for effective internal control.
- ◆ The Boards of Directors and management establish the Company Structure, appropriate responsibilities and segregate of duties to achieve effectiveness of the internal control.
- ◆ The Boards of Directors and management recognize the importance of the employees that are precious resources of the organization. The company has promoted the development and consider revenue, welfare of their employees appropriately.
- ◆ The Boards of Directors and management set up a system of corporate governance, good internal control that has a department to responsible for oversight and clearly.

Risk Assessment

- ◆ The Company identifies risks that may affect the business operation and specific risk response in the corporate levels and functional levels including fraudulent or inappropriate conduct.
- ◆ The Company specified objective of the operations, Financial and Non-Financial reporting including compliance with all laws and regulations and identified residual risks to the acceptable level.





Operation Control

- ◆ The Company has the control activities to mitigate the residual risks to the acceptable level including preventive control, segregate of duties, the level of assessment data and information control, the Level of authorization in business operations and business transactions and physical company assets controls.
- ◆ The Company has implemented and maintained Business Continuity Policy including the event of an uncontrollable emergency situation to ensure continuous business operation.
- ◆ The Board of Directors set up a policy for control a management system from procedure and work instruction of each party and have set up an authorization approval for the management to continuing operations by taking into account the best benefit of the company.

Information and Communication

- ◆ The Company implements an efficient information system to provide accurate complete and timely information to support business operation and including the preparation of appropriate information for management decisions making.
- ◆ The Company has a communication channel to inform and shared information to staff via electronic email and bulletin board.
- ◆ The Company has an investor relationship channel to communicate to the investors and has a stakeholder's communication

Monitoring

- ◆ The Company has legal and internal audit department, directly report to Managing Director and the Audit Committee. This department is responsible for reviewing and evaluating the effectiveness and effectiveness of the internal control system as well as the information system to ensure that regular business operations and activities of the company has implemented as prescribed guidelines with effectiveness. Also, comply with laws and regulations relating to the company. In addition, the annual internal audit plan must be presented and approved by the Audit Committee by reporting the defects founds and progress of the business revision to the Audit Committee on a quarterly basis

In 2017, The Board of Directors evaluated and assessed the Company internal control under the guidelines of the Office of the Securities and Exchange Commission and satisfied the Company maintains and appropriate and effective internal control.





Related Party Transactions

The Company have related party transactions with connected persons who may have conflict of interest, all of which being made in a normal course of business of the Company. In approving the related party transaction, the Company set out policy to proceed according to normal trading terms by referring to appropriate market rate and condition. In case where the transaction is not normal business transaction or without normal trading terms, such transaction must be presented to the Board of Directors' meeting for approval. In approving the related party transaction, directors and persons with potential interest or potential conflict of interest will not be entitled to participate in the voting of such transaction. Such transaction must be reported to the Company's Board of Directors for further acknowledgement accordingly. In entering into such transaction, it must be ensured that the transaction must provide maximum benefit to the Company.

In considering the transaction, the Audit Committee must attend the meeting for review its necessity and reasonableness by considering price and rate of return of such transaction except where the related party transaction is the normal business transaction or has normal trading terms which can be approved by the Executive Board of Directors or Chief Executive Officer within the predetermined authorized limit. In case where the Audit Committee does not have expertise in considering the transaction arisen, the Company will arrange to have person with expertise and skill, e.g. the Company's auditor or independent expert, to provide opinion on such connected transaction. Opinion of the Audit Committee or expert will be used as support for decision making of the Company's Board of Directors or shareholders as the case may be.

In addition, the information on related party transactions will be disclosed in the notes to financial statements as audited by the Company and its subsidiary's auditor. The related party transaction must be made in accordance with the Securities and Exchange Act, rules and regulations, notification, order or provision of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand concerning the related party transactions or the acquisition and disposal of the Company's asset in a strictly manner. The Company must also comply with the provision concerning the disclosure of information of connected transaction and acquisition or disposal of asset.

In entering into any potential related party transaction in the future, the Company will proceed according to the measure stipulated above. It has a policy to operate in accordance with normal course of business by referring to appropriate market rate and condition to maximize benefit to the Company.

Details Related Party Transactions

According to the resolution from the Board of Directors meeting No. 1/2017 on February 20, 2017 also attended by the Audit Committee and the independent directors to review the related party transaction for the period ended December 31, 2017 and December 31, 2016, the Board of Directors provided opinion concerning related party transactions that such related party transaction were necessary for the ordinary course of business whereas terms of such related party transactions with related persons during such period were according to the market rate, contractual and agreed price which were reasonable and in the ordinary course of business. Details of the transaction can be summarized as follows:





		Value of related party transaction for the period ended (Baht)		
Partiers with potential conflict/ Nature of transaction	Type of transaction	December 31,2017	December 31,2016	Reason and necessity of related party transaction/ Remark
General Outsourcing Co.,Ltd Related through directors	Server Maintenance Fee	80,000	120,000	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.
	Reference Fee	448,070.76	79,200	Related party transactions are in accordance with a normal business and support the operation of the company, This transaction is considering and approval by Audit Committee and the Board of Directors.
	Payroll Fee	268,880	-	Related party transactions are in accordance with a normal business, This transaction is considering and approval by Audit Committee and the Board of Directors.
Director	Interest (Interest Rate 13.5%)	419,687	15,268	Related party transactions are in accordance with a normal business, This transaction is considering and approval by Audit Committee and the Board of Directors.
	Personal Loan Receivable (Personal Loan receivable-property secured mortgage)	3,620,902	2,544,309	Related party transactions are in accordance with a normal business, This transaction is considering and approval by Audit Committee and the Board of Directors.

Reasonableness of the Related Party Transactions

According to the resolution of the Board of Directors' Meeting No. 1/2017 on February 20, 2017 where the Audit Committee who are independent directors have attended, it was opined that the related party transaction is necessary in the normal operation of business. Terms of the related party transactions are made according to the market price, contractual price and agreed price, which are reasonable and in the ordinary course of business.

Measures or Process for Related Party Transaction Approval

To prevent any conflict of interest arisen from the transaction, the related transaction between the company and a person with potential conflict of interest, which is neither in the normal course of business nor has normal term of trading must be presented to the Board of Directors' meeting for approval. Directors and persons with interest or potential conflict of interest in such transaction will not be entitled to vote on such matter and must report the Board of Directors accordingly. Such transaction must be entered for the maximum benefit to the Company. In considering such transaction, member of the Audit Committee must attend the meeting to provide opinion pertaining to the execution of such related party transaction, except if such related party transaction entered by the Company or related companies is made in the normal course of business or normal trading terms.

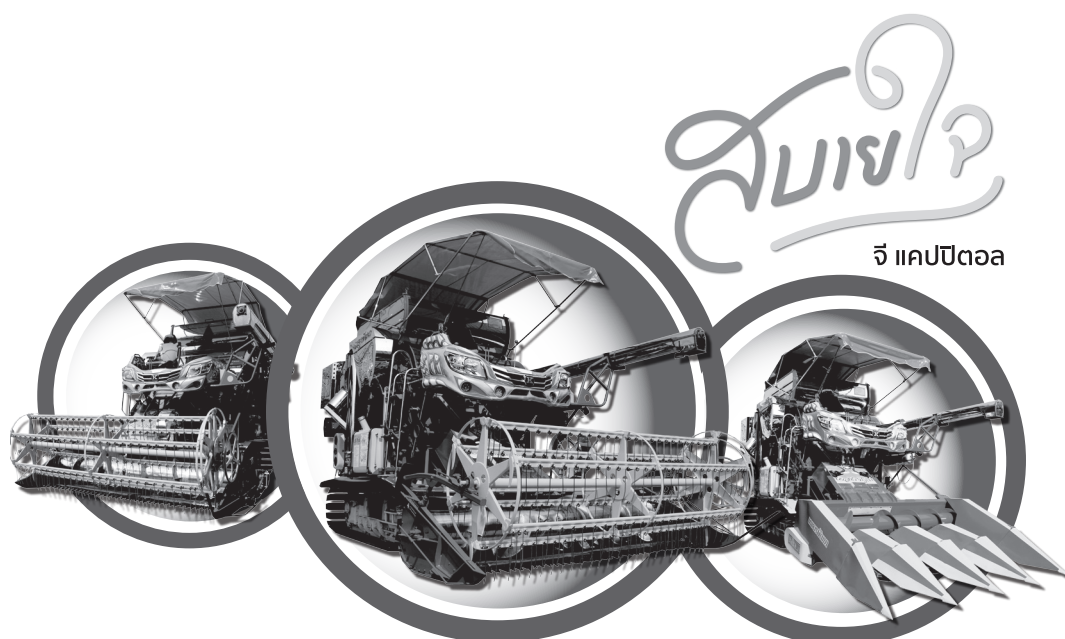


In such case, the Managing Director or high executive's management is authorized to approve the transaction according to the predetermined approval authority limit. The execution of related party transaction, however, must be in accordance with the Securities and Exchange Act, regulation, notification, order or the provision of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand concerning the related party transactions and the acquisition and disposal of the Company's asset in a strictly manner.

Policy or Tendency of Related Party Transactions

In entering into related party transaction in the future, the Company's procedures are as discussed earlier in order to maximize benefit to the Company. Accordingly, it is the Company's policy to undertake the transactions according to the normal course of business based on appropriate market price and conditions. The Audit Committee and/or Independent Director will be required to audit and provide opinion, taking into account pricing and return, on the necessity and appropriateness of the transactions. In relation to the execution of related party transactions in the future, the Board of Directors must comply with the Securities and Exchange Act, regulation, notification, order or the provision of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand concerning the disclosure of information of related transaction and the acquisition or disposal of assets.

However, in case of the Audit Committee have no special skill for consideration related transaction which occurred, the Company will provide specialists such as auditor of the Company or independent expert provide opinion on such related transaction. The opinion of the Audit Committee or specialist will be applied to decision of the Board of Directors or shareholders. Moreover, the Company will be disclosed the related transaction in the note of financial statement have been audited by the auditors of the Company and its subsidiary.



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Management Discussion and Analysis

Financial Statement

1) The Company's auditor

Year	Independent Auditor Name	Certified Public Accountant's Number	Independent Auditor's Company
2017	Mr.Pojana Asawasontichai	4891	Dharmniti Auditing Co.,Ltd.
2016	Mr.Pojana Asawasontichai	4891	Dharmniti Auditing Co.,Ltd.
2015	Mr.Pojana Asawasontichai	4891	Dharmniti Auditing Co.,Ltd.
2014	Mr.Pojana Asawasontichai	4891	Dharmniti Auditing Co.,Ltd.

2) Summary of auditor report

The auditor report for the financial statements in 2014-2017 expressed an unqualified opinion that the financial statements had been prepared accurately in accordance with the generally accepted accounting standards.

Explanation and Analysis of Company's Financial Status and Performance

Company's performances

G Capital Public Company Limited has 4 main financial products including 1) hire purchase, 2) refinancing loan, 3) loans with collateral and 4) personal loans under supervision of Bank of Thailand (BOT) and nano finance. The hire purchase, our main business, is to support both new and used agricultural and other machinery such as rice harvester combines, corn harvester combines, tractor, wooden loader, sugar cane loader, grain dryer and crepe rubber machine.

Economics Overview and the operations of the company in 2017.

Despite of delays in some investment projects by the government, in 2017, Thailand's economy registered a 3.9% growth (comparing with 3.3% growth in 2016) which was due mostly to growth in export and tourism sectors. The production volume in agriculture sector improved by 6.2% (comparing with 2.5% diminishment in 2016), mainly from growth in rice and rubber production volume due to proper weather. This resulted in a 5.9% increase of revenues in agriculture sector in 2017.

In 2017, the Company has continued its focus on its specialized hire purchase business for agricultural machinery especially for rice harvester combines. However, it has expanded its business to new customers in lending and personal loans in order to diversified the revenue sources. The Company has been granted a personal load and nano financing license under supervision from the Ministry of Finance since October 14, 2015, while it started providing personal loans and nano financing in December 2015 and March 2016, respectively.



New Loan Booking

	2014	2015	2016	2017
Total New Loan Booking (THB million)	429	270	355	1,120
Percentage Growth	-11%	-37%	31%	215%

Regarding our new loan booking, we have outstandingly achieved THB 1,120 million new loan booking in 2017, comparing with THB 355.12 million in 2016, accounting for 215% growth. Such remarkable growth was a result of both hire purchase and personal loan growth, which posted approximately the same growth rate. The main factors of our new loan booking growth includes economic improvement of Thailand's agriculture sector, the Company's new marketing campaigns to better serve our customers, new loan products launched into the market and expansion to new customer base.

Revenue

The revenues of the Company comprise income from the right under the hire purchase contracts, late penalty fees from hire purchase contracts, interest revenues from personal loans, interest revenues from corporate loans, and other income. The Company posted its total revenues in 2017 and 2016 at THB 198.60 million and THB 152.63 million, accounting for a 30% growth, which was in accordance with its high new loan booking growth resulted from improving Thailand's economy and agriculture sector together with the Company's new products and services, new campaigns launched into the market, and new customer base.

The income from the right under the hire purchase contract is still the Company's main revenue source which was equivalent to 71% and 81% of total revenues in 2017 and 2016, respectively. In addition, in 2017, the Company increased its new booking portion of personal loans which resulted in an increase in interest income from personal loans from THB 9.93 million in 2016 to THB 29.53 million in 2017, which was THB 19.60 million or 197% increase. Apart from that, other incomes in 2017 and 2016 were THB 5.37 million and THB 2.60 million, respectively, from the Company's own asset management.

Expenses

The expense of the company consists of cost of sales, administrative expenses and allowance for doubtful accounts, which are detailed as follows:

Selling Expense

The Company's selling expenses mainly include sales personnel expenses e.g. salaries, bonuses, allowances, transportation expenses, sales promotion expense, etc.

The selling expense in 2017 and 2016 were THB 14.50 million and THB 6.73 million, decrease THB 7.77 million equivalent to 7.3% and 4.4% of total revenues.

Administrative Expenses

The administrative expense was mainly from personnel costs, including salaries, bonuses, rents and service charge, depreciation, utilities, gasoline, and fee, etc.

The administrative expenses in 2017 were THB 72.97 million equivalent to 37% of total revenues, increase than in 2016 at THB 17.60 million or equivalent to 32%.





Financial cost

The financial cost of the Company in 2017 and 2016 amounted to THB 39.10 million and THB 28.95 million respectively, increasing by 35%, which was mostly due to major funding source, debentures. In 2017, the Company totally issued THB 474.50 million debentures including THB 60 million of 1.5-year debentures giving 5.75% p.a. coupon, and THB 414.50 million of 2-year debentures giving 6.00% p.a. coupon, in order to support significant growth of the new loan booking.

Profit

The profit of the company in 2017 and 2016 were THB 27.02 million and THB 41.28 million, respectively, which were equivalent to 14% and 27% of total revenues. Despite of a surge in the Company's new loan booking and 30% revenue growth in 2017, its new income decreased because of the following key reasons:

- 1) the Allowance for Doubtful Accounts increased by THB 28.26 million which was in accordance with the new loan booking surge in the period. The Company has a very careful reserve policy. For example, every new hire purchase booking, 2.5% of new contract value needs to be immediately booked as an expense under Allowance for Doubtful Accounts. Therefore, the Allowance for Doubtful Accounts, which is an expense in the Statement of Comprehensive Income; basically increases in the period which the Company has new loan booking. This describes the Company's quality of advanced reserve.
- 2) SG&A increased by THB 25.37 million, resulted from higher numbers of employees to drive the Company's growth and from increased legal expenses.

Income tax expense

In 2017 and 2016 the corporate tax is 20%.

Earnings per Stock (EPS)

In 2017 and 2016 the company has earnings per share of THB 0.14 and THB 0.21 per share, decreasing by THB 0.07 per share.

Profitability Ratio

Profitability Ratio (Net Interest Margin or NIM) is the difference between the rate of interest revenues together with late penalty fees over the average portfolio value and the rate of financing cost over the average interest-bearing debt. In 2017, the Company achieved NIM at 11.14% while that in 2016 was 12.08% which was because of the increase portion of lower-yield personal loans in its portfolio in 2017.

Financial Status

Assets

Assets of the Company consist of:

- 1) Current assets include cash and cash equivalents, current portion of lease receivables due within one year, receivables during the legal proceedings with collateral and other receivables.
- 2) Other current assets include accounts receivable under hire purchase and personal loan receivables due more than one year, receivable during the legal action, deferred tax assets and other non-current assets

Total assets of the Company at the end of 2017 was THB 1,561.21 million, increasing from the total assets in 2016 at THB 886.82 million or increasing by THB 674.39 million or 76%. The significant factors of such increase



included an increase in hire purchase receivables by THB 366.60 million or 56.71%, an increase in personal loan receivables by THB 218.06 million or 198%, an increase in corporate loan receivables by THB 79.53 million or 3,405%, an increase in other receivables by THB 22.36 million or 970% and a decrease of cash and cash equivalents by THB 27.16 million or 35%.

Hire-Purchase Receivables

At the end of 2017 and 2016, the Company had accounts receivable under hire purchase contract at THB 1,013.05 million and THB 646.45 million, respectively, representing total assets at 65% and 73% respectively. The of Accounts receivable under the contracts showed under the hire-purchase contract minus the interest that has not been recognized as revenue and allowance for doubtful accounts plus provision for value added tax. The Assets is considered a major asset of the company.

Personal Loan

In 2017 and 2016, the Company had personal loans receivable at THB 328.26 million and THB 110.20 million, respectively, increasing by THB 218.06 million or 198%. The personal loan receivables are value of the loan contract plus accrued interest minus allowance for doubtful accounts. In 2017, the Company provided new product of personal loans which was loans to selected sellers in Klongtoey fresh market and also personal loans continuingly provided since the previous years including loans to good payment record customers and loans to salary employees.

The Company has been granted a personal load and nano financing license under supervision from the Ministry of Finance since October 14, 2015, while it started providing personal loans and nano financing in December 2015 and March 2016, respectively.

Quality of Hire Purchase Accounts Receivables

To deal with allowance for doubtful accounts, The Company has applied the provision according to the notification of the Bank of Thailand No. Sor Nor Sor 31/2008 concerning the classification and the provision of financial institutions, announced on August 3, 2008. The Company has the policy of setting provision for doubtful accounts at a rate of 2.5% of account receivables under the hire purchase contract along with assessment of customer's payment histories and the values of hire-purchasing collateral when the collateral is returned comparing with the Company's criteria in accordance with the Federation of Accounting Professions No. Sor NOR 111/2004 dated April 23, 2004 commented on the provision of allowance for doubtful accounts of Consumer Finance business and the circular Notice No. Kor Lor Tor. Chor Sor (Wor) 2 /2004 commented on the allowance for doubtful debts





of the Consumer Finance business.

The policy on allowance for doubtful Hire Purchase accounts (1 installment is 3 months period)

A/R	Provision for Doubtful Accounts
Normal Accounts Receivables	1% of net accounts receivables
Overdue period	
Not more than 0.5 installment	2% of net accounts receivables
0.5 — 1 installment	2% of net accounts receivables
1 — 2 installments	2% of net accounts receivables
2 — 3 installments	2% of net accounts receivables
More than 3 installments	100% of net accounts receivable after subtracting 62 % of collateral assessment

At an end of fiscal period, in case of found the allowance for doubtful accounts at the rate of 2.50% of accounts receivables is not enough when compared to the above criteria, the Company will increase a provision for doubtful accounts according to the criteria. And if the Company found that receivables is unable to pay debts or have dishonest behavior that may escape or death or being filed for bankruptcy, the Company will assess the value of the collateral to be zero immediately at the date noticed and will set the provision for doubtful receivables for 100% immediately, regardless of how many unpaid installments.

In case of the receivables not payment more than 3 installments, the company will stop realize revenue from that hire purchase contract

Table of Aging of accounts receivable under hire purchase contracts

Type of Accounts Receivables	For the year ended					
	2017		2016		2015	
	Value	Ratio	Value	Ratio	Value	Ratio
	(Million Bath)	(Percent)	(Million Bath)	(Percent)	(Million Bath)	(Percent)
Normal (Normal Accounts Receivables)	846.64	80.07	384.77	56	499.89	62
Special Mentioned level (less than 0.5 installment)	26.04	2.46	13.94	2	19.39	2
Lower than Standard (more than 0.5 - 1 installment)	71.95	6.80	67.07	10	71.54	9
Suspicious level (more than 1 - 2 installment)	44.02	4.16	91.29	13	83.18	10
Doubtful level (more than 2 - 3 installment)	34.42	3.26	81.29	12	84.23	10
Doubtful level (more than 3 installment)	34.29	3.25	51.81	7	45.92	7
Total	1,057.36	100	690.17	100	804.15	100
Subtract provision for doubtful accounts	(44.31)	(4)	(43.72)	(6)	(49.47)	(6)
Net Accounts Receivable under Hire-purchase contracts	1,031.05	96	646.45	94	754.68	94

Remark : The period of payment of installments receivables is at 3 months.



In 2017 and 2016 the ratio of accounts receivables in excess of the due date in Doubtful level (more than 3 installment) is 3.24 and 7.51 of total receivables due to the government request the cooperation from farmer in reducing planting rice in some areas as the effects of drought. Therefore, the customers unable to paid full Installment but only on partial payment which company has followed up and manage account receivables overdue by having relationship management team visit the account receivables asking and investigating the reason for overdue payments and propose the differentiate solutions depending on account receivable's behavior and ability to repay the loans such as planning and set up appropriate due date, request for a collateral, return the machine back to the company, etc. The company request the minimum down payment at 30% of a price of a product and if machine be returned from account receivables, the company will do the auction process.

Personal Loan

The company provided financial service in personal loan such as personal loan to selected Company's customers, loans with collateral and personal loans under supervision, which are offered to customers with good repayment records, and customers who have been affected by drought and government policies that encouraging farmers to reduce cultivation in some areas

Table: Aging of accounts receivables under personal loan contracts.

Type of Accounts Receivables	For the year ended					
	2017		2016		2015	
	Value	Ratio	Value	Ratio	Value	Ratio
	(Million Bath)	(Percent)	(Million Bath)	(Percent)	(Million Bath)	(Percent)
Normal (Normal Accounts Receivables)	273.95	80	91.23	81	26.55	84
Overdue						
Doubtful level (over 1 - 3 installment)	49.72	15	15.38	14	3.69	12
Doubtful level (more than 3 installment)	18.54	5	6.37	5	1.23	4
Total	342.21	100	112.98	100	31.47	100
Subtract provision for doubtful accounts	(13.95)	(4)	(2.78)	(2)	(1.26)	(4.00)
Net Accounts Receivables under personal contracts	328.26	96	110.20	98	30.21	96

Account Receivables under litigation enforcement process (with Collateral)

Account Receivables under litigation enforcement process (with collateral) is accounts receivables under terminated hire purchase contract deducts from income from the right under hire purchase contract that has not yet recognized as revenue at the date of termination and deducts allowance for doubtful accounts. At the end of





2017 and 2016, receivables during legal proceedings secured net worth THB 22.59 million and THB 19.02 million or equivalent to 1% and 2% of total assets, respectively. In 2017 account receivable under litigation enforcement process, with collateral increasing from year 2016 at THB 3.57 million or 19%.

Other Account receivables

Other Account Receivables consist of Revenue Department receivables, employee loans receivables, and other receivables, etc. At the end of 2017 and 2016, the values of other Account Receivables were THB 24.67 million and THB 2.31 million, respectively.

Account Receivables under litigation Enforcement Process

Account Receivables under litigation Enforcement Process are account receivable that the company has sued for additional claim because the collateral issued insufficient debt of the receivable. At the end of 2017 and 2016, receivables during the legal action was worth THB 1.30 million and THB 1.28 million, respectively.

Equipment

Equipment includes computers and equipment, office improvements, Furniture and office equipment and vehicles. The equipment value demonstrated with Cost subtract the accumulated depreciation. The calculation on depreciation is on a straight-line basis over the estimated useful lives approximately 5 years. By the end of 2017 and 2016, the equipment value was THB 10.05 million and THB 4.97 million.

Deferred Tax

Deferred tax assets are provided on the temporary differences arising between the carrying amount of assets and liabilities and the amounts used for taxation purposes. Deferred tax are measured at tax rates Company expected to apply to the temporary differences with the reverse transaction referred to laws enacted or are expected to be effective at the reporting date. In 2017 and 2016, the deferred tax assets were THB 27.50 million and THB 21.62 million, equivalent to 2% and 2% of total assets, respectively. The increase in deferred tax assets was a result of the provision increased employee benefit obligations according to Accounting Standards on the Employee benefits and the allowance for doubtful accounts from contract and personal loans receivable for each month.

Liabilities

Total liabilities in 2017 and 2016 was THB 1,229.54 million and THB 553.80 million, respectively. In 2017, total liabilities increased from 2016 at THB 675.74 million, representing 122% due to increasing in long-term debenture by 473.25 million baht

Trade and Other Payables

Trade accounts payable is trade accounts payable for rice harvester and other creditors including accrued interest, accrued withholding tax. As of the fiscal year-end 2017 and 2016 trade payables and other payables amounted to THB 58.44 million and THB 40.95 million, respectively.



Sources of funds of the Company are as follows::

Source of funds	For the year ended					
	2017		2016		2015	
	Value	Ratio	Value	Ratio	Value	Ratio
	(Million Bath)	(Percent)	(Million Bath)	(Million Bath)	(Percent)	(Million Bath)
Loans	1,152.21	78	498.97	54	607.04	64.80
Short - term loans from financial institutions	180.00	12	-	-	-	-
Short-term loans from third parties	-	-	-	-	-	-
Short-term unsecured debentures	-	-	-	-	-	-
Current portion of long-term loans from financial institutions within 1 year	-	-	-	-	8.33	0.89
Long-term unsecured debenture from financial institutions within 1 year	199.92	13	-	-	299.60	31.98
Long-term unsecured debentures	772.29	53	498.97	54	299.11	31.93
Long-term loans from financial institutions	-	-	-	-	-	-
Shareholder's equity	333.68	22	333.02	36	329.74	35.20
Total	1,485.89	100.00	831.99	100.00	936.78	100.00

Shareholders' Equity

The Shareholders' Equity of the Company as of 31 December 2017 and 2016 were THB 331.67 million and THB 333.02 million, decreasing by THB 1.35 million or equivalent to 0.40%. the Company's has Return On Equity ratio in 2017 and 2016 at 8.13% and 12.46%, respectively.

Audit Fee

In the fiscal year 2017, the Company paid Audit fee to Dharmniti Auditing Co., Ltd. in the amount of THB 630,000 with non-another audit fee





Liquidity Analysis

Unit : Million

Items	2017	2016	2015
Cash flow used for operations	(646.60)	82.70	143.97
Cash flow used for investment	(4.23)	0.02	(0.31)
Cash flows from financial activities	623.66	(147.04)	(100.79)
Net cash increase (decrease)	(27.17)	(64.33)	42.87

Cash Flows for Operations

The Company has cash for operating activities in 2017 and 2016 was THB (646.60) million and THB 82.70 million, respectively. Decrease THB 729.30 million due to increasing in new loan booking in 2018

Cash flow for investment

The Company has cash flows from financial sourcing activities in 2017 and 2016 were THB (4.23) million and THB 0.02 million, respectively. In 2017, the company has bought additional assets due to business expansion.

Cash flows from financing activities

The Company has cash flows from financial sourcing activities in 2017 and 2016 was THB 623.66 million and THB (147.04) million respectively. In 2017 company has increased cash flows from financing activities from 2016 by THB 770.70 million, due to the issuance of long-term debentures at totaling THB 474.50 million and an increase of short-term loan from financial institution by THB 340.00 million

Source of fund

Capital Structure

Debt to equity shares at the end of 2017 and 2016 were 3.71 times and 1.66 times, respectively due to Debt restructuring and Debt paying back to creditor, resulting in decrease debt to equity ratio.



Responsibilities for the Board of Directors for Financial Report

The Board of Directors of G Capital Public Company Limited is responsible for the preparation, disclosure and presentation of the Company's financial statements including financial information shown in Annual Report of 2017. Such financial statements were prepared according to general accepted accounting principles with thorough consideration in using appropriate, adequate and consistent accounting policies and estimation related to the financial statements to ensure that the financial report had no material incorrect information for the benefit of shareholders and general investors.

The Board of Directors appointed the Audit Committee comprising independent directors to review accounting policies, supervise the quality of financial statements, review internal control system, internal audit and risk management as well as to consider the disclosure of connected transactions which the opinion of Audit Committee of such issue shown in the Audit Committee Report in the Annual Report.

The financial statements have to be audited by a certified public accountant from Dharmniti Auditing Company Limited which conducts the audit in accordance with auditing standards. And the financial statement shall comply with ethical requirements and also plan and perform the audit to obtain reasonable assurance that the financial statements are without of facts that might cause fraud or error. The opinion of the auditor appears in the report of the auditor depicted in the Annual Report.

The Board of Directors has established proper and efficient control system, risk management system including internal control system of various aspects in order to rationally assure that the accounting information was correctly and completely recorded and adequate to sustain the Company's assets as well as to prevent fraud or any material irregular operation.

The Board is of the opinion that the Company has good internal control system that is adequate and appropriate. It is confident that the financial statements of the Company for the year ended 31 December 2017 are reliable and compliance with the financial reporting standards, the right practice and related regulations.

(Mr. Boonsak Chiempricha)
Chairman of the Board

(Mr. Spain Jingkaojai)
Managing Director
and Secretary of Board of Directors





Risk Management Committee Report 2017

The Board of Directors recognizing the importance of risk management of organization, which has an important part to support the business has continued, achieve the goals, as well as reducing the impact, create opportunities and increase the competitiveness of the company. The Board of Directors appointed a Risk Management Committee to consider the important risks, proposed guidelines for appropriate risk management. The risk management committee consists from Directors and executives appointed by the Board of Directors.

In the year 2017, the Risk Management Committee has meeting 4 times to monitoring of risk management. In summary, as follows:

1. Risk Assessment and the impact on business operations.
2. The risk management plans and measures.
3. The proposed plan for managing risk.
4. Supervises, monitor and evaluate the risk management plan to be effective.
5. Report on risk management to the Board of Directors.

The Company by the Risk Management Committee has monitoring of risk management as report above. To ensure that risks management adequately and effectively. Had monitoring and follows risk management closely. This will result in the Company, can operate continuously and achieve the organization's business plan, as well as the principles of good corporate governance, create value added and sustainability to the company.

(Dr.Chaiyong Satjipanon)

Chairman of Risk Management Committee



Nomination and Remuneration Committee Report 2017

Nomination and Remuneration Committee consists as follows

1. Mr.Prameson Pisitpan as Chairman of Nomination and Remuneration Committee.
2. Mr.Chaiyong Satjipanon as Nomination and Remuneration Committee.
3. Mr.Nattaphon Sarasas as Nomination and Remuneration Committee.

The Board of Directors has appointed the Nomination and Remuneration Committee, is responsible for recruiting persons that is qualified to serve as directors and various committees, the Managing Director, proposed the remuneration to the Board of Directors.

In 2017, the Nomination and Remuneration Committee held 3 meetings to consider and acknowledge related issues as follows:

Nomination : consider qualified candidates to be the directors, proposing the appointment of directors who retired by rotation to be elected for another term and presented to the Board of Directors. The Nomination and Remuneration Committee consider the qualifications of the directors who retired that such knowledge, ability to meet the criteria, act with caution as well as supporting the work of the Committee and recommendations on the management of the business is beneficial to our business.

To consider qualified person as Managing Director, presented to the Board of Directors. The Nomination and Remuneration Committee consider the director by comply the rules of the SEC and the SET. And noted that such individuals have the knowledge, ability, experience and expertise in the business, can operate in accordance with the plans and goals.

Remuneration : remuneration for the Board of Directors and Various committees, Managing Director. For the determining to remuneration, having considered the proper of performance of his duties and responsibilities as assigned, and comparison with other companies in the same industry with similar size of the business.

The Nomination and Remuneration Committee **has performed its duties in accordance with the above duties and responsibilities as assigned by the Board of Directors, with to be fully operational. According to the principles of corporate governance, transparent for maximize of the benefits to all stakeholders.**

(Mr.Prameson Pisitpan)

Chairman of Nomination and Remuneration Committee





Report of the Audit Committee for the year 2017

The Audit Committee of G Capital Public Company Limited is currently comprised of independent directors with requirements and best practices of the Audit Committee of the Stock Exchange of Thailand which was appointed by the Board of Directors. The Audit Committee consists of 3 members as follows:

- | | |
|-----------------------------------|-----------------------------|
| 1) Asst. Prof. Wipada Tantiprabha | Chairman of Audit Committee |
| 2) Mr. Pramesan Pisitpan | Audit Committee |
| 3) Mr. Tawee Khositjiranun | Audit Committee |

Note : Mr. Niton Chaiyanate, the company secretary is appointed as the Secretary to the Audit Committee.

In 2017, the Audit Committee has fulfilled its mission as assigned by the Board of Directors and the Charter of the Audit Committee. The Audit Committee has 4 meetings with senior management, auditors and internal auditors. The matters that the Audit Committee has considered and operated can be summarized as follows:

The Audit Committee reviewed financial statements of the Company quarterly and annually and has invited auditors to attend all meetings with agendas to review quarterly and annual financial statements. The Audit Committee has reviewed the financial statements by asking advices from the auditors for the accuracy and completeness of the financial statements. There were enough adequacies of financial statement disclosures affecting the financial statements to ensure that the preparation of financial statements in accordance with applicable law and International Financial Reporting Standards and generally accepted accounting principles. The Audit Committee has agreed with the auditors that the financial statements are accurate and meet financial reporting standards.

The Audit Committee was responsible for internal control and internal audit. The Audit Committee reviewed the Company's internal control system and internal audit to be appropriate and effective, prevented the occurrence of conflict or violation of laws and regulations of the company. The Audit Committee provided recommendations to management to ensure that the operations are concise, thorough and accurate and monitor and improve the recommendations of the result of examination of the internal and external auditors to provide for a more efficient and effective. The Audit Committee is of the opinion that the internal control is adequate and no issue was found to be significant.

In 2017, due to the company has been reorganization. The Internal Control Department conducted the internal control and internal audit to be appropriate and effective, prevented the occurrence of conflict or violation of laws and regulations of the company appropriateness and effectiveness of the internal control system and provided feedback to the company of which to be modified to operate with transparency consistent with good corporate governance principles.



Compliance with the Securities and Exchange Commission, provision of The Stock Exchange of Thailand and the laws relating to the Company's business. The Audit Committee has conducted a review of compliance with the Securities and Exchange Commission, provision of The Stock Exchange of Thailand and the laws relating to the Company's business. The Audit Committee have the opinion that the Company has complied with the law and no issue was found to be significant.

The Audit committee selected auditors and determine their remunerations by considering the quality and status of Auditors with significant restrictions or regulations of SET or other related organizations and have constructive dialogue between the Committee and the auditors of the Company. On a quarterly basis to discuss the audit and discuss the findings of the inspection and find ways to resolve issues.

However, The Audit Committee has considered the performance of the external auditor, Mr. Pojana Assawasontichai from Dharmniti Auditing Company Limited for the past accounting period and determined the remuneration of the auditor before presenting him to the Board of Directors for approval. The General Meeting of Shareholders of 2016 appointed, Mr. Pojana Assawasontichai from Dharmniti Auditing Company Limited to be CPA as the auditors of the Company.

Risk Management The Board of Directors and management focus and careful of risk management of the Company. As well as providing advice and recommendations to improve even further for support the operations of the Company. The Company Risk Management Committee responsible for assessing and reviewing risk, the risk management plan, risk control, monitoring and evaluation and reporting to the Board of Directors.

The Audit Committee has considered and commented on related transaction or transaction with conflict of interest to determine whether the transaction is fair and reasonable according to the criteria of SET and SEC by taking into account the interests of stakeholders every quarter regularly.

Corporate Social Responsibility The board of directors and management recognizes the importance with corporate social responsibility, has set up a Corporate Social Responsibility Committee to consider and propose the policy, plan and sustainability strategy and corporate social responsibility including to communication to employee to understanding at all levels thoroughly. And is responsible for monitor operation plan for company sustainable development for product, productivity and cluster development and to review the effectiveness to the Board of Directors to acknowledge and determine the matter involved. By the year 2017, the company has been selected by the Stock Exchange of Thailand Sustainability Investment 2017. The Company has been selected to receive the award for the second year consecutive.





Anti-Corruption The board of directors and management are aware of the corruption and corrupt. The board has established an anti-corruption committee to consider and propose the system, plan and and monitor the anti-corruption of internal and external to the company. The Company is communicated to the employees to have the knowledge and understanding and aware of the anti-corruption. The Company has set a policy and signed the Declaration of Intention of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).. By the year 2017, the company has been certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).

The Committee was operating independently within the scope and responsibilities as assigned by the Board of Directors and the Charter of the Audit Committee. The Audit Committee is of the opinion that the financial report of the Company has been prepared correctly in accordance with generally accepted practices and the disclosure of information was accurate and suitable with no major issues contrary to the facts and financial reporting standards and the regulations of the Government.

The company is operating under a system of internal controls and manage risks effectively and efficiently , compliance with laws and regulations, disclosure is accurate enough, consistent performer with good corporate governance, transparent and credible include responsibility to economic, social and environmental. This assures that G Capital Public Company Limited are ready to grow and maintain an organization with good corporate governance.

(Asst.Prof. Wipada Tantiprabpa)

Chairman of Audit Committee



INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
G CAPITAL Public Company Limited

Opinion

I have audited the financial statements of G CAPITAL Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2017, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of G CAPITAL Public Company Limited as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

The Company has two groups of borrowers: monthly fixed income group and seasonal income group which relates to the agricultural farming group with uncertain income. Therefore, there are two approaches to provide the allowance for doubtful debts: monthly fixed income group will record the allowance for doubtful debts in accordance with the practice guidelines of the Bank of Thailand Sor.Nor. Sor.5/2559 Criteria for Classification and Reserve of the Financial Institution from July 2, 2016.

1. The company has customer that lends credit 2 groups: a group with fixed revenue every month and a group with seasonal revenue with agricultural occupation that has uncertain income. There are 2 methods to provide an allowance for doubtful debts that is for customer with fixed income monthly it will be recorded the allowance for doubtful debts in accordance with the practice guideline of the Bank of Thailand Sor.Nor.Sor. 5/2559 regarding classification criteria and reserve for the financial institution since July 2, 2016.

Seasonal income group is the group of agricultural machinery hire-purchase debtors. Most customers have direct and indirect income from agricultural output and the income is seasonal. Therefore, the ability to repay debts of this group is a risk in the business operation. The Company has provided the allowance for doubtful debts immediately in the month of lending to this group of borrowers using the past average damage rate at 2.5% along with setting the allowance for doubtful debts in accordance with the practice guidelines of Bank of Thailand and





revenue recognition under the guidelines of the Federation of Accounting Professions. There are uncontrollable factors to the adequacy of the allowance for doubtful debts for accounts receivable under agricultural machinery hire-purchase agreements such as weather condition, government policy, etc. resulting in uncertainty in the debt repayment ability of the debtor and passing the due date. As a result, the overdue debt affects the allowance for doubtful debts that is provided at 2.5% of the hire-purchase value as at the agreement date as recorded by the company to be lower than the criteria for debtor aging classification required by the company to provide adequate allowance for doubtful debts against the potential damage from the impairment of such receivable during the off-season production. The criteria for debtor aging classification follows the announcement of the Bank of Thailand Sor.Nor.Sor.5/2559 Criteria for Classification and Reserve of the Financial Institution as at July 2, 2016.

The appropriateness of the allowance for doubtful debts is a significant matter which requires considerable judgment by the management by relying on past information. The identification of debtor impairment and the determination of recovered amount are processes that involve unavoidable uncertainty because they rely on various assumptions and factors such as financial position of accounts receivable and future cash flow estimate. Additionally, the differing assumption used in the calculation may result in significant difference in the amount of the allowance for doubtful debts. The disclosure of related risk management is a complex issue and depends on the information quality of each account receivable.

I have assessed and tested the system and the efficiency in preparing the estimate relating to the calculation of the allowance for doubtful debts, including assessment of the quality of information and approach used in the estimation for the allowance for doubtful debts that is calculated from each debtor. I have tested the assumption used in identifying the impairment and verifying the calculation of the allowance for doubtful debts which includes testing the estimate of damage value from payment default. Additionally, I have tested the appropriateness and verified the correctness of the information used in preparing the debtor's quality rating report. I have also assessed and tested the control and effectiveness of related information disclosure control, including the disclosure of the value from seized property and the recoverable value.

2. The company has financial ratio of liabilities to equity as at December 31, 2017 at 3.86 times from issuing bonds for operation as at December 31, 2017. The company has bonds for Baht 974.50 million. The management of the company has to carry out the objective of the borrowing and has to comply with the loan conditions by circulating such fund and lending to accounts receivable of the company with the period of repayment in accordance with the period and borrowing types. The management has the role to regulate and manage the borrowing and such credit lending.

I have audited that such bond borrowing has actual borrowing and complies with the conditions of borrowing correctly and completely. There is disclosure of the balance and borrowing conditions. The borrowing follows the objective, being regulated and appropriately managed the borrowing and credit lending.

These matters have been identified in the context of overall financial statement audit and in the expression of my opinion. I have not expressed a separate opinion on these matters.

Other Information

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



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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Pojana Asavasontichai.

(Mr. Pojana Asavasontichai)

Certified Public Accountant

Registration No. 4891



Financial Statement

G CAPITAL PUBLIC COMPANY LIMITED
AS OF DECEMBER 31, 2017





G CAPITAL PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

ASSETS

		Baht	
	Note	2017	2016
Current assets			
Cash and cash equivalents		49,994,689	77,163,527
Current portion of hire-purchase receivables		370,674,721	364,547,734
Current portion of personal loan receivables		175,675,357	48,096,858
Current portion of corporation loan receivables		42,533,293	2,335,787
Receivables under litigation enforcement process with collateral	9	22,594,260	19,016,719
Other receivables	10	24,671,044	2,306,107
Total current assets		686,143,364	513,466,732
Non-current assets			
Hire-purchase receivables	6	642,378,530	281,900,975
Personal loan receivables		152,579,880	62,103,793
Corporation loan receivables		39,333,719	-
Receivables under litigation enforcement process	11	1,303,893	1,283,892
Equipment		10,045,737	4,968,085
Deferred tax assets		27,500,764	21,622,406
Other non-current assets		1,927,850	1,477,120
Total non-current assets		875,070,373	373,356,271
Total assets		1,561,213,737	886,823,003

Notes to financial statements form an integral part of these statements.



G CAPITAL PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION
(CONT.)

AS AT DECEMBER 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht	
	Note	2017	2016
Current liabilities			
Trade and other payables		58,435,758	40,946,702
Short - term loan from financial institutions		180,000,000	-
Current portion of long-term unsecured debentures	16	199,924,566	-
Current portion of liabilities under financial lease agreements	17	943,699	628,824
Accrued income tax		7,877,142	5,380,765
Total current liabilities		447,181,165	46,956,291
Non-current liabilities			
Long-term unsecured debentures		772,292,977	498,965,342
Liabilities under financial lease agreements		2,474,557	970,675
Employee benefit obligations		4,615,471	6,909,263
Other non-current liabilities		2,979,104	-
Total non-current liabilities		782,362,109	506,845,280
Total liabilities		1,229,543,274	553,801,571

Notes to financial statements form an integral part of these statements.





G CAPITAL PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht	
	Note	2017	2016
ส่วนของผู้ถือหุ้น			
Shareholders' equity			
Share capital			
Registered share capital			
200,000,000 common shares at Baht 0.50 per share		100,000,000	100,000,000
Issued and paid up share capital			
200,000,000 common shares at Baht 0.50 per share		100,000,000	100,000,000
Premium on common shares		105,950,000	105,950,000
Retained earnings			
Appropriated to legal reserve			10,000,000
Unappropriated			117,071,432
Total shareholders' equity		331,670,463	333,021,432
Total liabilities and shareholders' equity		1,561,213,737	886,823,003

Notes to financial statements form an integral part of these statements.



G CAPITAL PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

		Baht	
	Note	2017	2016
Revenues			
Income from hire-purchase contracts		140,463,275	123,549,634
Interest income - personal loans	4	29,525,028	9,929,539
Interest income - corporation loans		6,489,403	217,292
Income from penalty on hire-purchase contracts		16,773,150	16,336,668
Income from penalty on personal loans		16,830	-
Other incomes		5,336,134	2,596,093
Total revenues		198,603,820	152,629,226
Expenses			
Selling expenses		14,504,086	6,727,730
Administrative expenses		72,973,462	55,370,367
Allowance for doubtful accounts - hire purchase		26,228,062	8,298,290
Allowance for doubtful accounts - personal loans and corporation loans		11,805,722	1,481,401
Total expenses		125,511,332	71,877,788
Profit before finance costs and income tax expenses		73,092,488	80,751,438
Finance costs		39,103,483	28,948,064
Profit before income tax expenses		33,989,005	51,803,374
Income tax expenses	13	6,966,930	10,524,215
Profit for the year		27,022,075	41,279,159
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial losses arising from post-employment benefit, net of income tax		1,625,426	-
Total comprehensive income for the year		28,647,501	41,279,159
Earnings per share			
Basic earnings per share (Baht)		0.14	0.21
Weighted average number of issued and paid-up common shares (shares)		200,000,000	200,000,000

Notes to financial statements form an integral part of these statements.





G CAPITAL PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES

IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

Baht					
	Note	Retained earnings			
		Share capital		Appropriated - legal reserve	Unappropriated
		issued and paid-up	Premium on share capital		Total
Beginning balance as at January 1, 2015		100,000,000	105,950,000	10,000,000	113,788,835
Dividend paid	20	-	-	-	(37,996,562)
Total comprehensive income for the year		-	-	-	41,279,159
Ending balance as at December 31, 2016		100,000,000	105,950,000	10,000,000	117,071,432
Dividend paid	20	-	-	-	(29,998,470)
Total comprehensive income for the year		-	-	-	28,647,501
Ending balance as at December 31, 2017		100,000,000	105,950,000	10,000,000	115,720,463

Notes to financial statements form an integral part of these statements.



G CAPITAL PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	Baht	
	2017	2016
Cash flows from operating activities		
Profit before income tax expenses	33,989,005	51,803,374
Adjustment to reconcile profit before income tax expenses to net cash provided by (used in) operating activities:		
Gain on sale of in investments in securities held - for - trading	(384,931)	(927,530)
Gain on sale of fixed assets	(556,127)	-
Depreciation	2,751,161	1,944,600
Allowance for doubtful accounts	38,033,784	9,779,691
Estimation of employee benefit expenses	1,181,771	1,394,394
Finance costs		28,948,065
Profit from operation before changing in operating assets and liabilities	114,118,146	92,942,594
(Increase) decrease in operating assets		
Hire-purchase receivables	(371,966,551)	113,770,050
Personal loan receivables	(229,111,302)	(81,518,179)
Corporation loan receivables		(2,335,787)
Receivables under litigation enforcement process with collateral	(7,674,230)	(2,950,081)
Other receivables	(22,364,937)	2,548,145
Receivables under litigation enforcement process	(16,898,371)	(13,316,849)
Other non-current assets	(450,730)	(25,000)
Increase (decrease) in operating liabilities		
Trade and other payables	13,784,016	15,111,099
Other non-current liabilities		-

Notes to financial statements form an integral part of these statements.





G CAPITAL PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2017

	Baht	
	2017	2016
Cash received (paid) from operating activities	(597,756,080)	127,242,958
Cash paid for employee benefit	(1,617,000)	(1,647,150)
Cash paid for finance costs	(36,473,022)	(29,674,473)
Cash paid for income tax		(13,224,565)
Net cash provided by (used in) operating activities	(646,601,369)	82,696,770
Cash flows from investing activities:		
Cash paid for investment in securities held - for - trading	(370,000,000)	(205,000,000)
Cash received from investment in securities held - for - trading	370,384,931	205,927,530
Cash paid for purchase of fixed assets	(5,169,912)	(914,075)
Cash received from sales of fixed asset	559,725	6,204
Net cash provided by (used in) investing activities	(4,225,256)	19,659
Cash flows from financing activities		
Cash received from short-term loans from financial institutions	340,000,000	-
Cash paid for short-term loans from financial institutions	(160,000,000)	-
Cash received from short-term unsecured debentures	474,500,000	200,000,000
Cash paid for long-term unsecured debentures	-	(8,335,000)
Cash paid for long - term debentures	-	(300,000,000)
Cash paid for liabilities under financial lease agreements	(843,743)	(711,037)
Cash paid for dividend		(37,996,562)
Net cash provided by (used in) financing activities	623,657,787	(147,042,599)
Net increase (decrease) in cash and cash equivalents	(27,168,838)	(64,326,170)
Cash and cash equivalents, beginning of the year	77,163,527	141,489,697
Cash and cash equivalents, end of the year		77,163,527
Supplemental disclosures at cash flow information		
During the year, the Company acquired fixed assets		
by means at hire - purchase contract	2,662,500	1,267,500

Notes to financial statements form an integral part of these statements.



G CAPITAL PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. GENERAL INFORMATION

G Capital Public Company Limited ("the Company") was registered as a company limited under the Civil and Commercial Code on August 18, 2004 and became a public company limited on February 29, 2012. The Company's principal activity is to act as an agent to acquire the asset, in provide hire-purchase agreements and personal loan under the supervision and retail business loan under the supervision.

It is located at 161/1, SG Tower, Soi Mahadlekluang 3, Rajdamri Rd., Lumpini, Pathumwan, Bangkok.

The Company was listed on the MAI (Market for Alternative Investment) on December 17, 2013.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis for preparation of the financial statements

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") in conformity with generally accepted accounting principles in Thailand and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

2.2 The accounting standards are effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2017 are as follows:

TAS 1 (revised 2016)

TAS 2 (revised 2016)

TAS 7 (revised 2016)

TAS 8 (revised 2016)

Presentation of Financial Statements

Inventories

Statement of Cash Flows

Accounting Policies, Changes in Accounting

Estimates and Errors





TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Trouble Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation
TFRS 2 (revised 2016)	Share-Based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations



TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 10 (revised 2016)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases - Incentives
TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2016)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 (revised 2016)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non - cash Assets to Owners





TFRIC 18 (revised 2016)

Transfers of Assets from Customers

TFRIC 20 (revised 2016)

Stripping Costs in the Production Phase
of a Surface Mine

TFRIC 21 (revised 2016)

Levies

The management of the Company evaluated that these revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in current year.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues recognition

Income from hire-purchase contracts

The Company records interest income on hire-purchase contracts as unearned interest and recognizes income based on the effective interest rate method.

The Company has stopped recognizing income from hire-purchase receivables who are over 3 consecutive installments contractually past due (1 installment equal to 3 months).

Income from personal loan and corporation loan

The Company recognizes interest income from personal loan and corporation loan in accordance with the accrual basis based on the effective interest rate method.

The Company has stopped recognizing interest income from personal loan and corporation loan when the customer has overdue amount more than 3 consecutive installments.

The Company recognizes the income from penalty on hire-purchase contracts, personal loan and corporation loan contracts upon settlement of payment.

Other income such as interest income, discount from sale of asset under hire-purchase contract and discount from insurance agent are recognized in accordance with the accrual basis.

3.2 Expenses recognition

Expenses are recognized on the accrual basis.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits at financial institutions with a maturity period not over 3 months from the acquisitions date and not subject to withdrawal restrictions.

3.4 Hire-purchase receivable - net and allowance for doubtful accounts

Hire-purchase receivables - net are presented net, of unearned interest income plus value added tax paid by the company and allowance for doubtful accounts.

The Company has policy allowance for doubtful accounts at a rate of 2.5% of the hire-purchase contracts receivable and compared to the benchmark of the Company.

The classification of the hire-purchase contracts receivable and policy allowance for doubtful accounts are as follows: (benchmark of the Company)



Installment of overdue (Calculated from the amount overdue) (1 installment = 3 Months)		Percent for allowance
Not yet due		1% of hire-purchase receivables - net
Over due:		
0 - 0.5 installments		2% of hire-purchase receivables - net
Over 0.5 installments - 1 installments		2% of hire-purchase receivables - net
Over 1 installments - 2 installments		2% of hire-purchase receivables - net
Over 2 installments - 3 installments		2% of hire-purchase receivables - net
Over 3 installments		100% of hire-purchase receivables - net and less 62% of appraisal collateral price

At the end of the reporting period if the allowance for doubtful accounts at a rate of 2.5% of the hire-purchase contracts receivable, occurred at each of accounting period, is not sufficient when compared to the above benchmark, the Company shall provide increase the allowance for doubtful account accordingly.

3.5 Personal loan receivable - net and allowance for doubtful accounts

Personal loan receivables - net are presented at the contract value plus accrued interest income and less allowance for doubtful accounts.

The Company has a policy to set allowance for doubtful accounts at the rate of 2.5% of the loan contracts receivable and compare to the benchmark of the Company And set allowance for doubtful accounts equal to the criteria of the Company by providing an allowance for doubtful accounts in accordance with the announcement of Bank of Thailand Sor. Nor. Sor. 5/2559 regarding the basis for classification and reserve of the financial institution announced as at June 10, 2016. The classification of receivable and allowance for doubtful accounts is as follows:

The classification of the loan contracts receivable and policy on allowance for doubtful accounts are as follows: (benchmark of the Company)

Installment of overdue	Percent for allowance
Not yet due	1% of personal loan receivables - net
Over due:	
0 - 3 installments	2% of personal loan receivables - net
Over 3 installments	100 % of personal loan receivables - net

At the end of the reporting period, if the allowance for doubtful accounts of the loan contracts receivable which occurred in each accounting period is not sufficient when compared to the above benchmark, the Company shall provide an increase in the allowance for doubtful accounts accordingly.





Mortgage loan receivable - net and allowance for doubtful accounts

Mortgage loan receivables - net are presented at the contract value plus accrued interest income and less allowance for doubtful accounts.

The Company has a policy to set allowance for doubtful accounts at the rate of 1% of the loan contracts receivable and compare to the benchmark of the Company.

The classification of the loan contracts receivable and policy on allowance for doubtful accounts are as follows: (benchmark of the Company)

Installment of overdue	Percent for allowance
Not yet due	1% of receivable - net and less 70% of the appraisal price of the mortgage
Over due:	
0 - 3 installments	2% of receivable - net and less 70% of the appraisal price of the mortgage
Over 3 installments	100 % of receivable - net and less 70% of the appraisal price of the mortgage

At the end of the reporting period, if the allowance for doubtful accounts at the rate of 1% of the loan contracts receivable which occurred in each accounting period is not sufficient when compared to the above benchmark, the Company shall provide an increase in the allowance for doubtful accounts accordingly.

Corporation loan receivable and allowance for doubtful accounts

Corporation loan receivables - net are presented at the contract value plus accrued interest income and less allowance for doubtful accounts.

The Company has a policy to set allowance for doubtful accounts equal to the criteria of the Company by providing an allowance for doubtful accounts in accordance with the announcement of Bank of Thailand Sor. Nor. Sor. 5/2559 regarding the basis for classification and reserve of the financial institution announced as at June 10, 2016. The classification of receivable and allowance for doubtful accounts is as follows:

The classification of the loan contracts receivable and policy on allowance for doubtful accounts are as follows:

Installment of overdue	Percent for allowance
Not yet due	1% of receivable plus accrued interest income less guarantee
Installment of overdue Over due:	
0 - 3 installments	2% of receivable plus accrued interest income less guarantee
Over 3 installments	100 % of receivable plus accrued interest income less guarantee



3.6 Receivables under litigation enforcement process with collateral

Receivables under litigation enforcement process with collateral are account closed hire - purchase receivable less unearned revenue from hire-purchase contract as at the closing contract date and less allowance for doubtful accounts shown as net realisable value of collateral.

(if the price is unknown, the redemption price should be used)

3.7 Investment in securities

Investment in securities held-for-trading are determined at fair value, gain or loss arising from changes in the fair value of securities are recorded in the statement of comprehensive income.

The fair value of unit trusts is calculated from its net asset value of the fund.

3.8 Equipment and depreciation

Equipment is stated at cost less accumulated depreciation, which is computed by the straight-line method basis over the estimated useful lives of the assets as follows:

Computer and equipment	5 Years
Office improvements	5 Years
Furniture and office equipment	5 Years
Vehicles	5 Years
Software	5 Years

3.9 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates 20% of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.





Deferred tax assets and liabilities are measured at the tax rates that the Company expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

3.10 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as financial leases. Financial leases are recorded as assets at the whichever is lower fair value of the leased assets and the present value of the minimum lease payments, The outstanding rental obligations, net of finance charges, are recorded as long-term liabilities, while the interest element is charged to the statements of comprehensive income over the lease period. The equipment acquired under financial leases is depreciated over the useful life of the leased asset.

Lease of assets where a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are recognized as expenses in the statements of comprehensive income over the period of the lease.

3.11 Employee benefits

Short-term benefits

The Company recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.

Post-employment benefit-defined benefit plan

In 2015, the obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income.

3.12 Using of accounting estimation

The preparation of the financial statements in conformity with Thai Financial Reporting Standards ("TFRS") requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are



believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

3.13 Basic earnings per share

Basic earnings per share are determined by dividing the profit for the year by the weighted-average number of shares issued during the year.

4. TRANSACTIONS WITH RELATED PARTIES

The Company had significant business transactions with related parties. These parties are directly or indirectly related through common shareholding and/or directorship. The financial statements reflect the effects of these transactions on the basis determined by the Company and the parties concerned.

For the years ended December 31, 2017 and 2016, the significant transactions with related parties can be summarized as follows:

		Baht	
	Pricing policy	2017	2016
<u>Related through directors</u>			
General Outsourcing Co., Ltd.			
- Maintenance server	Contract price	80,000	120,000
- Reference fee	Contract price	448,070	79,200
- Payroll services fee	Contract price	268,880	-
Director			
Director	Interest rate 13.50%	419,687	15,268

Management compensation - for key management personnel

Management compensation - for key management personnel for the years ended December 31, 2017 and 2016 as follows:-

	Baht	
	2017	2016
Short-term benefits	25,234,184	18,588,244
Post-employment benefits	735,894	906,264
Total management compensation	25,970,078	19,494,508





The outstanding balances at the statements of financial position as at December 31, 2017 and 2016 are as follow :-

	Baht	
	2017	2516
<u>Outstanding balances at the statements of financial position</u>		
<u>Director</u>		
Personal loan receivable	3,620,902	2,544,309
(Personal loan receivables-property secured by mortgage)		

5. CASH AND CASH EQUIVALENTS

This account consisted of:

	Baht	
	2017	2516
Cash on hand	100,117	100,000
Deposits at bank - saving account	45,450,162	76,886,445
Deposits at bank - current account	4,444,410	177,082
Total cash and cash equivalents	<u>49,994,689</u>	<u>77,163,527</u>

6. HIRE-PURCHASE RECEIVABLES

This account consisted of:

	Baht					
	Current portion of hire - purchase receivables - net		Hire - purchase receivables - net of current portion and not exceed 5 years		Total	
	2017	2016	2017	2016	2017	2016
Hire-purchase receivables	547,669,055	479,991,430	840,874,155	368,792,206	1,388,543,210	848,783,636
<u>Less</u> Unearned income from hire-purchase contracts	<u>(161,025,774)</u>	<u>(92,251,628)</u>	<u>(170,149,203)</u>	<u>(66,366,883)</u>	<u>(331,174,977)</u>	<u>(158,618,511)</u>
Total	386,643,281	387,739,802	670,724,952	302,425,323	1,057,368,233	690,165,125
<u>Less</u> Allowance for doubtful accounts	<u>(15,968,560)</u>	<u>(23,192,068)</u>	<u>(28,346,422)</u>	<u>(20,524,348)</u>	<u>(44,314,982)</u>	<u>(43,716,416)</u>
Hire-purchase receivables - net	<u>370,674,721</u>	<u>364,547,734</u>	<u>642,378,530</u>	<u>281,900,975</u>	<u>1,013,053,251</u>	<u>646,448,709</u>

As at December 31, 2017 and 2016, the balances of hire-purchase receivables (net of unearned income) and allowance for doubtful accounts can be classified by installment of overdue by the percentage of allowance for doubtful accounts (calculated from the installment due) as follows: -

Baht



2017				
	Hire-purchase receivables-net	Based amount For computation	Rate for allowance (%)	Allowance for doubtful account
Not yet due	846,638,408	846,638,408	1	8,466,384
Over due:				
0 - 0.5 installments	26,043,667	26,043,667	2	520,874
Over 0.5 - 1 installments	71,951,785	71,951,785	2	1,439,036
Over 1 - 2 installments	44,023,609	44,023,609	2	880,472
Over 2 - 3 installments	34,418,194	34,418,194	2	688,364
Over 3 installments	34,292,570	21,535,944*	100	21,535,944
Total	<u>1,057,368,233</u>	<u>1,044,611,607</u>		33,531,074
General reserve more than specific				10,783,908
Total allowance for doubtful accounts (general reserve)				<u>44,314,982</u>

Baht				
2016				
	Hire-purchase receivables-net	Based amount For computation	Rate for allowance (%)	Allowance for doubtful account
Not yet due	384,769,146	384,769,146	1	3,847,691
Over due:				
0 - 0.5 installments	13,935,677	13,935,677	2	278,714
Over 0.5 - 1 installments	67,066,015	67,066,015	2	1,341,320
Over 1 - 2 installments	91,289,886	91,289,886	2	1,825,798
Over 2 - 3 installments	81,291,292	81,291,292	2	1,625,826
Over 3 installments	51,813,109	31,501,562*	100	31,501,562
Total	<u>690,165,125</u>	<u>669,853,578</u>		40,420,911
General reserve more than specific				3,295,505
Total allowance for doubtful accounts (general reserve)				<u>43,716,416</u>

* Amounts of hire-purchase receivables net from the value of 62% of collateral appraisal value.

Receivable under litigation enforcement process and related allowance for doubtful accounts are





separately presented (Notes 9 and 11).

As at December 31, 2016, the Company has transferred the rights on hire-purchase receivables to Government Savings Bank, net book value of Baht 464.24 million, to secure short-term loans and long-term loans from Government Savings Bank of Baht 180 million (Note 15).

On April 30, 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby full allowance for doubtful accounts is to be recorded, recognition of revenue is to cease for accounts receivable which are overdue by more than 3 installments, and general allowance is to be provided for accounts receivable which are not overdue or overdue not more than 3 installments.

However, this accounting guideline provides an alternative, if a company believes that the guideline is not appropriate, the company shall disclose its accounting guideline with relevant reasons. The Company has a policy to cease recognizing revenue from hire - purchase receivables which are overdue by more than 3 installments and to set up allowance based on consideration of the current status of receivables, their ability to make payment, past experience and historical data on actual losses on collection. As at December 31, 2017, the Company had an allowance for doubtful accounts based on 2.5 percent of the hire-purchase contracts receivable that occurred in each year which was the average rate of the allowance for doubtful accounts of the Company.

As at December 31, 2017, the outstanding hire - purchase receivables excluding unrecognized income from hire-purchase receivables which are over 3 consecutive installments contractually past due amounted to Baht 34.29 million and the recognition of revenue had stopped for Baht 2.38 million.^๗

7. PERSONAL LOAN RECEIVABLES

This account consisted of:

	Baht		
	2017		
	Current portion of personal loan receivables-net	Personal loan receivables-net of current portion and not exceed 5 years	Total
Personal loan receivables	178,785,887	159,161,299	337,947,186
Accrued interest income	4,257,631	-	4,257,631
	183,043,518	159,161,299	342,204,817
<u>Less</u> Allowance for doubtful accounts	(7,368,161)	(6,581,419)	(13,949,580)
Personal loan receivables - net	<u>175,675,357</u>	<u>152,579,880</u>	<u>328,255,237</u>



	Baht		
	2016		
	Current portion of personal loan receivables-net	Personal loan receivables-net of current portion and not exceed 5 years	Total
Personal loan receivables	47,900,475	63,357,241	111,257,716
Accrued interest income	1,726,793	-	1,726,793
	49,627,268	63,357,241	112,984,509
Less Allowance for doubtful accounts	(1,530,410)	(1,253,448)	(2,783,858)
Personal loan receivables - net	48,096,858	62,103,793	110,200,651

As at December 31, 2017, and 2016 the personal loan receivable plus accrued interest and allowance for doubtful accounts is classified by the overdue installments by the percentage used in providing an allowance for doubtful accounts (calculated from the overdue installment amount) as follows:-

	Baht			
	2017			
	Personal loan receivables - net	Based amount for computation	Rate for allowance (%)*	Allowance for doubtful account
Not yet due:-				
Personal loan receivables	267,893,217	267,893,217	1	2,678,932
Personal loan receivables				
- property secured by mortgage	6,054,170	- *		-
	273,947,387	267,893,217		2,678,932
Over due				
Over 1-3 installments	49,722,296	36,540,064	2	730,801
Over 3 installments	18,535,134	9,706,135**	100	9,706,135
	342,204,817	314,139,416		13,115,868
General reserve more than specific reserve				833,712
Total allowance for doubtful accounts (general reserve)				13,949,580





Baht			
2016			
	Personal loan receivables - net	Based amount for computation	Rate for allowance (%)*
			Allowance for doubtful account
Not yet due			
Personal loan receivables	80,076,618	80,076,618	1
Personal loan receivables			
- property secured by	11,151,655	- *	-
mortgage	91,228,273	80,076,618	800,766
Over due			
Over 1-3 installments	15,384,282	10,334,234	2
Over 3 installments	6,371,954	886,362**	100
	112,984,509	91,297,214	1,893,813
General reserve more than specific reserve			890,045
Total allowance for doubtful accounts (general reserve)			2,783,858

* Amount of personal loan receivables net from property secured by mortgage.

** Amount of personal loan receivables net from value of 70% of collateral appraisal value.

As at December 31, 2017, the outstanding personal loan receivable plus accrued interest which are over 3 consecutive installments contractually past due amounted to Baht 18.56 million and the recognition of revenue had stopped for Baht 0.78 million.

8. CORPORATION LOAN RECEIVABLES

This account consisted of:

Baht			
2017			
	Current portion of corporation loan receivables-net	Corporation loan receivables-net of current portion and not exceed 5 years	Total
Corporation loan receivables	42,200,000	39,772,797	81,972,797
Accrued interest income	534,215	-	534,215
	42,734,215	39,772,797	82,507,012
Less Allowance for doubtful accounts	(200,922)	(439,078)	(640,000)
Corporation receivables - net	42,533,293	39,333,719	81,867,012



Baht			
2016			
	Current portion of corporation loan receivables-net	Corporation loan receivables-net of current portion and not exceed 5 years	Total
Corporation loan receivables	2,326,352	-	2,326,352
Accrued interest income	9,435	-	9,435
	2,335,787	-	2,335,787
<u>Less</u> Allowance for doubtful accounts	-	-	-
Corporation receivables - net	<u>2,335,787</u>	<u>-</u>	<u>2,335,787</u>

As at December 31, 2017 and 2016, the corporation loan receivable plus accrued interest and less allowance for doubtful accounts is classified by the overdue installments by the percentage used in providing an allowance for doubtful accounts (calculated from the overdue installment amount) as follows:-

Baht			
2017			
	Personal loan receivables - net	Based amount for computation	Rate for allowance (%)*
			Allowance for doubtful account
Not yet due:-			
Over due			
Over 1-3 installments	881,313	-	2
Over 3 installments	-	-	-
	<u>82,507,012</u>	<u>-</u>	100
General reserve more than specific reserve			<u>640,000</u>
Total allowance for doubtful account (general reserve)			<u>640,000</u>





Baht			
2016			
Personal loan receivables - net	Based amount for computation	Rate for allowance (%)*	Allowance for doubtful account
Not yet due:-			
Over due			
Over 1-3 installments	-	2	-
Over 3 installments	-	100	-
2,335,787	-		-

* Base amount for computation is amount of corporation loan receivables net from collateral value.

9. RECEIVABLES UNDER LITIGATION ENFORCEMENT PROCESS WITH COLLATERAL

This account consisted of:

	Baht	
	2017	2016
Receivables under litigation enforcement process with collateral	43,337,540	35,663,310
<u>Less</u> Allowance for doubtful accounts	(20,743,280)	(16,646,591)
Receivables under litigation enforcement process with collateral - net	22,594,260	19,016,719

10. OTHER RECEIVABLES

This account consisted of:

	Baht	
	2017	2016
Revenue department receivable	18,044,024	-
Loans to employees	3,952,979	94,143
Deposit	2,127,653	757,600
Others	546,388	1,454,364
Total other receivables	24,671,044	2,306,107



11. RECEIVABLES UNDER LITIGATION ENFORCEMENT PROCESS

This account consisted of:

	Baht	
	2017	2016
Receivables under litigation enforcement process	60,142,332	43,243,961
<u>Less</u> Allowance for doubtful accounts	(58,838,439)	(41,960,069)
Receivables under litigation enforcement process - net	<u>1,303,893</u>	<u>1,283,892</u>

12. EQUIPMENT

This account consisted of:

	Baht			
	As at January 1, 2017	Movements during the year		As at December 31, 2017
		Additions	Disposals	
<u>Cost</u>				
Computer and equipment	4,344,288	1,690,995	(210,012)	5,825,271
Office improvements	5,488,696	1,152,116	-	6,640,812
Furniture and office equipment	3,115,317	1,236,033	(5,800)	4,345,550
Vehicles	10,590,402	3,550,000	(4,632,862)	9,507,540
Software	321,500	203,268	-	524,768
Total	<u>23,860,203</u>	<u>7,832,412</u>	<u>(4,848,674)</u>	<u>26,843,941</u>
<u>Accumulated depreciations</u>				
Computer and equipment	3,859,511	380,838	(206,416)	4,033,933
Office improvements	4,320,716	658,784	-	4,979,500
Furniture and office equipment	2,570,927	294,217	(5,799)	2,859,345
Vehicles	7,909,904	1,379,029	(4,632,860)	4,656,073
Software	231,060	38,293	-	269,353
Total	<u>18,892,118</u>	<u>2,751,161</u>	<u>4,845,075</u>	<u>16,798,204</u>
Equipment - net	<u>4,968,085</u>			<u>10,045,737</u>





	Baht			
	As at	Movements during the year		As at
	January 1, 2016	Additions	Disposals	December 31, 2016
Cost				
Computer and equipment	4,176,417	196,717	(28,846)	4,344,288
Office improvements	5,401,469	87,227	-	5,488,696
Furniture and office equipment	3,007,685	107,632	-	3,115,317
Vehicles	8,900,402	1,690,000	-	10,590,402
Software	221,500	100,000	-	321,500
Total	21,707,473	2,181,576	(28,846)	23,860,203
Accumulated depreciations				
Computer and equipment	3,632,413	249,739	(22,641)	3,859,511
Office improvements	3,803,815	516,901	-	4,320,716
Furniture and office equipment	2,340,504	230,423	-	2,570,927
Vehicles	6,971,930	937,974	-	7,909,904
Software	221,497	9,563	-	231,060
Total	16,970,159	1,944,600	(22,641)	18,892,118
Equipment - net	4,737,314			4,968,085

Depreciation for the years ended December 31, 2017 and 2016 of Baht 2.75 million and Baht 1.94 million, respectively, were recorded in the statements of comprehensive income.

As at December 31, 2017 and 2016, the Company's equipment amounting to Baht 9.78 million and Baht 12.63 million, respectively, are fully depreciated but are still in use.

13. DEFERRED TAX ASSETS

Movements in deferred tax assets during the year were as follows :

	Baht			
	Revenue (expenses) during the year			As at December 31, 2017
	As at December 31, 2016	In profit or loss	In other	
			Comprehensive income	
Deferred tax assets :				
Allowance for doubtful account	19,358,280	6,588,012	-	25,946,292
Employee benefit obligations	1,381,853	(52,402)	(406,357)	923,094
In the litigation process	258,600	(258,600)	-	-
Unrecognized revenue	623,673	7,705	-	631,378
Total deferred tax assets	21,622,406	6,284,715	(406,357)	27,500,764



Tax expenses for the years ended December 31, 2017 and 2016 were as follows:

	Baht	
	2017	2016
Profit before income tax	33,989,005	51,803,374
Income tax rate	20%	20%
Income tax expenses as income tax rate	6,797,801	10,360,675
Non-deductible expenses by the Revenue Code	214,856	195,154
Double expenses by the Revenue Code	(45,727)	(31,614)
Income tax expense	6,966,930	10,524,215
The average effective tax rate	20.50%	20.32%

14. TRADE AND OTHER PAYABLES

This account consisted of:

	Baht	
	2017	2016
Trade payables	39,753,059	26,263,200
Other payables		
Accrued interest	8,463,890	4,758,850
Accrued expenses	3,794,764	2,347,341
Accrued withholding tax	114,871	1,691,845
Unearned interest	1,094,880	-
Others	5,214,294	5,885,466
Total other payables	18,682,699	14,683,502
Total trade and other payables	58,435,758	40,946,702

15. SHORT-TERM LOAN FROM FINANCIAL INSTITUTIONS

As at December 31, 2017, the Company had long-term loans with a local bank of Baht 180 million which issued the promissory note of maturity within 6 months. The interest rate is MLR- 0.5% per annum, secured by transferring the rights on receivables under hire-purchase agreements with net book value of receivables of Baht 464.24 million, respectively. The Company had to comply with the conditions in the loan agreements.





16. LONG-TERM UNSECURED DEBENTURES

This account consisted of:

	Baht	
	2017	2016
Debentures #1/2015	200,000,000	200,000,000
Debentures #2/2015	100,000,000	100,000,000
Debentures #1/2016	200,000,000	200,000,000
Debentures #1/2017 (specific investors)	60,000,000	-
Debentures #1/2017	354,500,000	
Debentures #2/2017 (specific investors)	60,000,000	-
Long-term unsecured debentures, at face value	974,500,000	500,000,000
<u>Less</u> Unamortized costs relating to issuance of debentures	(2,282,457)	(1,034,658)
Total long-term unsecured debentures-net	972,217,543	498,965,342
<u>Less</u> current portion of long-term unsecured debentures	(199,924,566)	-
Net	772,292,977	498,965,342

According to the General Meeting of Shareholders No. 1/2015 dated April 23, 2015, the shareholders had approved the issuance and offering of the Company's debentures. The value of the outstanding debentures at a time has the total value not over Baht 1,600 million which is all types/all kinds of debentures. They may be subordinated debentures or unsubordinated debentures, type of gradually repay the principle or repay the principal one time when the maturity is due, with or without guarantee, with or without representative holder of debentures. It depends on the prevailing market conditions at the time of issuance and offering of such debentures to general public in local or to financial institutions in order to support the expansion of new loans and business.

Debentures #1/2015

As at April 29, 2015, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 3 years with credit line of Baht 200 million (200,000 units of Baht 1,000 per unit) maturity on April 29, 2018, carrying interest at 5.18% per annum, payment interest in every 3 months.

Debentures #2/2015

As at November 27, 2015, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 5 years with credit line of Baht 100 million (100,000 units of Baht 1,000 per unit) maturity on May 26, 2020, carrying interest at 5.18% per annum, payment interest in every 3 months.

Debentures #1/2016

As at April 7, 2016, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 3 years with credit line of Baht 200 million (200,000 units of Baht 1,000 per unit) maturity on April 7, 2019, carrying interest at 5.25% per annum, payment interest in every 3 months.

Debentures #1/2017 (specific investors)

As at August 11, 2017 the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 1 years 6 months with credit line of Baht 60 million (60,000 units of Baht 1,000 per unit) maturity on February 11, 2019 carrying interest at 5.75% per annum, payment interest in every 3 months provide to a unrelated person through independent agent.

Debentures #1/2017

As at August 25, 2017 the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 2 years with credit line of Baht 354.50 million (354,500 units of Baht 1,000 per unit) maturity on August 25, 2019 carrying interest at 6.00% per annum, payment interest in every 3 months.

Debentures #2/2017 (specific investors)

As at November 6, 2017 the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 2 years with credit line of Baht 60 million (60,000 units of Baht 1,000 per unit) maturity on November 6, 2019 carrying interest at 6.00% per annum, payment interest in every 3 months provide to a unrelated person through independent agent.๙

17. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS

This account consisted of:

	Baht	
	2017	2016
Due within 1 year		
Minimum payments	1,082,268	674,199
Deferred interest	(138,569)	(45,375)
Present value of minimum payment	943,699	628,824
Due over 1 year not over 5 years		
Minimum payments	2,624,821	1,026,285
Deferred interest	(150,264)	(55,610)
Present value of minimum payment	2,474,557	970,675
Total present value of minimum payment	3,418,256	1,599,499
Net book value of vehicle under finance lease agreements	4,564,752	2,680,498





18. EMPLOYEE BENEFIT OBLIGATIONS

This account consisted of:

	Baht	
	2017	2016
Post-employment benefit plan		
Employee benefit obligations as at beginning of the year	6,909,263	6,958,958
Included in profit or loss :		
Current service cost recognition	1,181,771	1,394,394
Cost of interest	173,222	203,061
Included in other comprehensive income :		
Actuarial gain arising from		
Experience Adjustments	274,872	-
Change in Demographic assumptions	(2,085,662)	-
Change in financial assumptions	(220,995)	-
Benefit paid by the plan	(1,617,000)	(1,647,150)
Net employee benefit obligations as at the end of the year	<u>4,615,471</u>	<u>6,909,263</u>

The Company made defined benefits plan in accordance with severance payment under the compensation of the Thai labor law which entitled retired employees who have completed the specified service period such as over 10 years to receive severance payment not less than 300 days or 10 months of the latest salary.

Employee benefits expenses for the years ended December 31, 2017 and 2016 as shown in the statements of comprehensive income are as follows:

	Baht	
	2017	2016
Selling expenses	205,375	211,187
Administrative expenses	1,149,618	1,386,268
Total employee benefits expenses	<u>1,354,993</u>	<u>1,597,455</u>
Current service cost recognition	1,181,771	1,394,394
Cost of interest	173,222	203,061
Total employee benefits expenses	<u>1,354,993</u>	<u>1,597,455</u>



Principal actuarial assumptions (expressed as weighted average) are as follows:

	Percentage/Year	
	2017	2016
Discount rate	2.72	2.79
Future salary increase	5.50	6.00
Employee turnover rate by age group (depend on range of age)	5.00 - 25.00	0.00 - 50.00
Mortality rate (Based on the 2008 Thai Mortality Table)	100.00	50.00

Sensitivity Analysis shows the revalued Defined Benefit Obligations after the change to the key assumptions as at December 31, 2017 as follows:

	Baht	
	Increased	Decreased
Discount Rate (1.00 percent)	(354,623)	398,103
1year Mortality (1 year)	(20,077)	17,994
Salary Increase (1.00 percent)	(362,970)	399,690
Employee Turnover (10.00 percent) of assumed turnover	(246,388)	269,862

The actuarial assumption of discount rate is estimated from the weighted average of yield rate of government bonds as at December 29, 2017 that reflects the estimated timing of benefit payments.

In 2016, the obligation under the defined benefit plan is calculated by a qualified independent actuary instead of by the company's management. The effect resulted in actuarial losses arising from post employment benefit in the amount of Baht 2.03 million, the Company are recognized in other comprehensive income.

19. LEGAL RESERVE

The Company is required to set aside a legal reserve at least 5% of its net profit until the reserve reaches 10 % of the registered share capital in accordance with the Public Company Limited Act B.E. 2535. The legal reserve is not available for dividend distribution.

20. DIVIDEND PAYMENT

For the year 2017

At the ordinary shareholders' meeting No.1/2017 held on April 4, 2017, the shareholders unanimously approved to pay dividend from the Company's operation year 2016 to the shareholders at Baht 0.15 per share, in the amount of Baht 30.00 million. The dividend paid in the amount of Baht 8.00 million, appropriated for 200,000,000 shares of Baht 0.04 each, was paid on August 10, 2016 and the remaining in the amount of Baht 22.00 million, appropriated for 200,000,000 shares of Baht 0.11 each, was paid on April 25, 2017.





And at the Board of Directors' meeting No.1 /2017 held on August 10, 2017, it was unanimously approved to pay interim dividend from the Company's operation ending June 30, 2017 in the amount of Baht 8.00 million, appropriated for 200,000,000 shares of Baht 0.04 each. The dividends paid within September 8, 2017.

Total dividend payment in the year 2016 in the amount of Baht 30.00 millions.

For the year 2016

At the ordinary shareholders' meeting No.1/2016 held on April 7, 2016, the shareholders unanimously approved to pay dividend from the Company's operation year 2015 to the shareholders at Baht 0.20 per share, in the amount of Baht 40.00 million. The dividend paid in the amount of Baht 10.00 million, appropriated for 200,000,000 shares of Baht 0.05 each, was paid on September 11, 2015 and the remaining in the amount of Baht 30.00 million, appropriated for 200,000,000 shares of Baht 0.15 each, was paid on April 25, 2016.

And at the Board of Directors' meeting No.5 /2016 held on August 10, 2016, it was unanimously approved to pay interim dividend from the Company's operation ending June 30, 2016 in the amount of Baht 8.00 million, appropriated for 200,000,000 shares of Baht 0.04 each. The dividends paid within September 8, 2016.

Total dividend payment in the year 2016 in the amount of Baht 38.00 millions.

21. EXPENSES BY NATURE

The Company has significant expenses by nature for the years ended December 31, 2017 and 2016, comprised of the following:

	Baht	
	2017	2016
Management and employee compensation	53,423,115	42,019,467
Rental and service expenses	7,695,032	6,641,016
Sales promotion expenses	1,175,614	713,982
Depreciation	2,751,160	1,944,600
Allowance for doubtful account	38,033,785	9,779,691



22. OPERATING SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources and assess its performance to the company's operating segment.

The main business operation is in the segment to provide credit for the hire-purchase of agricultural machinery, personal loans and loans to corporation for commercial and operates in the single geographical area in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

Business activities are classified by product segment for the year ended December 31, 2017 and 2016 as follow :-

	Million Baht							
	Hire - purchase		Personal loans		Corporation loans		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Income (expense) segment :								
Interest income	140.46	123.55	29.52	9.93	6.49	0.21	176.47	133.69
Penalty income	16.77	16.34	0.02	-	-	-	16.79	16.34
Other income	1.89	1.35	0.81	0.11	-	-	2.70	1.46
Allowance for doubtful accounts	(26.23)	(8.30)	(11.22)	(1.42)	(0.58)	(0.06)	(38.03)	(9.78)
Profit of segment	132.89	132.94	19.13	8.62	5.91	0.15	157.93	141.71
Income (expense) not segment :								
Other income							2.63	1.13
Selling expenses							(14.50)	(6.73)
Administrative expenses							(72.97)	(55.37)
Finance costs							(39.10)	(28.95)
Income tax expenses							(6.97)	(10.52)
Profit for the period							27.02	41.27





Million Baht								
	Hire - purchase		Personal loans		Corporation loans		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	December 31,		December 31,		December 31,		December 31,	
	2017	2016	2017	2016	2017	2016	2017	2016
Asset Segment :								
Hire - purchase receivables	1,013.05	646.45	-	-	-	-	1,013.05	646.45
Personal loan receivables	-	-	328.26	110.20	-	-	328.26	110.20
Corporation loan receivables	-	-	-	-	81.87	2.33	81.87	2.33
Receivables under litigation								
enforcement process with collateral	22.59	19.02	-	-	-	-	22.59	19.02
Receivables under litigation								
enforcement process	1.30	1.28					1.30	1.28
Asset not segment :								
Other asset	-	-	-	-	-	-	114.14	107.54
Total	1,036.94	666.75	328.26	110.20	81.87	2.33	1,561.21	886.82
Liabilities Segment :								
Trade and other payables	39.75	26.26	3.60	-	-	-	43.35	26.26
Other liabilities	2.98	-	-	-	-	-	2.98	-
Liabilities not segment :								
Trade and other payables	-	-	-	-	-	-	16.17	14.69
Short-term loan from financial institutions	-	-	-	-	-	-	180.00	-
Long - term unsecured debenture	-	-	-	-	-	-	972.22	498.96
Other liabilities	-	-	-	-	-	-	14.82	13.89
Total	42.73	26.26	3.60	-	-	-	1,229.54	553.80

23. FINANCIAL INSTRUMENTS

The Company has no policy to speculate or engage in the trading of any derivative financial instruments.

Credit Risk)

Credit risk refers to the risk that a counter party may default on its contractual obligations and agreements. Such default may be caused by the counterparty's inability to pay its debt when due or its intention not to comply to the contractual agreement, resulting in a loss to the Company.

In the credit approval process, the Company considers the customer's ability to repay its debt and the credits objectives as key factors in the approval of credit as well as considering the collateral in order to mitigate the risk of financial losses from defaults. In addition, The Company also has credit review procedures and credit monitoring regularly on all approved transactions.



Interest rate risk

Interest rate risk refers to risk that arises from changes in interest rates which may affect the value of the Company's financial instruments or may cause volatilities in the Company's earning or fluctuations in the value of the Company's financial assets and liabilities, both in the current reporting period and in the future years. Interest rate risk also arises from the structure and characteristic of the Company's assets, liabilities and equities.

The Company has interest rate risk on deposits at financial institution and borrowings. The Company does not use derivative financial instruments to hedge such risk.

Significant financial assets and liabilities classified by type of interest rates and those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the date of re-pricing interest rate (if re-pricing date occurs before the maturity date), are summarized in the table below;

	Baht				
	As at December 31, 2017				
	Fixed interest rates		Floating	Non-interest	Total
	Within 1 year	More than 1-5 years	interest rate	bearing	
Financial assets					
Cash and cash equivalents	-	-	45,453,162	4,541,527	49,994,689
Hire-purchase receivables	370,674,721	642,378,530	-	-	1,013,053,251
Personal loan receivables	175,675,357	152,579,880	-	-	328,255,237
Corporation loan receivables	42,533,293	39,333,719	-	-	81,867,012
Receivables under litigation enforcement process	-	-	-	1,303,893	1,303,893
Financial liabilities					
Short-term loan from financial institutions	-	-	180,000,000	-	180,000,000
Long-term unsecured debentures	199,924,566	772,292,977	-	-	972,217,543
Liabilities under financial lease agreements	943,699	2,474,557	-	-	3,418,256





	Baht				
	As at December 31, 2016				
	Fixed interest rates		Floating	Non-interest	Total
	Within 1 year	More than 1-5 years	interest rate	bearing	
Financial assets					
Cash and cash equivalents	-	-	76,886,445	277,082	77,163,527
Hire-purchase receivables	364,547,734	281,900,975	-	-	646,448,709
Personal loan receivables	48,096,858	62,103,793	-	-	110,200,651
Corporation loan receivables	2,335,787	-	-	-	2,335,787
Receivables under litigation enforcement process with collateral	-	-	-	1,283,892	1,283,892
Financial liabilities					
Long-term unsecured debentures	-	498,965,342	-	-	498,965,342
Liabilities under financial lease agreements	628,824	970,675	-	-	1,599,499

Fair value of financial instruments

Fair value is the estimated value that the Company could receive from selling its financial assets or the estimated cost for redeeming its financial liabilities. Fair values are generally based on market values, or estimated values that can be derived from using general market principles of calculation.

The following methods and assumption were used by the Company in estimating the fair value of financial assets and liabilities as follow:-

- Cash and cash equivalents have fair values approximating their carrying values in the statements of financial position.
- For hire-purchase receivables, and Corporation loan receivables fair values are the carrying amount of hire-purchase receivables net of unearned income and allowance for doubtful accounts add value added tax due.
- For personal loan receivables, fair values are the carrying amount of personal loan receivables net of allowance for doubtful accounts.
- For short-term loans, fair value is approximated the carrying amount since it carries interest at the floating rates.

The Company uses the market approach to measure their assets and liability that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

- Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets.
- Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the asset, either directly (e.g. prices) or indirectly (e.g. derived from prices).
- Level 3 - Use of unobservable inputs such as estimates of future cash flows.

24. CREDIT LIMIT

As at December 31, 2017, the Company had short-term credit limit with a local bank as follow :

- 1) The Company had unsecured credit line for bank overdrafts of Baht 20 million. The interest rate is MOR.
- 2) The Company had a credit line for short-term loans of Baht 200 million by issuing the promissory notes with maturity within 6 months commencing from the date of drawdown which can be renewed. The interest rate is MLR-0.5% per annum. The loan is secured by transferring the rights on receivables under hire-purchase agreements when the loan is drawn down (Note 15).

25. COMMITMENT AND CONTINGENT LIABILITIES

As at December 31, 2017, the Company has commitments with regard to operating lease agreements which the Company is the lessee with the lease term of 1-3 years. The Company had obligations to pay the lease and service payments in the future as follows:

	Baht
Due within 1 year	4.25
Due over 1 year but not exceeding 3 years	3.72
Total	7.97

26. CAPITAL MANAGEMENT

The Company has policy to manages its capital position with reference to its debt-to-equity ratio as each situation in order to maintain a strong capital base so as to maintain assurance of shareholder, investor, creditor and capital market confidence, with regard to return on capital, payment of dividends to shareholders. The Company was engrossed in maintains debt-to-equity ratio is not higher than the same business in capital market.

27. EVENTS AFTER THE REPORTING PERIOD

At the Board of Director's meeting No. 1/2018 held on February 27, 2018 it approved to pay dividend from its operation for the year 2017 of 200 million shares at Baht 0.13 per share, amounting to Baht 26 million.





28. THE REVISED ACCOUNTING STANDARDS ARE NOT YET EFFECTIVE IN THE CURRENT YEAR

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are revised.

These revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible assets



TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-Based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economics





TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

The management of the Company believes that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are revised will not have any significant impact on the financial statements for the year when they are initially applied.

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors on February 27, 2018.

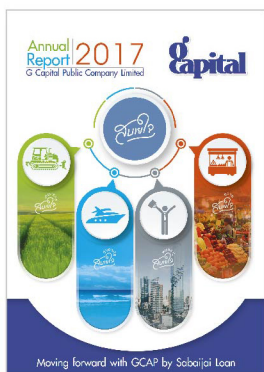
Awards 2017

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