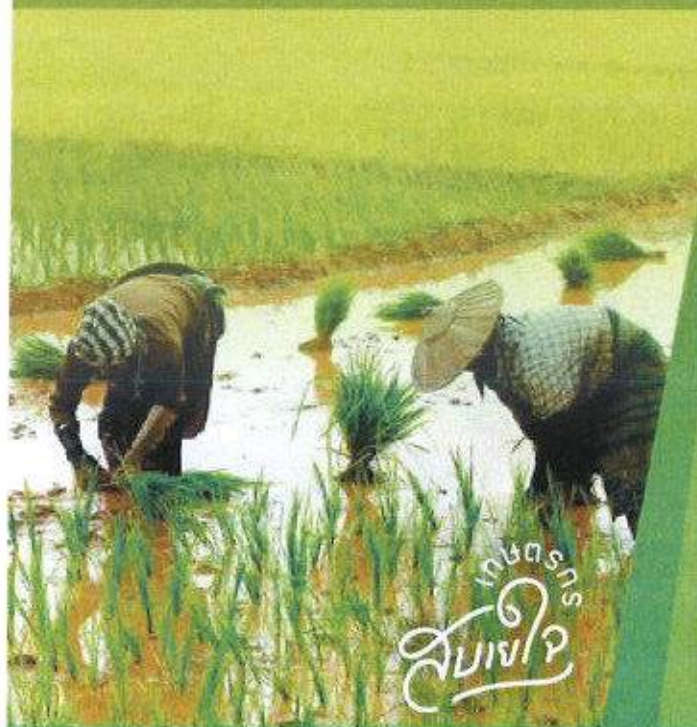




Annual Report 2018

G Capital Public Company Limited

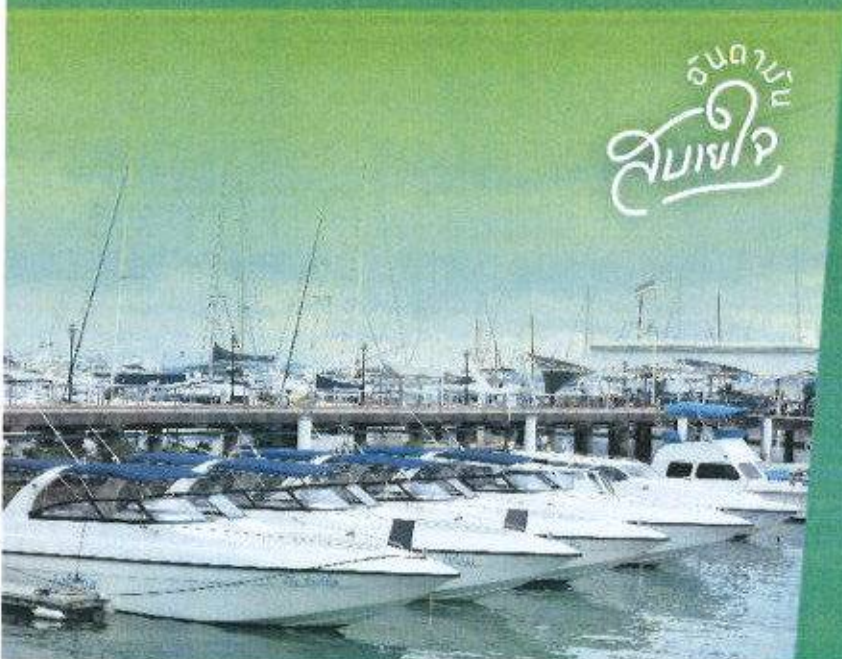


เกษตร
สุขใจ

โครงการสินเชื่อสวัสดิการ สำหรับพนักงาน

- ☒ เพื่อนสบาย
- ☒ อนุมัติง่าย
- ☒ ได้เงินเร็ว

พนักงาน
สุขใจ



อู่เรือ
สุขใจ



ตลาด
สุขใจ

Annual Report 2018

G Capital Public Company Limited

Contents



Message from the Chairman and Managing Director of the year 2018	1
Vision	3
Financial Information Highlights	4
Board of Directors and advisory for the Board and Executive Management	5
Corporate Profile	19
Policy and Overall Business Operations	20
Scope of Operations	26
Risk factors	37
Shareholding Structure and Dividend Payment Policy	41
Organization Chart	44
Management Structure	45
Corporate Governance	67
Social Responsibility	82
Anti-corruption	83
Internal Control and Risk Management	84
Related Party Transactions	87
Management Discussion and Analysis	90
Responsibilities for the Board of Directors for Financial Report	101
Risk Management Committee Report 2018	102
Nomination and Remuneration Committee Report 2018	103
Report of the Audit Committee for the year 2018	104
Independent auditor's report	107
Statement of Financial Position	112
Notes to financial statements	119





Mr. Boonsak Chiempricha
Chairman of the Board

Mr. Spain Jingkaojai
Managing Director

Message from the Chairman and Managing Director of the year 2018

In 2018, the agricultural economy grew by 4.6 percent compared to 2017, due to the positive factors of important policies from the Ministry of Agriculture and Cooperatives that focus on agricultural sector reforming, such as water resources management, large scale agricultural encouragement, Development of learning center to increasing efficiency that enhances agricultural products to standard quality. Including the amount of water and overall climate conditions that are also favorable to agricultural production rate. Thus, yield per rai has increased, which is consistent with the overall performance of the company in expanding the new customer base increasing the number of important partners, and increasing credit granting including significantly improved profits.

(Source: Agricultural Policy and Planning Division, Office of Agricultural Economics, 2018)



The company has adjusted business strategy and managed various risks continuously with the creation of business opportunities in the digital era, the company continues to focus on maintaining the existing customer base firmly and aim to expand new customer base inside and outside the agricultural section, such as build up partners with IST Farm Machinery Co., Ltd., who is the distributor of the Japanese tractor of Iseki brand. To expand customer group inclusively, the company has increased credit granting for speed boats in the southern region, which is considered as the beginning of entering to tourism business. In order to maintain the existing customer base or expand a customer, the selection of quality debtors is the company's primary concern with the process of carefully selecting new customers to ensure that the company will continue to grow constantly.

In the year 2018, the company had total new loan booking at 1,180.05 million baht, compared to the total loan amount in 2017 of 1,127.53 million baht, representing a 5% increase in new loan booking, from growth of hire purchase loans and personal loans at similar rate, which has resulted in company total income of 306.40 million baht, increased by 107.80 million baht from 2017, representing at 54.20 percent. Revenue from claims under the hire-purchase agreement is still the main income of the company. for 74.6 percent of total income in 2018. the company expanded the proportion of personal loans, which increased an interest income from personal loans 79% from the previous year.

And the company still give precedence to the creation and development of creative services as well as new service and financial innovations to serve the demands of customers. The company has therefore formed a joint venture project with 9F International Holdings PTE. LTD., which is a first-class financial company from China, and one of the leaders, especially in technology, financial business operations with the objective of becoming the world's leading Fintech company in providing credit services that are digital lending system, mainly consists of personal loans. The main objective of this collaboration is to help expand the financial business by conducting new technology, providing loan service to retail customer of personal loan that respond the most to our objective, and increase the financing source, especially for potential retail customers that unable to access other sources of funds.

The company is committed to create mutual benefits for all stakeholders. This is a part of driving the country's development by adhering to the operations under the principles of corporate governance with transparency, fairness, and morality in business operations. Anti-corruption strictly complies with the rules and regulations of the law as well as giving importance to the development of employees to have knowledge and ability to grow together and be a stable and sustainable organization.

Lastly, we would like to thank to all shareholders, investors, business partners, customers and stakeholders for all along confidence and support the company. And we would like to thank to all the executives and employees for dedication in work with the utmost capability for the company growing together with stability and sustainability.

(Mr. Boonsak Chiempricha)
Chairman of the Board

(Mr. Spain Jingkaojai)
Managing Director

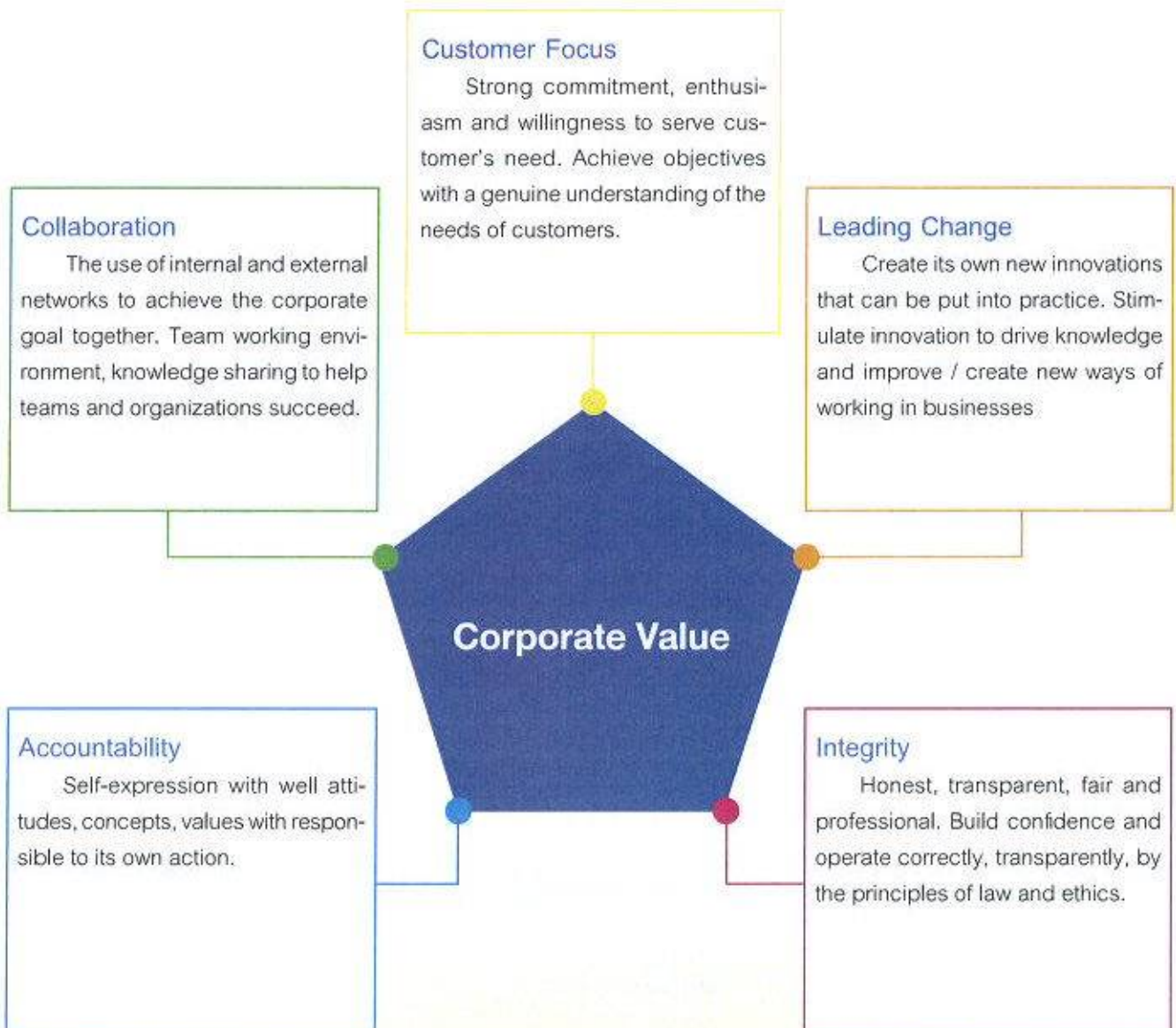


Vision

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.





Financial Information Highlights

Unit : Thoundsand Baht	2018	2017	2016
Assets (Thoundsand Baht)			
Total assets	2,086,858	1,561,214	886,823
Liabilities and Shareholders' Equity (Thoundsand Baht)			
Total liabilities	1,738,299	1,229,543	553,802
Total shareholders' equity	348,559	331,670	333,021
Operating Result (Thoundsand Baht)			
Total revenues	306,401	198,604	152,629
Total expenses	149,871	125,511	71,878
Financial Cost	87,728	39,103	28,948
Income tax expense	13,914	6,968	10,524
Net Profit (loss)	54,888	27,022	41,279
Profitability Ratio			
Interest spread (%)	11.11%	11.44%	12.08%
Net profit margin (%)	17.91%	13.61%	27.05%
Return on equity (%)	16.14%	8.13%	12.46%
Book value per share (Baht/Share)	1.74	1.66	1.67
Earning per share (Baht/Share)	0.27	0.14	0.21
Dividend payout (%)	91.09%	96.22%	72.68%
Dividend per share (Baht/Share)	0.25	0.13	0.15
Efficiency Ratio			
Return on asset (%)	3.01%	2.21%	4.42%
Asset turnover (Times)	0.17	0.16	0.16
Current ratio (Times)	0.77	1.53	10.93
Financial Ratio			
Debt equity (Times)	4.99	3.71	1.66
Lendings to borrowing (Times)	1.20	1.24	1.52
NPL to total lendings (Times)	11.76%	10.98%	18.06%
Allowance Doubtful Account to NPL (Times)	75.66%	88.60%	76.67%

Source : Financial Statement of G Capital Public Company Limited for the year 2016-2018 audited by certified public accountant.

Board of Directors



Mr. Boonsak Chiempricha

Chairman of the Board

Work Experience

- | | |
|---------------------|--|
| 2015-Present | Independent Director and Chairman of the Board
G Capital Public Company Limited |
| 2018-Present | Director Sub-Committee Audit and Assessment Public Sector
Unit 4 |
| 2016-Present | Director and Chairman of Audit Committee
Debt Electronics (Thailand) PCL. |



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)



Relationship

– None –



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)



Relationship

– None –



Mr. Yongyuth Tariyo

Independent Director

Chairman of Executive Committee

Work Experience

2015–Present	Independent Director And 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	Director Digital Port Asia Co., Ltd.



Asst. Prof. Wipada Tantiprabha

Independent Director

Chairman of Audit Committee

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



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)



Relationship

– None –



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 (DCP 212/2015)
 - Director Accreditation Program (DAP) 112/2014



Relationship

– None –



Mr. Chaoyong Satjipanon

Independent Director

Chairman of Risk Management Committee
Nomination and Remuneration Committee
and Audit Committee

Work Experience

2015-Present	Independent Director
	Audit Committee Member
	Chairman of Risk Management Committee and Nomination and Remuneration Committee
2014-Present	G Capital Public Company Limited
	Director
	Pacific Pipe Public Company Limited
Present	Director
	Sino-Thai Engineering & Construction Public Company Limited



Mr. Prameson Pisitpan

Independent Director
Audit Committee Member
Chairman of Nomination
and Remuneration Committee

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



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)



Relationship

– None –



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



Relationship

Older Brother of Mr. Asa Sarasas



Mr. Nattaphon Sarasas

Director

Risk Committee Member

and Nomination and Remuneration Committee

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



Mr. Asa Sararas

Director

Work Experience

2016-Present	Director G Capital Public Company Limited
2012-Present	Director General Outsourcing Company Limited



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



Relationship

Little Brother of Mr. Nattaphon Sararas



Education

- Doctor of Philosophy Program
in Development Science Ph.D.
(Development Science)
Khon Kaen University
- Master of Faculty of Fine and
Applied Arts,
Khon Kaen University
- Bachelor of Law,
Chulalongkorn University



Training Course

- IOD Program, Thai Institute of
Directors
- Director Accreditation Program
(DAP) 148/2018



Relationship

– None –



Pol.Lt.Gen. Pongsiri Suankaew

Director

Work Experience

2018-Present	Director G Capital Public Company Limited
2016	General Staff Division Provincial Police Region 4



Mr. Spain Jingkaojai

Director

Managing Director

Work Experience

2016-Present	Director / Managing Director G Capital Public Company Limited
2012-2016	Director Payap University
2013-2016	Director Chiang Mai International School



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



Relationship

– None –

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



Relationship

– None –



Mr. Supot Singhasaneh

Chairman of the Advisory for the Board of Director

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



Mr. Chinavais Sarasas

Advisory for the Board of Director

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



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



Relationship

His father of Mr. Nattaphon Sarasas
Mr. Asa Sarasas

Management Committee



Mr. Spain Jingkaojai

Director
Managing Director



Mr. Sutthi Sripratum

First Executive Vice President



Mr. Songyos Sumetkijakan

Chief Financial Officer



Mrs. Sivapun Sriampai

Senior Vice President of Accounting
& Finance Department



Ms. Supasorn Phaotip

Senior Vice President of Debt Management



Ms. Wirongrong Boonprateep

Senior Vice President of Marketing
& Sale Management



Ms. Sirikanda Chansaenwilai

Senior Vice President of Enabling
& Shared Service



The shareholdings of the Board of Director.

List of Name	Shareholdings		
	Director (Percent)	Child (Percent)	Wife (Percent)
Mr. Boonsak Chiempricha	- None -	0.25	- None -
Mr. Yongyuth Tariyo	- None -	- None -	- None -
Asst. Prof. Wipada Tantiprabha	- None -	- None -	- None -
Mr. Chaiyong Satjipanon	- None -	- None -	- None -
Mr. Prameson Pisitpan	- None -	- None -	- None -
Mr. Nattaphon Sarasas	- None -	- None -	- None -
Mr. Asa Sarasas	- None -	- None -	- None -
Pol.Lt.Gen. Pongsiri Suankaew	- None -	- None -	- None -
Mr. Spain Jingkaojai	- None -	- None -	- None -

As os of 31 December 2018.

Corporate Profile



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.
Head Office	: 161/1 3 SG Tower 8th Floor, Soi Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel: 02-651-9995 Fax: 02-651-9553
Authorized Share Capital	: 150,000,000 Baht (as of 31 December 2018)
Issued and Paid-up Capital	: 100,000,000 Baht (as of 31 December 2018)
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
Company Secretary	: Ms. Sirikanda Chansanwilai 161/1 3 SG Tower 8th Floor, Soi Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel. 02-651-9995 Ext.4300 Fax: 02-651-9553
Investor Relationship	: Ms. Sirikanda Chansanwilai 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 Overall Business Operations

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 is 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 100 million baht, 200,000,000 ordinary shares with a par value of 0.50 baht.

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 get feedback from customers continues, under the slogan "Agricultural loans for Thailand Agriculture in advances"

The company is provided in hire purchase in new and used agricultural machinery such as rice harvester combine, crawling rotavator, farm tractor, wooden loader, sugar cane loader. The company provided a hire purchase by the customer is an individual basis. Subsequently, the Company has expanded and provided a multipurpose loan for working capital and as a service to the customer that need to buying by hire purchase of agricultural machinery. 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 that is sustainable growth. The company focuses on providing financial services and products to be 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 with the requirements of the customer 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 to 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. This is a response to the financial needs of the existing customer base. And increase new customer base. The expansion of the financial services company.



Important Development

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

**August
2004**

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

**June
2005**

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 percent of the paid-up capital, and Song Nam Company Limited holds 75.00 percent of the paid-up capital.

**October
2005**

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

**January
2006**

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
2006**

The Company increased its share capital to Baht 75 million by issuing ordinary shares to 250,000 shares at par value of Baht 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 percent of the paid-up capital, and Song Nam Company Limited holds 55 percent of the paid up capital.



**March
2008**

The Company initiated multi-purpose loan 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.

**September
2010**

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 percent of the paid-up capital. The stake of Song Nam Company Limited rose from 55 percent to 65 percent of the paid-up capital.

(2) The Government Savings Bank sold shares to the Government Savings Mutual Fund in the proportion of 24.99 percent, and sold shares to the shareholders in proportion of 0.01 percent of the shares and sell shares to the Song Nam Company Limited of 10 percent of the paid-up capital resulting the proportion of shares held by the Bank decreased from 45 percent to 10 percent 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.

**February
2012**

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

**November
2012**

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

**April
2013**

The Government Savings Bank Mutual Fund sold all shares of 24.99 percent of the paid-up capital. 12.50 percent 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 percent 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 percent of the paid up capital. The company sold



**November
2013**

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

**December
2013**

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

**March
2014**

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
2014**

The company launched the used rice harvester Combine 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
2014**

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

**October
2014**

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

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

**April
2015**

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



**June
2015**

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
2015**

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

**September
2015**

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
2015**

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

**November
2015**

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

**April
2016**

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

**June
2016**

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
2016**

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



**February
2017**

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

**June
2017**

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

**October
2017**

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.

**September
2018**

The Company has signed MOU / agreement for the hire purchase of tractors with IST Farm Machinery Co., LTD.

**October
2018**

95 Score AGM Checklist 2018

Asian Corporate Governance Scorecard (CRG), it was rated at 4 stars.

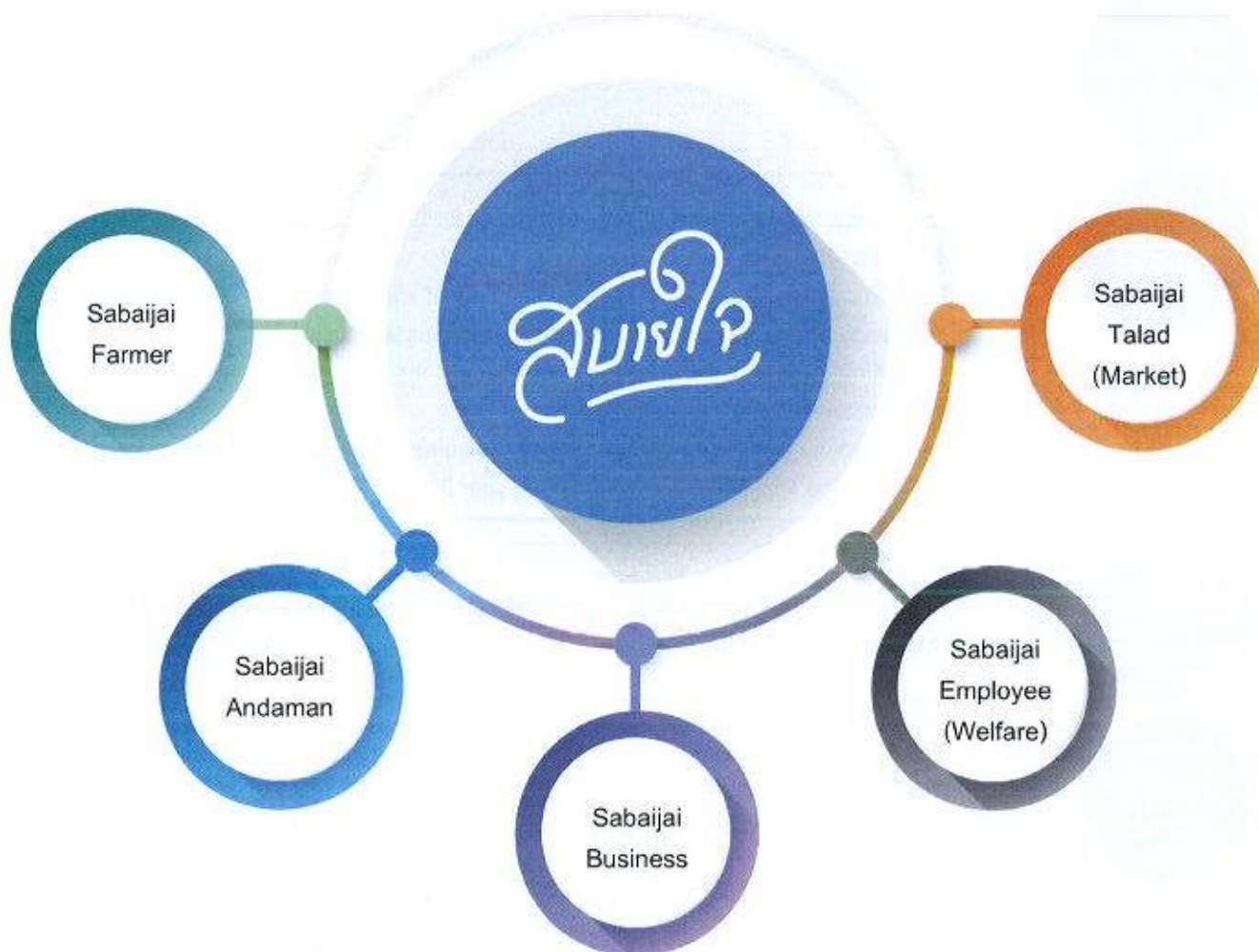
**November
2018**

The company increased the registered capital to 150 million baht of registered capital from 100 million baht.



Scope of Operations

Main Business of the Company can be divided in 5 types as follows:



Sabaijai Farmer

Hire purchase loan service of various agricultural machinery types, such as rice harvester, corn harvester (Agricultural development), tractor and peripherals (New Holland and Iseki), wheel loaders (Champ), crepe rubber rolling machine (Gypta), including other agricultural machinery. Customers can apply agricultural machinery that has memorandum with G Capital to request a hire purchase loan for using in agriculture including other agricultural services.



Hire purchase loan service cover new product loans and refinancing loan to be used as working capital for career, spare part purchasing, repairing agricultural machinery or down payment for buying car. The customer must have proof of ownership of car or agricultural machinery (which is unencumbered) to apply a loan with company.

The company also has personal loans as unsecured loans only for customer who have a financial history with company that apply as working capital, the company will evaluated the credit limit for personal loans according to the company's policy and criteria for loan limit approval as well as setting interest rates and other fees conforming with the announcement of the Bank of Thailand (The Company has obtained a personal loan business under the supervision of The Bank of Thailand by acquiring a license from the Ministry of Finance on 14 October 2015).



Rice harvester



Corn combine harvester



Tractor



Wheel loader



Crepe rubber machine

Sabaijai Andaman

Speed boat hire purchase service for tourism industry. The company has cooperated with first class shipyards business in Phuket province and provided hire purchase loans to tourism boat business entrepreneurs in Phuket, Karbi, Surat Thani provinces and vicinity. The loans service covers new boat loans and new engine installations and credit for old boat as well as engines installations.



Speedboat



Sabaijai Business

Hire purchase secured loan service for mortgage loans, factoring loans, sales-deposit loans are to provide credit for enhancing liquidity in business or spending according to the wishes of customer. The borrower must have collateral to mortgage/transfer the ownership to the company.

Sabaijai Employee (Welfare)

สินเชื่อสบายใจพนักงาน

สินเชื่อส่วนบุคคล ที่จัดทำขึ้นในรูปแบบสวัสดิการพิเศษ สำหรับพนักงาน หรือ ลูกจ้างขององค์กร

- อนุมัติวงเงินสูงสุด 5 เท่าของรายได้
- ไม่มีผู้ค้ำประกัน
- ฟรี ประกันชีวิตคุ้มครองวงเงินกู้
- ไม่ตรวจเครดิตบูโร

CALL CENTER
02-651-9995



Hire purchase unsecured loan service to company employee.

Since personal loans are unsecured loans, the company has established a policy to provide personal loans only for customers with stable occupations, residence and be able to verify the information. Therefore, the company provides loans for the employees with a memorandum of agreement in the deduction for payment through the payroll account to reduce the risk of unsecured loans.

Sabaijai Talad (Market)

Hire purchase loan service for merchants and first-class business entrepreneur in Thailand in order to meet the needs of loans for merchant stall payment or enhancing the liquidity of business by focusing on the target group with a stable occupation, residence and be able to verify the information. For instance, merchants have obvious stalls and contract of rent and has an auditing from each market. (The Company has obtained a personal loan business under the supervision of The Bank of Thailand by acquiring a license from the Ministry of Finance on 14 October 2015 and obtained a professional license under the supervision of the Bank of Thailand (Nano Finance) by acquiring a license from the Ministry of Finance on 14 October 2015).





The Company's income structure can be divided by types of business as following

Type of Income	2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Hire Purchase	228.71	74.64	140.46	70.72	123.55	80.95
Personal Loan and Nano Finance	64.45	21.03	36.02	18.14	10.15	6.65
Fine for Late Payment	9.94	3.24	16.79	8.45	16.34	10.70
Other	3.30	1.09	5.34	2.69	2.59	1.70
Total	306.40	100.00	198.61	100.00	152.63	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

Agricultural economic conditions in 2018

The agricultural economy in 2018 grew by 4.6 percent compared to 2017, with plant, livestock, agricultural service, and forestry section grew by 5.4, 1.9, 4.0, and 2.0 percent, respectively. The fishery department contracted by 1.0 percent.

Positive factor

Ministry of Agricultural and Cooperatives focus on reforming agricultural sector with principals of marketing, bringing production along with the adaptation of technology and innovation. By implementing essential policies, such as water resource management, large agricultural extension, learning center development, enhancing production efficiency of agricultural products, management of agricultural goods production according to the agricultural plan for proactive management. The development of agricultural products quality to the standard of agricultural development to Smart Farmer, which support the enhancement of production efficiency, reduce production cost, develop a strong institution for farmers, encourage farmer to be a professional with high potential in terms of production, transformation and marketing makes agricultural production match with market demand and have higher quality standard. The amount of water and the overall climate of the country is still favorable for agricultural production. The amount of using water in the main reservoirs of the country is sufficient for cultivation. Most plants grow well and have more yield.

Negative factor

Early cultivating season (May-July 2018), many provinces in the northeast region such as Nakhon Ratchasima, Sri Saket, Surin, Roi Et, Khon kaen, and Buriram, which is a major area of the country for wet season rice cultivation encounter with a drought affecting to the growth of rice during cracking and grain producing period and caused dried rice death, imperfect shape including a lot of weeds resulting in decreased rice yield.

Agricultural economy trend 2019

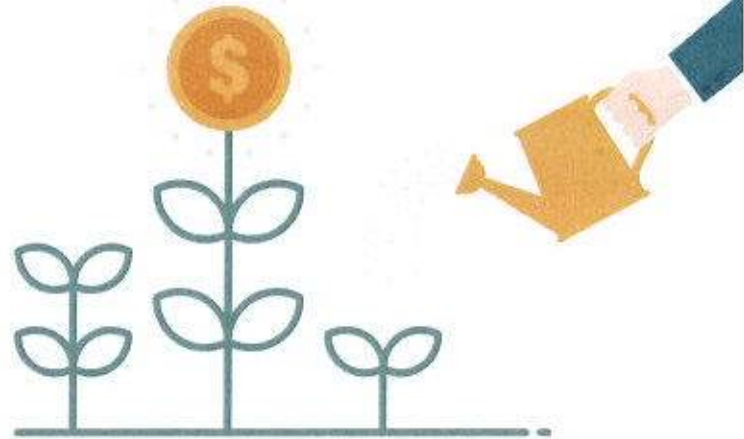
The trend of the agricultural economy in 2019 is expected to expand in the range of 2.5 to 3.5 percent, with plant section expanding by 2.5 to 3.7 percent. Livestock expanded by 1.3 to 2.3 percent. Fisheries expanded by 1.0 to 2.0 percent. Agricultural service expanded by 2.0 to 3.0 percent and forestry expanded to 1.2 to 2.2 percent, with the following supporting factors;

- Agricultural policy implementation. To continually reform the agricultural section which is collaboration between government, private and civil society section and help to push forward for more efficient agricultural production, strengthen agricultural institute, farmers plan for production that is consistent with market demands, and have a stable income.
- General weather and amount of water are still favorable for agricultural production.



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

Sectors	2018	2019
Agricultural Section	2.5 - 3.5	2.5 - 3.5
plant	2.7 - 3.7	2.7 - 3.7
livestock	1.3 - 2.3	1.3 - 2.3
fishery	1.0 - 2.0	1.0 - 2.0
Agricultural Services	2.0 - 3.0	2.0 - 3.0
Forest	1.2 - 2.2	1.2 - 2.2



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

Competition Strategy

1. Creating differentiation in service strategy

The company has a policy to develop differentiation, diversification and complete strategies in order to maintain the existing customer and increase new customer base as well as create loyalty in the company's services. The company focus on reaching each customer group by research the demands of each career, behavior and needs in using credits group to design products that meet the demands of customer, such as installments designation that match with farmer's harvest season/tourism business and to help reduce the risk of the company in the collection of installments due to customers have income that paid directly to the installment payment schedule.

2. Expanding Business Strategy

The company has a policy to increase trade partners. In 2018, the company was the representative of loans service for Iseki tractors brand, in addition to New Holland brand in 2017, to serve the demands of customers who request a tractor loan to more inclusive.

The company has a policy to expand personal loans with collateral for more business customer group, such as mortgage loans, factoring loans, sales-deposit loans and then customer can have working capital in business. Personal loans with collateral will help reduce the risk of the company's credit granting.



3. Marketing Promotion Strategy

The company has studied the behavior and demands of each area to issue promotions that serve to the needs of customers and focus on sales promotion activities with partners/dealers to reach a customer group and study information and receive customer feedback to improve and develop the service. And also establish a telephone sales agency to promote a privilege for existing customers who have a good payment history for repeating use of the loans service and to maintain the existing customer base.

4. Public Relation Strategy

For the advertising public relation strategy in 2018, due to each of the sub-products of the company focus one credit granting to different target groups, the company will focus on advertising public relation at the area of target group, such as advertising on magazines, brochures, local radio media, community radio media, parade cars, billboards, accompany with partners, Road show, including introduction product booths at the event specific to each industry.

In addition to that, the company has created various social media channels as public relation news updates to current customer in order to maintain customer base that use the service continuously. Including to communicate promotion and various marketing campaign to target group that interested in the product and plan to use the loans service of the company in future.

5. Branding awareness

Throughout the year 2018, the company continued to emphasize the creation and maintenance of the corporate image continuously by raising the brand "Sabaijai credit" as the main credit brand of the company. For easy marketing communication and brand recognition for customers, with 4 sub-brands to reach target in different groups as follows.



"Sabaijai Farmer"

Hire purchase loan for rice harvester, tractors and agricultural machinery. Target groups of farmers and entrepreneurs in the agricultural section.



"Sabaijai Andaman"

Hire purchase loan for speed boat engines. Target group of entrepreneurs in the southern and the eastern tourist boat business.



"Sabaijai Talad (Market)"

Hire purchase loans to pay for the rental stalls Including personal loans to enhance business liquidity and multipurpose payment. Target group of merchants and entrepreneurs in the market. In the current phase, the company has collaborated with 3 large markets, namely, Khlong Toei Market, Pattavikorn Market and Talat Thai Market.



"Sabaijai Employee"

Personal loans for multipurpose payment or to cancel informal debt. Target group of employees with regular income, which may have to use a lump sum for various payment.



In of marketing communication section that is published, will focus on reflecting the special features of the brand. In terms of being a credit product that creates comfortableness to customer both in design of installment terms that customer can choose their own period which is consistent with the harvest season or marketing campaigns at various times where customers can choose the down payment proportion and interest rate to be proper with the financial status. Moreover, there are also various social media channels that adapt to communicate with customer, such as LINE or Facebook that makes customers be able to contact, access news or public relation, including to marketing campaign quickly and easily. Consistent with the changing media lifestyle or even launching the mobile application "Sabaijai G Capital" to provide a new channel for customers to check the payment and balance of loans easily 24 hours via mobile in all networks, which help to reduce complication of relying on the invoice channel.

6. Maintaining and Establishing Relationship with Customers Strategy

The company give precedence in maintaining and building good relationships with customers in order to serve the demands of customer expectations by modern information and communication technology. Expand and increase channels for receiving suggestion and complaints, as well as solving problems for customers in various issues. Customers can contact the staff to report problems that have been received via the company staff in the area, the company's customer service department (Call Center), website, and via social media, i.e. Line, Facebook that receive differentiation from foreign countries (Service differentiation) to increase the competitiveness of the company by creating proactive marketing and sales team of the company visiting customers at home for exploring satisfaction and receiving feedback from customers.

For customers who use the financial services of the company and receive a good payment, the company has been analyzing data to create a marketing strategy and perform with target groups. The guidelines are one-on-one or group-specific in order to serve the needs of each customer or group, which creates satisfaction in the products, loans and services and build loyalty to the company that create a lasting relationship and for the long-term profit of the company by benefiting both sides of customer and the company (Win-Win Strategy) continuously.

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

Collaboration with strong and potential business allies are another important strategy to help cope with the rapid changes in today's era. Partners and allies in addition to be a business companion that helps develop credit products or services together is also a companion to help develop and jointly create credit products to serve the needs of customers and keep up with the current trend of change in the modern era in order to be able to compete in business, such as designing special credit campaigns. In order to serve the needs of partners and customers group, which affect in the company being able to achieve business goals more efficiently. The company therefore gives priority to maintain and build good relationships with partners and allies due to involving in supporting customers to acknowledge the company's financial services and helps to provide advice and recommend about basic credit services to customers as well. In the past, the company has held a conference for exchanging information and meeting sub-partners to receive the problems and suggestions which help to consider and improve continuously. Moreover, the company has cooperated in various activities of partners and allies in order to strengthen relationships and create opportunities for the business of the company.



8. Developing and Maintaining Employee Strategy

In developing Human Resources, the Company gives highest precedence to developing its personnel by often arranging training and seminar in various topics for employees in every level including executives. There are internal trainings and the Company also sent employee to train with various institutions in the field of technical aspects and professional aspects of information technology, administrative, management, 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;

- 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.
- The operations cost of the Company.
- Type of credit and interest rate of the similar credit (or nearly similar) from other credit service providers.
- 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.
- 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 trough business allies of the Company

Sabaijai Farmer and sabaijai Andaman: Product distributors will recommend and give information about the company's loans service to customers who are initially interested including introduce customers to the company.

Sabaijai Employee: Interested person who is an employee of the company with the signing of a cooperation agreement in the 'Sabaijai Employee' project can contact through the personnel of the employer company to request information and apply for a loan service. Personnel of the employer company will coordinate with G Capital.

Sabaijai market: merchants or entrepreneurs who are interested in applying for credit services can contact through the staff of G Capital stationed at the market or through the company that assigned to manage the market area. The company managing the market area must sign a contract as a business allies with the company.

2. Contact through the company's staff that takes care of that product. Staff at the service center at the office of the supplier or the business partner's office.

3. Contact the company directly through the Call Center number or through the website and the company's social media channels, such as Line @, Facebook

Credit Granting

The company has changed the policy / criteria and conditions. Credit granting according to market situation, competition and economic situation by focusing on fair and accurate credit granting to customer and publishing policies to operating staff. Credit review as well as the credit approval authority in order to create a standard in credit granting in a systematic way.

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 in the country.
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 2018		31 Dec 2017		31 Dec 2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Loans	1,608.42	82.19	1,152.21	77.54	498.97	59.97
Loan from Financial institutions	218.74	11.18	180.00	12.11	-	-
Short-term loans from other persons and companies	40.00	2.04			-	-
Short-term unsecured debentures	100.00	5.11			-	-
Unsecured Long-term Debentures due more than one year	673.76	34.43	199.92	13.45	-	-
Long-term unsecured debentures	575.92	29.43	772.29	51.98		
Shareholders' Equity	348.56	17.81	333.68	22.46	333.02	40.03
Total sources of funding	1,956.98	100.00	1,485.89	100.00	831.99	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.

Risk factors

Important risk factors of the company and risk management guidelines summarized as follows:

1) Marketing and strategy risks

Currently, due to the competition of the hire purchase business of agricultural machinery is quite moderate unlike other loan's sector. Therefore, there is a threat as other financial institutions realize the opportunity and interest to invest in this business. However, with over 14 years of experience of the company, understanding and responding to the demands of customer and partners rapidly, still be the strength of the company in the competition by visiting partners, dealers, including retail customer continuously. Making the company aware of the different demands of customers, such as installment that are consistent with the different harvesting seasons. In order to reduce the risk that customers unable to pay debt on schedule or make appropriate sales promotion campaigns for partners, such as agricultural develop group and CNH Industrial (Thailand) Limited The company has a strategy to respond to the market with additional agricultural machinery by collaborating with IST Farm Machinery Co., Ltd., which is the distributor of the Japanese tractor Iseki brand to expand the hire purchase business in order to support farmers to be fully integrated and cover more areas.

For personal loan business under supervision, the company has started providing personal loan services under supervision on December 1, 2015. The company has personal loans that are under the main supervision is credits for stall fees and working capital for merchants and "Saibaijai Employee" credit for necessary payment. In the year 2018, the company has released 2 types of loans up to 214.9 million baht. However, in terms of increased competition for personal loans under supervision, there are both financial institutions and non-financial institutions. The company therefore has a strategy for finding customer that is a company (MOU) through advice from a sales agent. Every company that is nominated, must be qualified the credit review process from the credit committee that assess the quality of the company and manage risks by adjusting conditions criteria for each company as well as retail customers.

In the supervision of Nano finance by Announcement No. 58 about retail loans for occupations under supervision. Determination of financial institutions and interest rates that financial institutions may consider from borrowers with the Bank of Thailand announcing Subject: Determination of criteria procedures and conditions for undertaking the retail loan business for occupation under supervision for non-financial business entrepreneur to solve the problem of informal debt and allow natural person without property or assets as collateral for access to information sources to use for investment in their careers. As of 31 December 2016 - 2017 and 30 November 2018, personal loans under supervision continued to grow significantly from 1,435 million baht to 4,777 million baht and 33,100 million baht respectively.

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



Entrepreneurs in the competition in most Nano-finance loan businesses use each strategy to focus on their customers. Therefore, the competition is moderate. In addition, large financial institutions have not entered into the service of such Nano finance. This finance loan service will be an opportunity for the company to expand business operation. Company strategy chose to offer Nano finance for the company's customers, such as merchants, shop owners, wheelbarrow owners that located at Khlong Toei Market due to close relationship and allies in business. Thus, ensuring risk management efficiency for this group as well.

2) Financial risks

2.1 Risk from interest rate fluctuations

Due to the main business of the company is for providing hire purchase and personal loans, which the company has income from interest income of such loans, which are fixed rates. While the company has an interest expense on the loan from a financial institution which is set to a floating interest rate and able to cause a risk of interest rate fluctuations. However, the company does not rely mostly on funding from financial institutions. But most of the funding comes from the issuance and offering of debentures with a fixed interest rate. As of December 31, 2018, the Company had loans from financial institutions totaling Baht 218.74 million (12.58% of total liabilities), while there are debentures that have not been redeemed, totaling 1,349.68 million baht (77.64 percent of total liabilities).

Furthermore, the company has a policy to arrange cash flow. (Loans from the bond market) and cash flow paid (Credit granting) carefully and the company can also reduce the risk of interest rate fluctuations at a certain level by determining the interest rate of new loans in order to be consistent with current the interest rate. At the same time, if the interest rate of the loan is reduced, it will result as the company gain benefits from the difference in interest rates as well.

2.2 Risk from relying on borrowing sources

The company sources loans to bring credit to customers of the company mainly from the issuance and offering of debentures in the bond market. As of December 31, 2018, the company had unpaid debentures totaling Baht 1,349.68 million (equivalent to 77.64 percent of total liabilities). As the issuer is obliged to maintain the debt to equity ratio at the end of the accounting period of the issuer. And according to the consolidated financial statements of the issuers that have been audited by the auditor, the ratio is up to 5: 1 (five per one) times (details are in accordance with the requirements on the rights and duties of the debenture issuer and each debenture holder). As of December 31, 2018, the company has a debt to equity ratio according to the definition of the terms, rights and obligations of debenture issuers and debenture holders at a rate of 4.63 times.

However, the company is in the process of increasing the registered capital which make the company has a stronger capital. The Extraordinary General Meeting of Shareholders No. 1/2018, which was held on 6 November 2018 has reached the conclusion of increasing the registered capital approval. Including the allocation of up to 100 million ordinary shares of the company at a par value of Baht 0.50 per share. Totaling up to 50 million baht to offer shareholders in proportion to their shareholding (Rights Offering) at the ratio of 2 existing ordinary shares per 1 new ordinary share by offering for sale at the price of 2.00 baht per share and scheduling on 13 November 2018 as the date for determining the list of shareholders who are eligible for the allocation and offering of the issued ordinary shares in proportion to the shareholding (Record Date). Determine the subscription date and paid for the capital increase ordinary shares on 14-21 February 2019.

2.3 Risks from inconsistency between credit terms and funding sources

Due to the main business of the company comes from the hire purchase service which normally lasts more than 1 year. While some funding sources of the company is loans from financial institutions and the issuance of short-term debt instruments. Therefore, there may be a risk from the difference of duration and cause cash flows and inconsistencies, which may lead to a lack of liquidity in business operations. The company is well aware of such risks and is in the process of increasing the registered capital including the allocation of up to 100 million ordinary shares of the Company at a par value of Baht 0.50 per share, totaling up to than 50 million baht for offering to existing shareholders in proportion to their shareholding (Rights Offering) at the ratio of 2 existing ordinary shares per 1 new ordinary share by offering at the price of 2.00 baht per share which enable to have cash flow from such capital increase up to 200 million baht in February 2019.

2.4 Risk from redemption of debentures before maturity date.

The company has the right to redeem certain debentures prior to the maturity date of the call option in whole or in part, in accordance with the conditions specified in the terms and conditions of such debentures. The right as stated is the exclusive rights of the company only. Investors are therefore exposed to the risk of receiving repayment before the maturity date, which the company can exercise the right to redeem or repay the principal amount of the debentures in whole or in part (And whether at one time or many times) before the maturity date of the debentures starting from (and including) the 1st anniversary of the debenture maturity. With the date that the principal repayment of the debentures will be repaid before the maturity date must correspond with the interest payment maturity date (Regardless of any period) only. Nevertheless, to use the redemption rights depends on considering the overall situation and various factors. However, the redemption of the debentures before maturity date may cause investors to not receive returns according to the expected period. And investors continue to be exposed to investment risks due to changes in interest rates in the money market. In other words, investors may not be able to take the principal and interest received from the redemption prior to the maturity date to continue investing in order to obtain the expected rate of return at the same level that has been received from the debentures and affect returns that change according to the interest rate as well, even if the company pay fees to shareholder at the rate of 0.25 percent of the principal amount of the redemption bonds before maturity date.

3) Overdue credit risk

Overdue credit risk is the risk arising from the customer or contract of the company that Unable to comply with the contract of debt repayment or not complying with the agreement with the company. Or there is a chance that customers may not be able to repay the debt, which may affect the financial position and the company income. The company is aware of the uncertainty of the current economic, agricultural and social conditions. Closely monitoring in order to improve the criteria of credit granting and credit risk management to be appropriate by focusing on process and systematic credit risk management according to efficient performance standards. Improve credit approval process to support loan growth and quality investments including monitoring and controlling the risk of overdue credit to be at the acceptable level, since the main customer base of the company is a farmer group with income from cultivation of agricultural crops. There is an outstanding opportunity in the event of a natural disaster such as floods, drought, pest outbreaks or changes in government policy regarding production structure in agriculture or the problem of fluctuating agricultural prices that may cause an impact on the ability to repay debt.



The company therefore has a strict credit consideration at all stages and focus on the quality of the credit by checking customer information. The company has developed a database of customers from past transactions. The credit scoring system and cash flow analysis are used as well as collecting information about people involved in the occupation, such as information of rice harvester agent, driver of the rice harvester through the information system allows the company to screen the quality of debtor effectively by checking the payment history from the existing debtor's database. In addition, the company has a policy to set allowance for doubtful accounts at the rate of 2.50% of the debtors according to the credit agreement along with the assessment by analyzing the repayment history, age of the debtor and forecasts about future debt repayment of customers and the value of hire purchase securities when seized and compared with the specified criteria and will stop recognizing interest income on accounts when the debtor has overdue more than 3 installments. Considering hire purchase loans as of December 31, 2018, the company has net receivables that are overdue more than 3 installments in the amount of 75.18 million baht and the receivables under legal process are 102.24 million baht. As of December 31, 2018, equal to 152.50 million baht.

For personal loan customers, the company has changed the structure of debt collection management team by dividing the specific management team. Determine the notification of payment information to customers closely. However, the company still needs to develop various processes for management of overdue credit for better efficiency regularly.



Shareholding Structure and Dividend Payment Policy

The first 10 major shareholders of the Company as of December 31, 2018, which was the last closing date, were listed as follows:

No.	List of Name	Number of shares held	Percent
1	Song Nam Company Limited	50,100,000	25.05
2	Mr. Pornchai Charumethee	6,610,000	3.30
3	Mr. Thaweechat Chulangkul	5,344,000	2.68
4	Thai NVDR Co., Ltd	5,135,357	2.56
5	Mr. Chakhirt Suwannachot	4,831,500	2.41
6	Mr. Thawee Kositjiranun	2,850,000	1.42
7	Mr. Pharyiya Khuncharoensuk	2,697,800	1.35
8	Mr. Samkhan Choosri	2,472,000	1.24
9	Mr. Chanamat Fuangwattana	2,280,000	1.14
10	Mrs. Kansinun Pongnarusorn	2,150,000	1.08
Total of 10 major shareholders		84,470,657	42.24
11	Others	115,529,343	57.76
Total		200,000,000	100.00

Source: List of major shareholders as of December 31, 2018 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)

By the resolution of the Annual General Shareholder's Meeting for the Year 2018 on April 10, 2018, the company authorized to pay cash dividends for the year 2017 to its shareholder at Baht 0.13 per share, that equivalent to 96.23 percent of the net profit, the details are as follows;

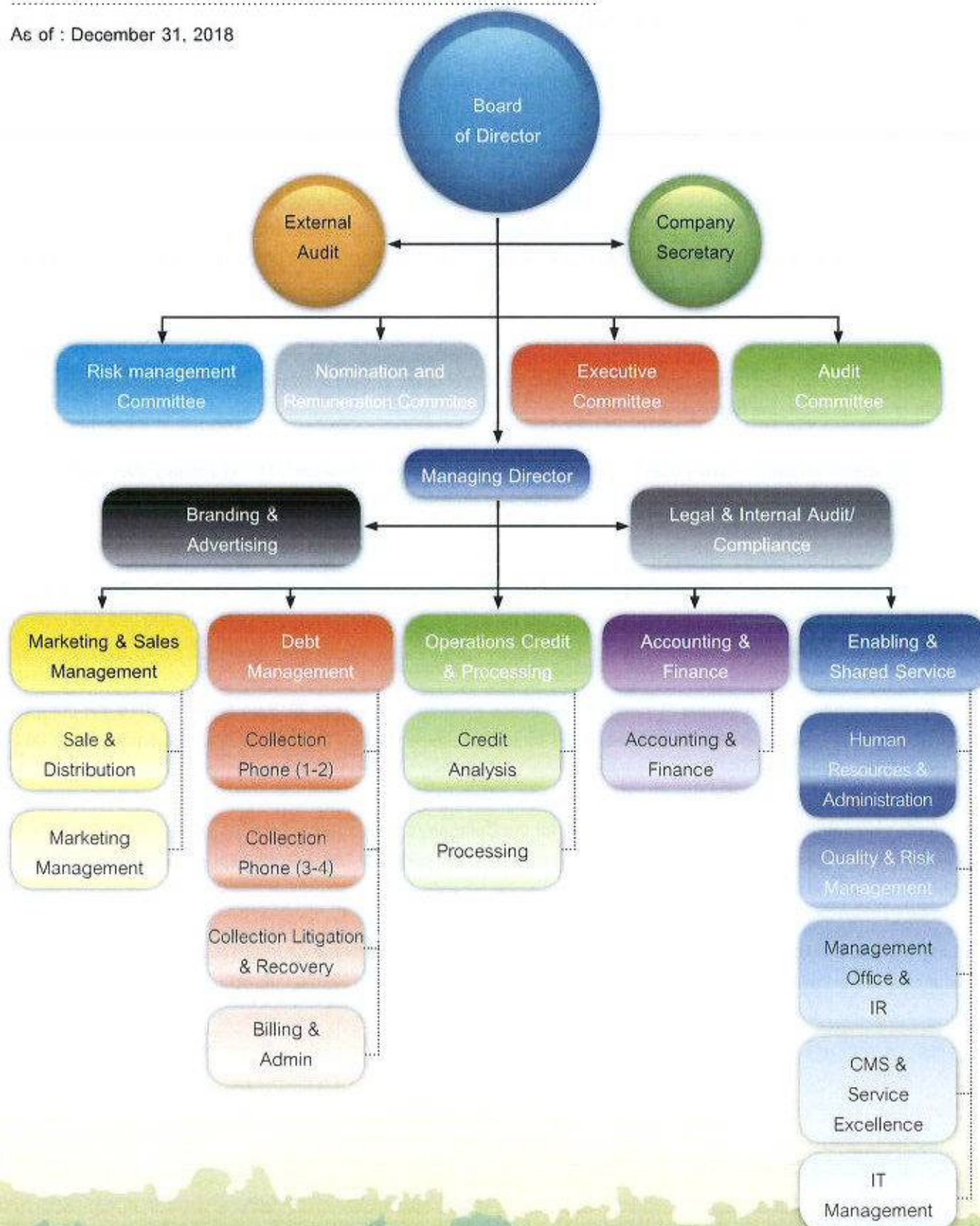
- The interim dividend at Baht 0.04 per share for the Company's performance from 1st January-30th June 2017 to shareholders on September 8, 2017 (The Company's paid-up share capital of 100,000,000 baht. into 200,000,000 ordinary shares with a par value of 0.50 Baht)

- The yearend dividend at Baht 0.09 per share for the Company's performance from 1st July-31st December 2017 to shareholders on April 25, 2018 (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

As of : December 31, 2018





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 2018, consists of 9 members as follows:

First-Last Name	Position
1. Mr. Boonsak Chiempricha	Independent Director and Chairman of the Board
2. Mr. Yongyuth Tariyo	Independent Director and Chief of Executive Committee
3. Asst. Prof. Wipada Tantiprabha	Independent Director and Chairman of the Audit Committee
4. Mr. Premsan Pisitpan	Independent Director, Audit Committee Member and Chairman of Nomination and Remuneration Committee
5. Mr. Chaoyong 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. Pol.Lt.Gen. Pongsiri Suankaew*	Director
9. Mr. Spain Jingkaojai	Director and Secretary of the Board of Directors

*Remark: Pol.Lt.Gen. Pongsiri Suankaew Appointed by the Board of Directors' Meeting on January 1, 2018 as the Director of the Board of Directors.

Remark: Ms. Sirikanda Chansaenwilai Appointed by the Board of Directors' Meeting No. 7/2560 on December 22, 2017 as the Company Secretary.



Authorized Signatory

The Directors who is appointed as the authorized signatories of the Company are Mr. Nattaphon Sarasas and Mr. Spain Jingkaojai. Two Directors mentioned 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 of 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

Secretary of the board

The board of directors meeting 1/2560 on February 20, 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.

As of 31 December 2018, The Audit Committee consists of 3 members.

First-Last Name	Position
1. Asst. Prof. Wipada Tantiprabha ¹	Chairman of Audit Committee
2. Mr. Premesan Pisitpan	Audit Committee Member
3. Mr. Chaiyong 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. Narongroj Longchupol 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:

(a) Comment on the accuracy, completeness and reliability of the financial reports of the Company

(b) Comment on the adequacy of internal controls of the Company

(c) Comment on compliance with SEC, regulations of SET or any other laws relating to the business of the Company



- (d) Comment on the suitability of an auditor
- (e) Comment on the transactions that may have conflict of interests
- (f) Comment on number of meetings of the Audit Committee and attendance of each Audit Committee member
- (g) Comment or overall remarks overall that the Audit Committee has performed its duties under the Charter
- (h) 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:

- (a) Items of a conflict of interest.
- (b) Fraud or irregularity or significant deficiencies in internal control system.
- (c) 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 2018, the Executive Committee consists of 8 members.

Executive Committee	Position	First-Last Name
1. Director/Executive assigned by board of directors.	Chairman of Executive Committee	Mr. Yongyuth Tariyn
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. Accounting and Finance Department	Member	Ms. Sivapun Sriampai
6. Marketing & Sale Management	Member	Ms. Wirongrong Boonprateep
7. Debt Management	Member	Ms. Supasorn Phaotip
8. Enabling & Shared Services	Member	Ms. Sirikanda Chansaenwilai

Remark: Ms. Nitchakamon Wongrod is Secretary of Executive Committee



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 f 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 2018, 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: ¹Mr. Prameson Pisitpan and ¹Mr. Chaiyong Satjipanon are Independent Director
Ms. Peanpen Wongchalee is Secretary of Nomination and Remuneration Committee



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 2018, Risk Management Committee consists of 5 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

Ms. Sirikanda Chansaenwilai is Secretary of Risk Management Committee

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 2018, Management Team consists of 7 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 Accounting and Finance
5. Mrs. Supasorn Phaotip	Senior Vice President of Debt Management
6. Ms. Wirongrong Boonprateep	Senior Vice President of Marketing & Sale Management
7. Ms. Sirikanda Chansaenwilai	Enabling & Shared Services

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 5 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:

1) One Shareholder has one vote per one share

2) Each Shareholder will use all his votes according to elect one or several Directors, but they cannot separate their vote to several people.

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 regard 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 2018 are summarized as follows:

First-Last Name	Meeting attendance (Times)					AGM
	Company Director	Auditing Director	Executive Director	Risk Management Director	Nomination & Remuneration	
1. Mr. Boonsak Chiempricha	7/7	-	-	-	-	1/1
2. Mr. Yongyuth Tariyo	7/7	-	13/13	-	-	1/1
3. Asst. Prof. Wipada Tantibrapha	7/7	4/4	-	-	-	1/1
4. Mr. Prameson Pisitphan	7/7	4/4	-	-	2/2	1/1
5. Mr. Chaibong Satjipanon	7/7	4/4	-	4/4	2/2	1/1
6. Mr. Nattaphon Sarasas	6/7	-	-	4/4	2/2	0/1
7. Mr. Asa Sarasas	7/7	-	13/13	-	-	1/1
8. Pol.Lt.Gen. Pongsiri Suankaew*	7/7	-	-	-	-	1/1
9. Mr.Spain Jingkaojai	7/7	-	13/13	4/4	-	1/1

*Remark: Pol.Lt.Gen. Pongsiri Suankaew Appointed by the Board of Directors' Meeting on January 1, 2018 as the Director of the Board of Directors.

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 2018 Annual General Meeting of Shareholders, held on April 10, 2018 passed a resolution that the remuneration of the Board/ the remuneration Audit Committee/ the compensation to Directors of the Company in 2018 in an amount not exceeding Baht 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 of each Director as of December 31, 2018 compared to the year 2017 was as follows:

First-Last Name	Meeting Gratuity					Compensation 2018	Total (Baht)
	Company Director	Auditing Director	Executive Director	Risk Management Director	Nomination & Remuneration		
1. Mr. Boonsak Chiempricha	175,000	-	-	-	-	200,000	375,000
2. Mr. Yongyuth Tariyo	105,000	-	130,000	-	-	187,000	422,500
3. Asst. Prof. Wipada Tantibrapha	105,000	100,000	-	-	-	187,500	392,500
4. Mr. Chaiyong Satjipanon	105,000	60,000	-	60,000	20,000	187,500	432,500
5. Mr. Prameson Pisitphan	105,000	60,000	-	-	30,000	187,500	382,500
6. Mr. Nattaphon Sarasas	90,000	-	-	40,000	20,000	170,000	320,000
7. Mr. Asa Sarasas	105,000	-	130,000	-	-	170,000	405,000
8. Pol.Lt.Gen. Pongsiri* Suankaew	105,000	-	-	-	-	185,000	290,000
9. Mr. Spain Jingkaojai	105,000	-	-	-	-	210,546	290,000

*Remark: Pol.Lt.Gen. Pongsiri Suankaew Appointed by the Board of Directors' Meeting on January 1, 2018 as the Director of the Board of Directors.



The remuneration of each Director as of December 31, 2017 was as follows:

First-Last Name	Meeting Gratuity					Compensation 2017	Total (Baht)
	Company Director	Auditing Director	Executive Director	Risk Management Director	Nomination & Remuneration		
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 Tantibrapha	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

*Remark: Pol.Lt.Gen. Pongsiri Suankaew Appointed by the Board of Directors' Meeting on January 1, 2018 as the Director of the Board of Directors.



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 2018 and 2017, the company paid remuneration to executives amounting to 34.88 million baht and 25.97 million baht, respectively. The aforementioned remuneration includes salaries, bonuses providence fund and employment benefits.

Non-Remuneration or others benefit;

- None-

Personal

Number of Employees of the company as of 31 December 2018 and 2017 details as follow;

Department	2017 No. of Employees	2018 No. of Employees
1. Management Office & Investor Relationship	5	5
2. Marketing	2	2
3. Sales & Distribution	25	20
4. Finance and Accounting	7	7
5. Debt Management	10	12
6. Operation Credit and Processing	6	13
7. Information Technology	4	5
8. Quality & Risk Management	1	2
9. Sales-Tele sale	3	3
10. Human Resources & Administration	8	12
11. Legal & Internal Audit / Compliance	1	3
Total	72	84



Labor Disputes

-None-

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 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.

Monetary Remuneration

In 2018 and 2017, the company paid remuneration to its employees (not including executives) amounting to 27.23 million baht and 19.77 million baht in the form of salaries, bonuses, overtime pay, 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 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.



Auditor's Fee

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

In 2016-2018, the company paid the following fee to its auditor, Dharmniti Auditing Company Limited that is the auditors of the Company as follows;

Financial statement details	2016	2017	2018
Annual financial statement audit fee	315,000	330,000	355,000
Interim financial statements audit fee	285,000	300,000	345,000
Non-Audit Fee	- None -	- None -	- None -
Total audit fee for year	600,000	630,000	700,000

The company does not have a subsidiary company.



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 10th, 2018 during 14:00-16:20 hrs. at Pimarnman room 2nd Floor, Anantara Siam Bangkok Hotel No. 155 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 addition, in 2018, the Company held an Extraordinary General Meeting of Shareholders No. 1/2018 on 6 November 2018 at 14.30 - 16.50 hrs. At Pimanman Room, 2nd Floor, Anantara Siam Hotel, Bangkok, No. 155 Rajadamri Road, Lumpini, Pathumwan District, Bangkok by calling this meeting The Board of Directors has proposed the agenda for acknowledgment for approval and to consider about the capital increase and the allocation of the newly issued ordinary shares of the company. With various rules the delivery of the meeting invitation letter specifies the date, time and place corresponding to regulations of the Company or regulated by laws.

In 2018, 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 95 by 100 points, was "excellent" (five stars).

2. The Equitable Treatment of 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.

2.1 The Company arranged The Annual General Meeting on April 10th, 2018 during 14:00-16:20 hrs. at Pimarnman room 2nd Floor. Anantara Siam Bangkok Hotel No. 155 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.



Annual General Shareholders' Meeting

In 2018, 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.



2.2 In 2018, the Company held an Extraordinary General Meeting of Shareholders No. 1/2018 on 6 November 2018 at 14.30 - 16.50 hrs. At Pimanman Room, 2nd Floor, Anantara Siam Hotel, Bangkok, No. 155 Rajadamri Road, Lumpini, Pathumwan District, Bangkok. The company's operating procedures, Which is in accordance with the company's regulations and or as required by law as well as the annual general meeting of shareholders in all respects.

In 2018, Extraordinary General Meeting of Shareholders No. 1/2018 on 6 November 2018, 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.



Extraordinary General Meeting of Shareholders No. 1/2018

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 approvals, 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: sirkandac@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: sirkandac@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: Ms. Sirikanda Chansaenwilai
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 (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 2018.

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.th

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. 4300 (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.gcapital.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.

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



mai FORUM 2018 on July 1, 2018 by Market for Alternative and Investment and Association of Listed Companies in the Market for Alternative and Investment organize this mai FORUM 2018 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.



Mai Forum 2018

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.



Oppday 2018

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's independent directors, 5 of which more than 1 in 2 of all the committees. Will result in a balance in voting, considering various matters and Three of Audit Committees are Independent Committee or equivalent to 33.33 percent. The Company There are 9 directors, consisting of 8 Non-Executive directors or equivalent to 88.89 percent of the total board. And there are 1 executive director or equivalent to percent of the total board. Is the Chief Executive Officer of the Company. 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:

- The Board of Directors
- Audit Committee
- Executives Committee
- Nomination and Remuneration Committee
- 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 2018, there were directors and executives attending the seminar in various courses.

- Pol.Lt.Gen. Pongsiri Suankaew attended the DAP Program, Class 148/2018 of the Thai Institute of Directors Association (IOD).
- 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 2018, 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 2018, 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.gcapi.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 its customers' needs. The Company also considers its practices with responsibility towards society and stakeholders in various sectors.

The Company has designed many credit products to offer fair interests and are suitable to the afford ability 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, The Company has co-signed in the Collective Action Coalition and discloses the Collective Action Coalition to the public in the Company's website and posts a notice at the establishment including publishing through the Company's internal channels to inform the policy and Anti- Corruption Guidelines to the stakeholders and the employees. The Company has arranged for a communication channel for stakeholders to be able to contact the Company through its channel to the executives as a center for accepting and managing complaints including the leads and corruption's claims to achieve transparency in operations.

The company desires to help society, especially in the group of farmers who are the main customers of the company. In 2017, the company has allocated budget to hire teachers for schools that lack of professional teacher in Phitsanulok province to provide an appropriate learning system and develop young generation who are descendants of Thai farmer to grow up potentially. The company has adhered to the policy as a long-term plan of the company as well. And in 2018, not only in the group of farmers who are the main customers that focus on helping and returning profits to society, but also including merchants, employees and entrepreneur who operate tourism business sector. The company has strong believed that every sector is major power of the production system in the supply chain that is linked from procurement of raw materials for production, procurement, transportation and delivery the products to the end consumer. The company therefore has planned the activities to cover all groups and bring benefits to society in various vision.

The Company has prepared a sustainability report 2018 separate from annual report for disclose the policy, operations of social responsibility and sustainable development of the company together with participation development for economic social and environment.

The Company send a sustainability report 2018 with the annual report to shareholder and disclose via the website of the company www.gcapi.co.th



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 campaigned 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, 2018, G Capital Public Company Limited's Executives and staffs has participate in events "Anti-Corruption Day, 2018" with the participation of many public and private sectors. The event was held at Bhiraj Tower Bitec Bangna Bangkok. 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 management under good corporate governance. Risk management including good internal control which is an essential factor that makes company able to operate the business appropriately and efficiently and is an important tool for the Company's goals. The company adheres to the guidelines according to the internal control guidelines of the Committee of Sponsoring Organization of the Treadway Commission (COSO), covering management control, operational control, financial control and compliance control. The Audit Committee continually reviews the internal control system. Including considering the audit results of the internal audit department and the opinion of the auditor about the internal control system and report the performance to the Board of Directors.

When considering the above factors, together with the internal control system and the operations provided by the company, The Board of Directors therefore agreed with the Audit Committee that the Company's internal control system is sufficient and appropriate. The internal control system of the company can protect the company's assets from the misuse of the executives and employees or without the authority to cause significant damage. And in the past, the Audit Committee and the Board of Directors had never received any reports of significant defects from the auditor and internal audit department.

From the evaluation of the internal control system of the company in various aspects, all 5 aspects are 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 55.55 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

- Current organizational structure has a risk management committee, which consists of independent directors and Executive Director who define and review the risk management policy framework and risk management structure, as well as providing recommendations for risk management that are consistent with the strategic direction and business plan, along with supervision monitoring and reviewing important risk management report. The Risk Management Department operates in accordance with the risk management policy.
- 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 s 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.
- The Audit Committee reviewed the related and connected transactions to comply with the regulations of the Stock Exchange of Thailand. And strictly disclose such information which the company collects from major shareholders and related persons for use in monitoring and reviewing related transactions, which the accounting department is responsible for related transactions and report to the Audit Committee every quarter.



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
- The company has a channel to report clues. Or complaints of non-compliance with the code of conduct (Whistle-blower hotline). The company communicates to all employees in case of clues about fraud or corruption within the company must notify to Managing Director directly via email, LINE or phone.

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 2018, 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. 1/2019 on January 31, 2019 also attended by the Audit Committee and the independent directors to review the related party transaction for the period ended December 31, 2018 and December 31, 2017, 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:

Partiers with potential conflict/Nature of transaction	Type of transaction	Value of related party transaction for the period ended (Baht)		Reason and necessity of related party transaction/Remark
		December 31, 2018	December 31, 2017	
General Outsourcing Co.,Ltd Related through directors	Maintenance Server	-	80,000	<ul style="list-style-type: none"> • 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. • 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.
	Reference Fee	635,013	448,070	
	Payroll Fee	363,780	268,880	
Director	Interest (Interest Rate 13.5%)	558,477	419,687	<ul style="list-style-type: none"> • Related party transactions are in accordance with a normal business, This transaction is considering and approval by Audit Committee and the Board of Directors. • 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)	4,192,267	3,620,902	



Reasonableness of the Related Party Transactions

According to the resolution of the Board of Directors' Meeting No. 1/2019 on January 31, 2019 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.



Management Discussion and Analysis

Financial Statement

1. The Company's auditor

Year	Independent Auditor Name	Certified Public Accountant's Number	Independent Auditor's Company
2018	Mr.Pojana Asawasontichai	4891	Dharmniti Auditing Co.,Ltd.
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.

Summary of auditor report

The auditor report for the financial statements in 2014-2018 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.

In 2018, 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

	2015	2016	2017	2018
Total New Loan Booking (THB million)	270	355	1,120	1,180
Percentage Growth	-37%	31%	215%	5%

In the year 2018, the company had total loans of 1,180 million baht, compared to the total loan amount in the year 2017 of 1,120 million baht, representing a 5% increase in credit granting rates, which increased from the growth of hire purchase loans. In particular, the amount of hire purchase loans for tractors, which has a higher ratio compared to the total hire purchase loans from 19 percent in 2017 to 35 percent in 2018 and from the growth of "Sabaijai Andaman" Speedboat Hire Purchase loans which has a higher ratio compared to the total hire purchase loans from 2 percent in 2017 to 14 percent in 2018.

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 2018 and 2017 at THB 306.40 million and THB 198.60 million an increasing by THB 107.80 million or 54%. 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 75% and 71% of total revenues in 2018 and 2017, respectively. In addition, the company also has interest income from personal and corporate loans, or interest income from personal loans in 2018 and 2017, the company has revenues of 54.23 and 29.53 million baht, respectively, increasing by 24.70 million baht, representing an increase of 84% and interest income for corporate loans in 2018 and 2017, the company has revenue of 10.23 and 6.49 million baht, respectively, increasing by 3.74 million baht, representing an increase of 58 percent.



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 2018 and 2017 were THB 12.64 million and THB 14.50 million, decrease THB 1.86 million equivalent to 4% and 7% 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 2018 were THB 103.62 million equivalent to 34% of total revenues, increase than in 2017 at THB 30.65 million or equivalent to 42%.

Financial cost

The financial costs of the company in 2018 and 2017 are equal to 87.73 million baht and 39.10 million baht, respectively. Increased from 2017 by 124 percent. The main source of investment funds of the company comes from the issuance and offering of debentures. In the year 2018, the company issued and offered debentures totaling 900.70 million baht, divided into 5 short-term debentures, worth 422.70 million baht, which is valid for 2-6 months. Interest rate of 2.50-5.00% per annum and 2 long-term debentures worth 478 million baht, which is valid for 2 years, interest rate 6.00-6.25% per annum, to repay matured debentures and to support greatly increasing credit granting which is considered as business expansion.

Profit

Net profit for the year of the company in 2018 and 2017, the company had a net profit of 54.89 million baht and 27.02 million baht, representing 18 percent and 14 percent of total revenue, respectively. Mainly due to an increase in total revenue of 107.80 million baht while sales and administrative expenses increased only 28.78 million baht and financial costs increased 48.63 million baht.

The increase in selling and administrative expenses was mainly due to an increase in expenses following the credit granting, such as building rental, travel expenses, and customer insurance premiums including salary increases due to the increase in number of personnel to support business growth.

For financial costs increased due to the issuance and offering of net debentures increased by 378 million baht (issued and offered for sale of new debentures in the amount of 900.70 million baht and repayment of the existing debentures in the amount of 522.70 million baht) and to support the credit granting of the company.



Income tax expense

In 2018 and 2017 the corporate tax is 20%.

Earnings per Stock (EPS)

In 2018 and 2017 the company has earnings per share of THB 0.27 and THB 0.14 per share, decreasing by THB 0.13 per share.

Profitability Ratio

Net Interest Margin (NIM) is the difference between the interest rate and the penalty fee (late payment) with the interest rate. In the year 2018, the company had the interest rate difference of 11.11 percent while in the year 2017, the Company had an interest rate difference of 11.44 percent, a decrease of 2.88 percent due to the higher ration in 2018 of personal loan receivable, which have lower interest rates than hire purchase loans.

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 2018 was THB 2,086.8 million, increasing from the total assets in 2017 at THB 1,561.21 million or increasing by THB 525.65 million or 34%. The significant factors of such increase included an increase in hire purchase receivables by THB 460.44 million or 45%, an increase in corporate loan receivables by THB 46.33 million or 57%, an increase in other receivables by THB 18.88 million or 77% and a decrease of cash and cash equivalents by THB 20.86 million or 42%.

Hire-Purchase Receivables

At the end of 2018 and 2017, the Company had accounts receivable under hire purchase contract at THB 1,473.49 million and THB 1,013.05 million, respectively, representing total assets at 71% and 65% 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 2018 and 2017, the Company had personal loans receivable at THB 332.41 million and THB 328.26 million, respectively, increasing by THB 4.15 million or 1%. The personal loan receivables are value of the loan contract plus accrued interest minus allowance for doubtful accounts.

The Company has been granted a personal loan 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.

Corporate loan receivable

In 2018 and 2017, the company has corporate loan receivable of 128.19 million baht and 81.86 million baht, respectively, increasing by 46.33 million baht or 57% increase by corporate loan receivable. Shown in value according to loan agreement plus with accrued interest less allowance for doubtful accounts.

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: Aging of accounts receivables under hire purchase contracts

Type of Accounts Receivables	For the year ended					
	2018		2017		2016	
	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)
Normal (Normal Accounts Receivables)	1,106.32	72	846.64	80	384.77	56
Special Mentioned level (less than 0.5 installment)	31.02	2	26.04	3	13.94	2
Lower than Standard (more than 0.5 - 1 installment)	150.93	10	71.95	7	67.07	10
Suspicious level (more than 1 - 2 installment)	105.99	7	44.02	4	91.29	13
Doubtful level (more than 2 - 3 installment)	72.86	4	34.42	3	81.29	12
Doubtful level (more than 3 installment)	75.18	5	34.29	3	51.81	7
Total	1,542.30	100	1,057.36	100	690.17	100
Subtract provision for doubtful accounts	(68.81)	(4)	(44.31)	(4)	(43.72)	(6)
Net Accounts Receivable under Hire-purchase contracts	1,473.49	96	1,013.05	96	646.45	94

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



In year 2018 and 2017, The ratio of overdue receivable in doubtful loss (more than 3 installments) is 5 and 3 percent of total debtors. Mainly due to the increase in hire purchase debtors with monthly installments (From the original, which has a 3-month installment period mainly) resulting in the company has a shorter tracking and collection period. The company has adjusted the management process in tracking and collecting debts more efficiently along with the establishment of a debt collection team that tends to be a doubtful debtor in particular. Including tracking and managing overdue receivables by having a customer relations officer contacting directly with customer to check and ask the cause of the installment overdue as well as guidelines for customers to pay installments on a case-by-case. Different methods of operation depend on the behavior and ability to pay the debt, such as planning and payment schedule. Adding collateral and returning of leased assets, including a minimum down payment of 30% of the product price. And if there is a returning of the leased assets from the debtor, the company will be sold at auction.

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					
	2018		2017		2016	
	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)
Normal (Normal Accounts Receivables)	254.91	73	273.95	80	91.23	81
Overdue						
Doubtful level (over 1 - 3 installment)	64.90	19	49.72	15	15.38	14
Doubtful level (more than 3 installment)	30.95	8	18.54	5	6.37	5
Total	350.75	100	342.21	100	112.98	100
Subtract provision for doubtful accounts	(18.35)	(5)	(13.95)	(4)	(2.78)	(2)
Net Accounts Receivables under personal contracts	332.40	95	328.26	96	110.20	98



Corporate Loan

The company provides corporate loan services, which is a secured loan and revolving loan.

Table: Duration of the account receivable under the corporate credit agreement.

Type of Accounts Receivables	For the year ended					
	2018		2017		2016	
	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)
Normal (Normal Accounts Receivables)	110.35	85	81.63	99	2.34	100
Overdue						
Doubtful level (over 1 - 3 installment)	-	-	0.88	1	-	-
Doubtful level (more than 3 installment)	19.09	15	-	-	-	-
Total	124.44	100	82.51	100	2.34	100
Subtract provision for doubtful accounts	(1.25)	(1)	(0.64)	(1)	-	-
Net Accounts Receivables under personal contracts	128.19	99	81.87	99	2.34	100

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 2018 and 2017, receivables during legal proceedings secured net worth THB 17.07 million and THB 22.59 million or equivalent to 1% and 1% of total assets, respectively. In 2018 account receivable under litigation enforcement process, with collateral decrease from year 2017 at THB 5.52 million or 24%.



Other Account receivables

Other Account Receivables consist of Revenue Department receivables, employee loans receivables, and other receivables, etc. At the end of 2018 and 2017, the values of other Account Receivables were THB 43.55 million and THB 24.67 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 2018 and 2017, 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 2018 and 2017, the equipment value was THB 22.20 million and THB 10.05 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 2018 and 2017, the deferred tax assets were THB 35.50 million and THB 27.50 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 2018 and 2017 was THB 1,738.30 million and THB 1,229.54 million, respectively. In 2018, total liabilities increased from 2017 at THB 508.76 million, representing 41% due to increasing in long-term debenture by 377.47 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 2018 and 2017 trade payables and other payables amounted to THB 96.91 million and THB 58.44 million, respectively.



Sources of funds of the Company are as follows:

Source of funds	For the year ended					
	2018		2017		2016	
	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)
Loans	1,608.42	82	1,152.21	78	498.97	60
Bank overdrafts and short-term loans from financial institutions	218.74	11	180.00	12	-	-
Other short-term loans	40.00	2	-	-	-	-
Short-term unsecured debentures	100.00	5	-	-	-	-
Long-term unsecured debenture from financial institutions more than 1 year	673.76	35	199.92	13	-	-
Long-term unsecured debentures	575.92	29	772.29	53	498.97	60
Shareholder's equity	348.56	18	331.67	22	333.02	40
Total	1,956.98	100.00	1,483.88	100.00	831.99	100.00

Shareholders' Equity

The Shareholders' Equity of the Company as of 31 December 2018 and 2017 were THB 348.56 million and THB 331.67 million, decreasing by THB 16.89 million or equivalent to 5%. the Company's has Return On Equity ratio in 2018 and 2017 at 16% and 8%, respectively.



Audit Fee

In the fiscal year 2018, the Company paid Audit fee to Dharmniti Auditing Co., Ltd. in the amount of THB 700,000 with non-another audit fee.

Liquidity Analysis

Unit : Million

Items	2018	2017	2016
Cash flow used for operations	(423.19)	(644.47)	82.70
Cash flow used for investment	(11.54)	(4.23)	0.02
Cash flows from financial activities	413.87	621.53	(147.04)
Net cash increase (decrease)	(20.86)	(27.17)	(64.32)

Cash Flows for Operations

The Company has cash for operating activities in 2018 and 2017 was THB (423.19) million and THB (644.47) million, respectively, increasing by THB 221.28 million due to decrease in new loan booking in 2018.

Cash flow for investment

The Company has cash flows from financial sourcing activities in 2018 and 2017 were THB (11.54) million and THB (4.23) million, respectively. In 2018, 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 2018 and 2017 was THB 413.87 million and THB 621.53 million respectively. In 2018, the company has decreased cash flows from financing activities from 2017 by THB 207.66 million. The main reason due to the year 2018, the company had cash flow from the issuance of net debentures in the amount of 374.20 million baht, which decreased from the year 98.18 million, and had cash flow from loans from financial institutions and other persons net 78.74 million. Which decreased from the year 2017 in the amount of 101.26 million baht to redeem the matured debentures.

Source of fund

Capital Structure

Debt to equity shares at the end of 2018 and 2017 were 4.99 times and 3.71 times, respectively. Which increased 1.28 times due to increased liabilities from issuing debentures while the shareholders' equity increases in ratio that less than the increased liabilities.

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 2018. 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 2018 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 2018

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 2018, 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 2018

Nomination and Remuneration Committee consists as follows

- | | |
|----------------------------|--|
| 1. Mr. Prameson Pisitpan | as Chairman of Nomination and Remuneration Committee. |
| 2. Mr. Chaeyong Satjipanon | as Nomination and Remuneration Committee. |
| 3. Mr. Nattaphon Sarasas | as Nomination and Remuneration Committee. |
| 4. Ms. Peanpen Wongchalee | as Secretary of the 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 2018, 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 2018

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 | as Chairman of Audit Committee |
| 2. Mr. Pramesan Pisitpan | as Audit Committee |
| 3. Mr. Tawee Khositjiranun | as Audit Committee |
| 4. Mr. Narongpoj Longchupol | as Secretary of the Audit Committee |

In 2018, 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.

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.

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



G CAPITAL PUBLIC COMPANY LIMITED

Auditor's report and financial statements
For the year ended december 31, 2018



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, 2018, 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, 2018, 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 appropriateness of the allowance for doubtful debts is a significant matter and debt management process 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 still maintains high ratio of debt to equity from lending long-term loan and short-term loan both in the short-term and long-term. Moreover, the interest rate direction in the future tends to rise as the world economic factor and trade war may have effect on the financial structure management and financial cost of the company in the future. As at December 31, 2018, the Company has debt to equity ratio at 4.99. The debt instrument issuance for fund raising is at Baht 1,592.50. The management has an oversight duty to oversee and manage risk in maintaining the financial ratio and predict future interest rate trends to control the financial cost of the company.

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 Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 achieved 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

Dhamniti Auditing Company Limited

Bangkok, Thailand

January 31, 2019



Statement of Financial Position

As December 31, 2018

Assets

	Note	Baht	
		2018	2017
Current assets			
Cash and cash equivalents	5	29,134,266	49,994,689
Current portion of hire-purchase receivables	6	536,793,696	370,674,721
Current portion of personal loan receivables	7	174,118,422	175,675,357
Current portion of corporation loan receivables	8	81,161,359	42,533,293
Receivables under litigation enforcement process with collateral	9	17,066,348	22,594,260
Other receivables	10	43,554,011	24,671,044
Total current assets		881,828,102	686,143,364
Non-current assets			
Hire-purchase receivables	6	936,695,963	642,378,530
Personal loan receivables	7	158,287,605	152,579,880
Corporation loan receivables	8	47,034,041	39,333,719
Receivables under litigation enforcement process	11	1,480,392	1,303,893
Equipment	12	22,198,551	10,045,737
Deferred tax assets	13	35,497,716	27,500,764
Other non-current assets		3,835,787	1,927,850
Total non-current assets		1,205,030,055	875,070,373
Total assets		2,086,858,157	1,561,213,737


 Director
 (Mr. Spain Jingkaojai)

 
 Director
 (Mr. Nattaphon Sarasas)

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



Liabilities and shareholders' equity

	Note	Baht	
		2018	2017
Current liabilities			
Trade and other payables	14	96,909,211	58,435,758
Bank overdrafts and short-term loan from financial institutions	15	218,736,720	180,000,000
Short-term loan from other personal	16	40,000,000	-
Short-term unsecured debentures	17	100,000,000	-
Current portion of long-term unsecured debentures	18	673,759,764	199,924,566
Current portion of liabilities under financial lease agreements	19	1,722,786	943,699
Accrued income tax		11,524,012	7,877,142
Total current liabilities		1,142,652,493	447,181,165
Non-current liabilities			
Long-term unsecured debentures	18	575,923,692	772,292,977
Liabilities under financial lease agreements	19	4,639,657	2,474,557
Employee benefit obligations	20	6,115,064	4,615,471
Other non-current liabilities		8,968,732	2,979,104
Total non-current liabilities		595,647,145	782,362,109
Total liabilities		1,738,299,638	1,229,543,274


Director
 (Mr.Spain Jingkaojai)


Director
 (Mr.Nattaphon Sarasas)

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



Liabilities and shareholders' equity (cont.)

	Note	Baht	
		2018	2017
Shareholders' equity			
Share capital	21		
Registered share capital			
300,000,000 common shares at Baht 0.50 per share		150,000,000	
200,000,000 common shares at Baht 0.50 per share			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	22	10,000,000	10,000,000
Unappropriated	23	132,608,519	115,720,463
Total shareholders' equity		348,558,519	331,670,463
Total liabilities and shareholders' equity		2,086,858,157	1,561,213,737


Director
 (Mr. Spain Jingkaojai)


Director
 (Mr. Nattaphon Sarasas)

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

Statement of comprehensive income

For the year ended december 31, 2018

		Baht	
	Note	2018	2017
Revenues			
Income from hire-purchase contracts		228,710,777	140,463,275
Interest income - personal loans	4	54,227,010	29,525,028
Interest income - corporation loans		10,227,008	6,489,403
Income from penalty on hire-purchase contracts		9,441,697	16,773,150
Income from penalty on personal loans and corporation loans		499,672	16,830
Other incomes		3,294,396	5,336,134
Total revenues		306,400,560	198,603,820
Expenses			
Selling expenses		12,635,478	14,504,086
Administrative expenses		103,624,087	72,973,462
Allowance for doubtful accounts - hire purchase		28,616,450	26,228,062
Allowance for doubtful accounts - personal loans and corporation loan		4,995,206	11,805,722
Total expenses		149,871,221	125,511,332
Profit before finance costs and income tax expenses		156,529,339	73,092,488
Finance costs		87,727,698	39,103,483
Profit before income tax expenses		68,801,641	33,989,005
Income tax expenses	13	13,913,623	6,966,930
Profit for the year		54,888,018	27,022,075
Other comprehensive income :			
Items that will not be reclassified to profit or loss			
Actuarial profit arising from post-employment benefit, net of income tax		-	1,625,426
Total comprehensive income for the year		54,888,018	28,647,501
Earnings per share			
Basic earnings per share (Baht)		0.27	0.14
Weighted average number of issued and paid-up common shares (shares)		200,000,000	200,000,000


 Director
 (Mr. Spain Jingkaojai)


 Director
 (Mr. Nattaphon Sarasas)

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





Statement of changes in shareholders' equity

For the year ended december 31, 2018

	Note	Baht			
		Share capital issued and paid-up	Premium on share capital	Retained earnings	
				Appropriated - legal reserve	Unappropriated
					Total
Beginning balance as at January 1, 2017		100,000,000	105,950,000	10,000,000	117,071,432
Dividend	23	-	-	-	(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
Dividend	23	-	-	-	(37,999,962)
Total comprehensive income for the year		-	-	-	54,888,018
Ending balance as at December 31, 2018		100,000,000	105,950,000	10,000,000	132,608,519


.....Director
(Mr.Spain Jingkaojai)

 
.....Director
(Mr.Nattaphon Sarasas)

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



Statement of cash flows

For the year ended december 31, 2018

	Baht	
	2018	2017
<u>Cash flows from operating activities</u>		
Profit before income tax expenses	68,801,641	33,989,005
Adjustment to reconcile profit before income tax expenses to net cash provided by (used in) operating activities:		
Gain on sale of investments in securities held-for-trading	(423,709)	(384,931)
Gain on sale of fixed assets	-	(556,127)
Depreciation	3,816,515	2,751,161
Allowance for doubtful accounts	33,611,656	38,033,784
Employee benefits expenses	1,478,844	1,181,771
Finance costs	87,727,697	39,103,483
Profit from operation before changing in operating assets and liabilities	195,012,644	114,118,146
(Increase) decrease in operating assets		
Hire-purchase receivables	(485,283,039)	(371,966,551)
Personal loan receivables	(8,460,453)	(229,111,302)
Corporation loan receivables	(46,675,360)	(80,171,225)
Receivables under litigation enforcement process with collateral	9,492,444	(7,674,230)
Other receivables	(18,882,967)	(22,364,937)
Receivables under litigation enforcement process	(8,249,421)	(16,898,371)
Other non-current assets	(1,907,937)	(450,730)
Increase (decrease) in operating liabilities		
Trade and other payables	34,944,303	13,784,016
Other non-current liabilities	5,989,628	2,979,104
Cash received (paid) from operating activities	(324,020,158)	(597,756,080)
Cash paid for employee benefit	(104,792)	(1,617,000)

.....Director
(Mr.Spain Jingkaojai)

.....Director
(Mr.Nattaphon Sarasas)

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



Statement of cash flows (cont.)

For the year ended december 31, 2018

	Baht	
	2018	2017
Cash paid for finance costs	(80,802,893)	(34,346,022)
Cash paid for income tax	(18,263,705)	(10,755,267)
Net cash provided by (used in) operating activities	(423,191,548)	(644,474,369)
Cash flows from investing activities:		
Cash paid for investment in securities held-for-trading	(345,000,000)	(370,000,000)
Cash received from investment in securities held-for-trading	345,423,709	370,384,931
Cash paid for purchase of fixed assets	(11,961,629)	(5,169,912)
Cash received from sales of fixed asset	-	559,725
Net cash provided by (used in) investing activities	(11,537,920)	(4,225,256)
Cash flows from financing activities		
Bank overdrafts increase (decrease)	18,736,720.00	-
Cash received from short-term loans from financial institutions	510,000,000	340,000,000
Cash paid for short-term loans from financial institutions	(490,000,000)	(160,000,000)
Cash received from short-term loan for other person	40,000,000	-
Cash received from short-term unsecured debentures	421,946,400	-
Cash paid for short-term unsecured debentures	(322,700,000)	-
Cash received from long-term unsecured debentures	474,949,400	472,373,000
Cash paid for long-term unsecured debentures	(200,000,000)	-
Cash paid for liabilities under financial lease agreements	(1,063,513)	(843,743)
Cash paid for dividend	(37,999,962)	(29,998,470)
Net cash provided by (used in) financing activities	413,869,045	621,530,787
Net increase (decrease) in cash and cash equivalents	(20,860,423)	(27,168,838)
Cash and cash equivalents, beginning of the year	49,994,689	77,163,527
Cash and cash equivalents, end of the year	29,134,266	49,994,689

Supplement disclosures at cash flow information

The Company acquired fixed assets by means of hire-purchase contract	4,007,700	2,662,500
--	-----------	-----------


 Director
 (Mr. Spain Jingkaojai)


 Director
 (Mr. Nattaphon Sarasas)

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



Notes to financial statements

December 31, 2018

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



(Mr. Spain Jingkaojai)

Director



(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

2.2 The financial reporting 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, 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

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director

Notes to financial statements (cont.)

December 31, 2018

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

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economies
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 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.


(Mr. Spain Jingkaojai)

Director


(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

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 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.

(Mr.Spain Jingkaojai)

Director

(Mr.Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

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.


(Mr. Spain Jingkaojai)

Director


(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

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	Percent for allowance
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

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

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 realizable 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.

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

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.

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

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, 2018 and 2017, the significant transactions with related parties can be summarized as follows:

		Baht	
	Pricing policy	2018	2017
Transactions in the statements of comprehensive income			
Related through directors			
General Outsourcing Co., Ltd.			
- Maintenance server	Contract price	-	80,000
	Contract price	635,013	448,070
- Payroll services fee	Contract price	363,780	268,880
Director			
Interest income	Interest rate		
	13.50%	558,477	419,687

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

Management compensation - for key management personnel

Management compensation - for key management personnel for the years ended December 31, 2018 and 2017 as follows :-

	Baht	
	2018	2017
Short-term benefits	33,857,672	25,234,184
Post-employment benefits	1,019,826	735,894
Total management compensation	34,877,498	25,970,078

The outstanding balances at the statements of financial position as at December 31, 2018 and 2017 are as follow :-

	Baht	
	2018	2017
<u>Outstanding balances at the statements of financial position</u>		
<u>Director</u>		
Personal loan receivable	4,192,267	3,620,902
(Personal loan receivables-property secured by mortgage)		

5. CASH AND CASH EQUIVALENTS

This account consisted of:

	Baht	
	2018	2017
Cash on hand	100,000	100,117
Deposits at bank - saving account	23,456,367	45,450,162
Deposits at bank - current account	5,577,899	4,444,410
Total cash and cash equivalents	29,134,266	49,994,689

(Mr. Spain Jingkaojai)

Director

(Mr.Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

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	
	2018	2017	2018	2017	2018	2017
Hire-purchase receivables	773,380,577	547,669,055	1,193,415,649	840,874,155	1,966,796,226	1,388,543,210
Less Unearned income from hire-purchase contracts	(212,407,620)	(161,025,774)	(212,089,248)	(170,149,203)	(424,496,868)	(331,174,977)
Total	560,972,957	386,643,281	981,326,401	670,724,952	1,542,299,358	1,057,368,233
Less Allowance for doubtful accounts	(24,179,261)	(15,968,560)	(44,630,438)	(28,346,422)	(68,809,699)	(44,314,982)
Hire-purchase receivables - net	536,793,696	370,674,721	936,695,963	642,378,530	1,473,489,659	1,013,053,251

As at December 31, 2018 and 2017, 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			
	2018			
	Hire-purchase receivables-net	Based amount For computation	Rate for allowance (%)	Allowance for doubtful account
Not yet due	1,106,316,142	1,106,316,142	1	11,063,161
Over due:				
0 - 0.5 installments	31,025,307	31,025,307	2	620,506
Over 0.5 - 1 installments	150,925,608	150,925,608	2	3,018,512
Over 1 - 2 installments	105,994,040	105,994,040	2	2,119,881
Over 2 - 3 installments	72,859,175	72,859,175	2	1,457,183
Over 3 installments	75,179,086	44,926,003 *	100	44,926,003
Total	1,542,299,358	1,512,046,275		63,205,246
General reserve more than specific				5,604,453
Total allowance for doubtful accounts (general reserve)				68,809,699

(Mr.Spain Jingkaojai)

Director

(Mr.Nattaphon Sarasas)

Director

Notes to financial statements (cont.)

December 31, 2018

	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	1,057,368,233	1,044,611,607		33,531,074
General reserve more than specific				10,783,908
Total allowance for doubtful accounts (general reserve)				44,314,982

*Amount 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, 2018, the Company has transferred the rights on hire-purchase receivables to Government Savings Bank, net book value of Baht 253.82 million and Baht 464.24 million, respectively to secure short-term loans from Government Savings Bank of Baht 200 million and Baht 180 million, respectively (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, 2018, 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.

(Mr.Spain Jingkaojai)

Director

(Mr.Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

As at December 31, 2018, the outstanding hire - purchase receivables excluding unrecognized income from hire-purchase receivables which are over 3 consecutive installments contractually past due amounted to Baht 75.18 million and the recognition of revenue had stopped for Baht 4.52 million.

7. PERSONAL LOAN RECEIVABLES

This account consisted of:

	Baht		
	2018		
	Current portion of personal loan receivables-net	Personal loan receivables-net of current portion and not exceed 5 years	Total
Personal loan receivables	179,737,602	165,849,666	345,587,268
Accrued interest income	5,166,361		5,166,361
	184,903,963	165,849,666	350,753,629
Less Allowance for doubtful accounts	(10,785,541)	(7,562,061)	(18,347,602)
Personal loan receivables - net	174,118,422	158,287,605	332,406,027

	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
Less Allowance for doubtful accounts	(7,368,161)	(6,581,419)	(13,949,580)
Personal loan receivables - net	175,675,357	152,579,880	328,255,237

(Mr. Spain Jingkaojai)

Director

(Mr.Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

As at December 31, 2018, and 2017 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			
	2018			
	Personal loan receivables - net	Based amount for computation	Rate for allowance (%)	Allowance for doubtful account
Not yet due:-				
Personal loan receivables	235,063,033	235,063,033 *	1	2,350,631
Personal loan receivable with collateral	1,429,763	1,429,763 **	1	14,298
Personal loan receivables - property secured by mortgage	18,415,952	1,952,984 ***	1	19,530
	254,908,748	238,445,780		2,384,459
Over due				
Over 1-3 installments	64,897,936	32,718,134	2	654,363
Over 3 installments	30,946,945	14,849,526	100	14,849,526
	350,753,629	286,013,440		17,888,348
General reserve more than specific reserve				459,254
Total allowance for doubtful accounts (general reserve)				18,347,602

	Baht			
	2017			
	Personal loan receivables - net	Based amount for computation	Rate for allowance (%)	Allowance for doubtful account
Not yet due:-				
Personal loan receivables	266,984,458	266,984,458 *	1	2,669,844
Personal loan receivable with collateral	908,759	908,759 **	1	9,088
Personal loan receivables - property secured by mortgage	6,054,170	- ***	1	-
	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

* Amount of personal loan receivable without collateral.

** Amount of personal loan receivables net from property secured by mortgage of 70% of collateral appraisal value.

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

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

As at December 30, 2018, the outstanding personal loan receivable plus accrued interest which are over 3 consecutive installments contractually past due amounted to Baht 30.95 million and the recognition of revenue had stopped for Baht 2.84 million.

Since April 1, 2018, the Company has changed estimated allowance for doubtful account of Personal loan receivable to set allowance for doubtful accounts at the rate of 2.5% of the loan contracts receivable to new estimated allowance for doubtful accounts in accordance with the announcement of Bank of Thailand Sor.Nor.Sor. 5/2559 regarding the basic for Classification and reserve of the financial institution announced as at June 10, 2016. The change affects the income statement for the years ended December 31, 2018 and 2017 by decreasing allowance for doubtful account by Baht 1.53 million and increasing profit for years ended by Baht 1.22 million and increasing earnings per share by Baht 0.01 per share.

Personal loan receivable under the restructuring agreement were 190 contracts who defaulted on repayment, totaling Baht 33.08 million. However, the management of the Company has assessed that these personal loan receivables still have the ability to pay back the loan. As a result, the Company has entered into a new contract. The new loan amount under the new agreement will be used to repay the principal. Accrued interest and fine for all contracts, the Company has set aside and changed terms of repayment by extending the debt repayment period. Interest rate is the same and the personal loan resembles has to lease the area as collateral. If the personal loan receivables have defaulted in more than 3 installments, the personal loan receivables must transfer the right to lease the space to the company immediately. Allowance for doubtful accounts is based on insufficient collateral value for investments in receivable. The allowance for doubtful accounts for the receivable with leasehold transfer is based on investment in the receivable less the net value in the stall.

8. CORPORATION LOAN RECEIVABLES

This account consisted of:

	Baht		
	2018		
	Current portion of corporation loan receivables-net	Corporation loan receivables-net of current portion and not exceed 5 years	Total
Corporation loan receivables	80,410,333	47,598,192	128,008,525
Accrued interest income	1,437,404	-	1,437,404
	81,847,737	47,598,192	129,445,929
Less Allowance for doubtful accounts	(686,378)	(564,151)	(1,250,529)
Corporation receivables - net	81,161,359	47,034,041	128,195,400
	Director	Director	
	(Mr.Spain Jingkaojai)	(Mr.Nattaphon Sarasas)	



Notes to financial statements (cont.)

December 31, 2018

	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

As at December 31, 2018 and 2017, 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			
	2018			
	Corporation loan receivables - net	Based amount for computation*	Rate for allowance (%)	Allowance for doubtful account
Not yet due:-	110,354,323	23,092,055	1	230,921
Over due				
Over 1-3 installments	-	-	2	-
Over 3 installments	19,091,606	-	100	-
	129,445,929	23,092,055		230,921
General reserve more than specific reserve				1,019,608
Total allowance for doubtful account (general reserve)				1,250,529

	Baht			
	2017			
	Corporation loan receivables - net	Based amount for computation*	Rate for allowance (%)	Allowance for doubtful account
Not yet due:-	81,625,699	-	1	-
Over due				
Over 1-3 installments	881,313	-	2	-
Over 3 installments	-	-	100	-
	82,507,012	-		-
General reserve more than specific reserve				640,000
Total allowance for doubtful account (general reserve)				640,000

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

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

As at December 31, 2018, the outstanding personal loan receivable plus accrued interest which are over 3 consecutive installments contractually past due amounted to Baht 19.09 million and the recognition of revenue had stopped for Baht 1.96 million.

9. RECEIVABLES UNDER LITIGATION ENFORCEMENT PROCESS WITH COLLATERAL

This account consisted of:

	Baht	
	2018	2017
Receivables under litigation enforcement process with collateral	33,845,095	43,337,540
Less Allowance for doubtful accounts	(16,778,747)	(20,743,280)
Receivables under litigation enforcement process with collateral - net	17,066,348	22,594,260

10. OTHER RECEIVABLES

This account consisted of:

	Baht	
	2018	2017
Revenue department receivable	18,177,572	18,044,024
Loans to employees	6,393,069	3,952,979
Deposit	2,129,203	2,127,653
Cash advance transfer	10,950,963	-
Others	5,903,204	546,388
Total other receivables	43,554,011	24,671,044

11. RECEIVABLES UNDER LITIGATION ENFORCEMENT PROCESS

This account consisted of:

	Baht	
	2018	2017
Receivables under litigation enforcement process	68,391,753	60,142,332
Less Allowance for doubtful accounts	(66,911,361)	(58,838,439)
Receivables under litigation enforcement process - net	1,480,392	1,303,893

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

12. EQUIPMENT

This account consisted of :-

	Baht			
	As at	Movements during the year		As at
	January 1, 2018	Additions	Disposals	December 31, 2018
Cost				
Computer and equipment	5,825,271	342,127	-	6,167,398
Office improvements	6,640,812	7,504,140	-	14,144,952
Furniture and office equipment	4,345,550	1,170,808	-	5,516,358
Vehicles	9,507,540	6,203,000	-	15,710,540
Software	524,768	749,254	-	1,274,022
Total	26,843,941	15,969,329	-	42,813,270
Accumulated depreciations				
Computer and equipment	4,033,933	491,701	-	4,525,634
Office improvements	4,979,500	1,070,067	-	6,049,567
Furniture and office equipment	2,859,345	525,712	-	3,385,057
Vehicles	4,656,073	1,594,333	-	6,250,406
Software	269,353	134,702	-	404,055
Total	16,798,204	3,816,515	-	20,614,719
Equipment - net	10,045,737			22,198,551

	Baht			
	As at	Movements during the year		As at
	January 1, 2017	Additions	Disposals	December 31, 2017
Cost				
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	23,860,203	7,832,412	(4,848,674)	26,843,941
Accumulated depreciations				
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	18,892,118	2,751,161	4,845,075	16,798,204
Equipment - net	4,968,085			10,045,737

(Mr.Spain Jingkaojai)

Director

(Mr.Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

Depreciation for the years ended December 31, 2018 and 2017 of Baht 3.82 million and Baht 2.75 million, respectively, were recorded in the statements of comprehensive income.

As at December 31, 2018 and 2017, the Company's equipment amounting to Baht 13.42 million and Baht 9.78 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		
	As at December 31, 2017	Revenue (expenses) during the period In profit or loss In comprehensive income	As at December 31, 2018
Deferred tax assets :			
Allowance for doubtful account	25,946,292	6,463,172	32,409,464
Employee benefit obligations	923,094	299,919	1,223,013
Unrecognized revenue	631,378	1,233,861	1,865,239
Total deferred tax assets	27,500,764	7,996,952	35,497,716

Tax expenses for the years ended December 31, 2018 and 2017 were as follows:

	Baht	
	2018	2017
Profit before income tax	68,801,641	33,989,005
Income tax rate	20%	20%
Income tax expenses as income tax rate	13,760,328	6,797,801
Non-deductible expenses by the Revenue Code	256,975	214,856
Double expenses by the Revenue Code	(103,680)	(45,727)
Income tax expense	13,913,623	6,966,930
The average effective tax rate	20.23%	20.50%

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

14. TRADE AND OTHER PAYABLES

This account consisted of:

	Baht	
	2018	2017
Trade payables	71,895,155	39,753,059
Other payables		
Accrued interest	11,993,040	8,463,890
Accrued expenses	5,636,637	3,794,764
Accrued withholding tax	657,251	114,871
Unearned interest	373,813	1,094,880
Others	6,353,315	5,214,294
Total other payables	25,014,056	18,682,699
Total trade and other payables	96,909,211	58,435,758

15. BANK OVERDRAFTS AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTIONS

This account consisted of:

	Baht	
	2018	2017
Bank overdrafts	18,736,720	-
Short - term loan	200,000,000	180,000,000
	218,736,720	180,000,000

As at December 31, 2018, the Company had bank overdrafts of Baht 18.74 million. The interest rate is MOR.

As at December 31, 2018 and 2017, the Company had long-term loans with a local bank of Baht 200 million and Baht 180 million, respectively which issued the promissory note of maturity within 6 months. The interest rate is MLR% and MLR- 0.5% per annum, secured by transferring the rights on receivables under hire-purchase agreements with net book value of Baht 253.82 million and Baht 464.24 million, respectively. The Company had to comply with the conditions in the loan agreements.



(Mr. Spain Jingkaojai)

Director



(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

16. SHORT-TERM LOAN FROM OTHER PERSON

As at December 31, 2018, The company had short-term loans from a person of Baht 40.00 million which the contract are unsubordinated Maturity 182 days on June 14, 2019, carrying interest at 5.00% per annum.

17. SHORT-TERM UNSECURED DEBENTURES

This account consisted of:

	Baht	
	2018	2017
Debentures #3/2018 (specific investors)	100,000,000	-
Short-term unsecured debentures, at face value	100,000,000	-
Less Unamortized costs relating to issuance of debentures	-	-
Short-term unsecured debentures-net	100,000,000	-

Debentures #3/2018 (specific investors)

As at August 14, 2018 the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 6 months with credit line of Baht 100 million (100,000 units of Baht 1,000 per unit) maturity on January 4, 2019, carrying interest at 5.00% per annum.

18. LONG-TERM UNSECURED DEBENTURES

This account consisted of:

	Baht	
	2018	2017
Debentures #1/2015	-	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	60,000,000
Debentures #1/2017	354,500,000	354,500,000
Debentures #2/2017 (specific investors)	60,000,000	60,000,000
Debentures #1/2018	278,000,000	-
Debentures #2/2018	200,000,000	-
Long-term unsecured debentures, at face value	1,252,500,000	974,500,000
Less Unamortized costs relating to issuance of debentures	(2,816,544)	(2,282,457)
Total long-term unsecured debentures-net	1,249,683,456	972,217,543
Less current portion of long-term unsecured debentures	(673,759,764)	(199,924,566)
Net	575,923,692	772,292,977

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

According to the ordinary 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 and according to extraordinary meeting of shareholders No.1/2018 date November 6, 2018, shareholder had approved change to the total value not over Baht 3,000 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 shareholder.

(Mr.Spain Jingkaojai)

Director

(Mr.Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

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 shareholder.

Debentures #1/2018

As at February 15, 2018 the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 2 years with credit line of Baht 278.00 million (278,000 units of Baht 1,000 per unit) maturity on February 14, 2020 carrying interest at 6.00% per annum, payment interest in every 3 months.

Debentures #2/2018

As at June 15, 2018 the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 2 years with credit line of Baht 200.00 million (200,000 units of Baht 1,000 per unit) maturity on June 15, 2020 carrying interest at 6.25% per annum, payment interest in every 3 months.

19. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS

This account consisted of:

	Baht	
	2018	2017
Due within 1 year		
Minimum payments	1,990,920	1,082,268
Deferred interest	(268,134)	(138,569)
Present value of minimum payment	1,722,786	943,699
Due over 1 year not over 5 years		
Minimum payments	5,004,575	2,624,821
Deferred interest	(364,918)	(150,264)
Present value of minimum payment	4,639,657	2,474,557
Total present value of minimum payment	6,362,443	3,418,256
Net book value of vehicle under finance lease agreements	8,498,353	4,564,752

(Mr.Spain Jingkaojai)

Director

(Mr.Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

20. EMPLOYEE BENEFIT OBLIGATIONS

This account consisted of:

	Baht	
	2018	2017
Post-employment benefit plan		
Employee benefit obligations as at beginning of the year	4,615,471	6,909,263
Included in profit or loss :		
Current service cost recognition	1,478,844	1,181,771
Cost of interest	125,541	173,222
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	(104,792)	(1,617,000)
Net employee benefit obligations as at the end of the year	6,115,064	4,615,471

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, 2018 and 2017 as shown in the statements of comprehensive income are as follows:

	Baht	
	2018	2017
Selling expenses	150,105	205,375
Administrative expenses	1,454,280	1,149,618
Total employee benefits expenses	1,604,385	1,354,993
Current service cost recognition	1,478,844	1,181,771
Cost of interest	125,541	173,222
Total employee benefits expenses	1,604,385	1,354,993

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

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

	Percentage/Year	
	2018	2017
Discount rate	2.72	2.72
Future salary increases	5.50	5.50
Employee turnover rate by age group (depend on range of age)	5.00 - 25.00	5.00 - 25.00
Mortality rate (Based on the 2017 Thai Mortality Table)	100.00	100.00

Sensitivity Analysis shows the revalued Defined Benefit Obligations after the change to the key assumptions as at December 31, 2018 as follows:

	Baht	
	Increased	Decreased
Discount Rate (1.00 percent)	(455,543)	512,602
1year Mortality (1 year)	(25,780)	23,083
Salary Increase (1.00 percent)	580,070	(522,269)
Employee Turnover (10.00 percent) of assumed turnover	(321,407)	353,641

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 2018, 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 gain arising from post-employment benefit in the amount of Baht 2.03 million, the Company are recognized in other comprehensive income.

21. SEARE CAPITAL

According to extra-ordinary meeting of shareholders No.1/2018 date November 6, 2018, the shareholder had approved to increase the registered capital Baht 100 million to Baht 150 million, to increase registered capital of 100,000 shares to Baht 0.50 per share amounted of Baht 50 million, to be offered to the existing shareholders in proportion to their shareholder (Rights of Bering) at the ratio of 2 existing shares to 1 new share by offering at a price of Baht 2.00 per share. The Company has already registered the capital increase above with the ministry of commerce on November 23, 2018.

(Mr.Spain Jingkaojai)

Director

(Mr.Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

22. 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 accordance with the Public Company Limited Act B.E. 2535. The legal reserve is not available for dividend distribution.

23. DIVIDEND PAYMENT

For the year 2018

At the ordinary shareholders' meeting No.1/2018 held on April 10, 2018, the shareholders unanimously approved to pay dividend from the Company's operation year 2017 to the shareholders at Baht 0.13 per share, in the amount of Baht 26.00 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 September 8, 2017 and the remaining in the amount of Baht 18.00 million, appropriated for 200,000,000 shares of Baht 0.09 each, was paid on April 25, 2018.

And at the Board of Directors' meeting No.4 /2018 held on August 10, 2018, it was unanimously approved to pay interim dividend from the Company's operation ending June 30, 2018 in the amount of Baht 20.00 million, appropriated for 200,000,000 shares of Baht 0.10 each. The dividends paid within September 7, 2018.

Total dividend payment in the year 2018 in the amount of Baht 38.00 million.

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 2017 in the amount of Baht 30.00 million.

(Mr.Spain Jingkaojai)

Director

(Mr.Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

24. EXPENSES BY NATURE

The Company has significant expenses by nature for the years ended December 31, 2018 and 2017, comprised of the following:

	Baht	
	2018	2017
Management and employee compensation	71,268,343	53,017,305
Rental and service expenses	11,863,048	7,695,032
Sales promotion expenses	1,501,591	1,175,614
Depreciation	3,816,515	2,751,160
Allowance for doubtful account	33,611,656	38,033,785

25. 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.

Business activities are classified by product segment for the years ended December 31, 2018 and 2017 as follow :-

	Million Baht							
	Hire - purchase		Personal loans		Corporation loans		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Income (expense) segment :								
Interest income	228.71	140.46	54.20	29.52	10.26	6.49	293.17	176.47
Penalty income	9.44	16.77	0.50	0.02	-	-	9.94	16.79
Other income	1.02	1.89	1.21	0.81	-	-	2.23	2.70
Allowance for doubtful accounts	(28.62)	(26.23)	(4.48)	(11.22)	(0.52)	(0.58)	(33.62)	(38.03)
Profit of segment	210.55	132.89	51.43	19.13	9.74	5.91	271.72	157.93
Income (expense) not segment :								
Other income							1.07	2.63
Selling expenses							(12.64)	(14.50)
Administrative expenses							(103.62)	(72.97)
Finance costs							(87.73)	(39.10)
Income tax expenses							(13.91)	(6.97)
Profit for the year							54.89	27.02

(Mr.Spain Jingkaojai)

Director

(Mr.Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

	Million Baht							
	Hire - purchase		Personal loans		Corporation loans		Total	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Asset Segment :								
Hire - purchase receivables	1,473.49	1,013.05	-	-	-	-	1,473.49	1,013.05
Personal loan receivables	-	-	332.41	328.26	-	-	332.41	328.26
Corporation loan receivables	-	-	-	-	128.20	81.87	128.20	81.87
Receivables under litigation enforcement process with collateral	17.07	22.59	-	-	-	-	17.07	22.59
Receivables under litigation enforcement process	1.48	1.30	-	-	-	-	1.48	1.30
Asset not segment :								
Other asset	-	-	-	-	-	-	134.21	114.14
Total	1,492.04	1,036.94	332.41	328.26	128.20	81.87	2,086.86	1,561.21
Liabilities Segment :								
Trade and other payables	77.75	39.75	0.37	3.60	-	-	78.12	43.35
Other liabilities	8.97	2.98	-	-	-	-	8.97	2.98
Liabilities not segment :								
Trade and other payables	-	-	-	-	-	-	18.79	16.17
Bank overdrafts and short-term loan from financial institution	-	-	-	-	-	-	218.74	180.00
Short - term from other person	-	-	-	-	-	-	40.00	-
Short - term unsecured debenture	-	-	-	-	-	-	100.00	-
Long - term unsecured debenture	-	-	-	-	-	-	1,249.68	972.22
Other liabilities	-	-	-	-	-	-	24.00	14.82
Total	86.72	42.73	0.37	3.60	-	-	1,738.30	1,229.54

26. 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 counterparty 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.

(Mr.Spain Jingkaojai)

Director

(Mr.Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

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, 2018				
	Fixed interest rates		Floating	Non-interest	Total
	Within 1 year	More than 1-5 years	interest rate	bearing	
Financial assets					
Cash and cash equivalents	-	-	5,577,899	23,556,367	29,134,266
Hire-purchase receivables	536,793,696	936,695,963	-	-	1,473,489,659
Personal loan receivables	174,118,422	158,287,605	-	-	332,406,027
Corporation loan receivables	81,161,359	47,034,041	-	-	128,195,400
Receivables under litigation enforcement process	-	-	-	1,480,392	1,480,392
Financial liabilities					
Bank overdrafts and short-term loan from financial institutions	-	-	218,736,720	-	218,736,720
Short-term loans from other person	-	-	40,000,000	-	40,000,000
Short-term unsecured debentures	-	-	100,000,000	-	100,000,000
Long-term unsecured debenture	673,759,764	575,923,692	-	-	1,249,683,456
Liabilities under financial lease agreements	1,722,786	4,639,657	-	-	6,362,443

(Mr.Spain Jingkaojai)

Director

(Mr.Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

	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

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.

(Mr.Spain Jingkaojai)

Director

(Mr.Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

- For bank overdrafts and 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.

27. CREDIT LIMIT

As at December 31, 2018, 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).

28. COMMITMENT AND CONTINGENT LIABILITIES

As at December 31, 2018, 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:

	Million Baht
Due within 1 year	13.13
Due over 1 year but not exceeding 3 years	12.56
Total	25.69

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

29. 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.

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2018 and 2017 are as follows:

Baht				
2018				
	Balance as at January 1, 2018	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2018
Bank overdrafts	-	18,736,720	-	18,736,720
Short-term loan from financial institutions	180,000,000	20,000,000	-	200,000,000
Short-term from other person	-	40,000,000	-	40,000,000
Short-term loan unsecured debenture	-	100,000,000	-	100,000,000
Long-term loan unsecured debenture	972,217,543	274,949,400	2,516,513	1,249,683,456
Liabilities under a finance lease agreement	3,418,256	(1,063,513)	4,007,700	6,362,443
Total	1,155,635,799	452,622,607	6,524,213	1,614,782,619

Baht				
2017				
	Balance as at January 1, 2017	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2017
Short-term loan from financial institutions	-	180,000,000	-	180,000,000
Long-term loan unsecured debenture	498,965,342	472,373,000	879,201	972,217,543
Liabilities under a finance lease agreement	1,599,499	(843,743)	2,662,500	3,418,256
Total	500,564,841	651,529,257	3,541,701	1,155,635,799

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

31. THE NEWLY ISSUED AND REVISED FINANCIAL REPORTING STANDARDS AND EFFECTIVE IN THE FUTURE

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 newly issued and revised.

These newly issued and revised financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2019 are as follows:

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events After the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2018)	Earnings Per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible assets

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture
TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 2 (revised 2018)	Share-Based Payment
TFRS 3 (revised 2018)	Business Combinations
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases - Incentives
TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosure
TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economics

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



Notes to financial statements (cont.)

December 31, 2018

TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19 (revised 2018)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2018)	Distributions of Non - cash Assets to Owners
TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	Levies

Newly financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2020 are as follows.

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

The management of the Company and its subsidiaries believe that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are newly issued and revised will not have any significant impact on the financial statements for the year when they are initially applied. Aside from the financial reporting standards in the group of financial instruments, these standards will have impact when they are applied. The Company is considering the effect that may arise such as consideration of the impairment of loan receivable, classification of loan receivable and the valuation of financial assets and liabilities, etc

32. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors on January 31, 2019.

(Mr. Spain Jingkaojai)

Director

(Mr. Nattaphon Sarasas)

Director



G Capital Public Company Limited

Head Office: 161/1 3 SG Tower 8th Floor, Soi Mahadlekluang 3,
Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand
Tel: 02-651-9995 Fax: 02-651-9553