Annual Report 2019

G Capital Public Company Limited

สบายใจ

Sabaijai Farmer

Sabaijai Andaman

Sabaijai Employee
(Welfare)

Sabaijai Business

Sabaijai Talad
(Market)

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Message from the Chairman and the Managing Director Year 2019

Year 2019, G Capital Public Company Limited, a leader in retail financial services for agriculture and business sector still adhere to and focus on the sustainable business growth. Together with the responsibility to the stakeholders, economic, society and environment because the company believes that returning the value back to all parts related parties will strengthen the company to genuine business sustainability.

The overview of Thai economy according to a statement by the National Economic and Social Development Board (NESDB), indicates that the 2019 growth of 2.4% is clearly lower than the previous forecast of 2.6%, which has continued to slow down from 2018. In addition, the economy forecasts for the year 2020 will grow in the range of 1.5-2.5% or average at 2%, the lowest growth in 6 years. The main factors affecting the economy both domestic and external factors, such as domestic political problems of China's economic slowdown which has affected the Thai tourism industry, including the trade war problems of the superpowers between the United States and China. There are still conflicts between United States and Iran that may lead to problems affecting the world economy. Altogether with the outbreak of the corona virus situation has a profound effect on the global economy and the economy in many countries.

It seems that the natural disaster like flooding and drought are the inevitable problems that impact on the economy and on the people in business sector, industrial sector, agriculture, etc. The flooding in many areas, including the drought in more than half of the country, have severely affected the agricultural and industrial sector. Since many agricultural product prices have increased due to the reduce in production or supply from disasters while on the other side, the prices of some goods and services has increasing as well.

G Capital Public Company Limited, the retail financial service provider for agricultural sector with the customer base of more than 20,000 people nationwide foreseen the aforementioned problem and the impact to Thai farmers who partly is the company's customers using hire purchase loan services to buy agricultural machinery such as harvester, tractor, loader, tire changer, crepe tire rolling machine, etc.

The company is ready to assist the customers who are affected from the disaster by issuing the supporting measures . Previously , the company has considered to relief the impact such as launching debt restructuring campaign or extension of debt repayment , with the objective to help farmer get through the difficult period while cannot planting the rice , sugarcane , cassava , or be hired for harvesting.

In order to get the company ready for the wider variety of products and customers, the company has developed and do self-improved in many dimensions. For example, development of modern technology to ease life of customers an a partners, as well as the development of new products to meet the needs of a wider range of target customers. The company has launched Sabaijai Business products consist of Sabaijai Consignment , Sabaijai Factoring , Sabaijai Mortgage , all products and services are under brand concept "Sabaijai Loans " to emphasize the comprehensive and diversify financial services

The company's operational performance throughout the year 2019, has total loans of 1,290 million baht, compared to the year 2018 were 1,180 million baht, which increased by 9% due to the growth of hire purchase loans and personal loans at similar rate. This growth has made the total revenue of 358.63 million baht, increased 52 million baht or 17% growth income rate derive from claims under the hire purchase contract represent 74 percent of the total income for the whole year.

Additionally, the company has plan to oversee the business operational policies for sustainable growth as Board of Directors recognizes the importance of corporate governance in order to enable the business to operate transparently, fairly, with responsibility and actively protect the interests of all stakeholders and society with strongly belief that management with honest, faithful, transparent is the essential foundation that will definitely increase the company's competitiveness for sustainable growth.

Board of Directors established the Corporate Governance Committee to set policies and supervise on the business operations. So that Executives / Employees are informed to work adhere to transparency, fairness, and accountability, according to the rules and regulations. Also, the required information must be disclosed with transparent, accurate and complete. In the year 2019, the company had been awarded the Corporate Governance Report (CGR) in the level of "excellent" from the Thai Institute of Directors.

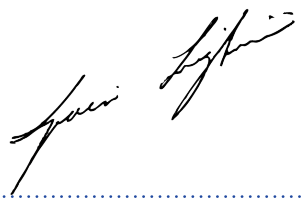
For year 2020, the company has target to expand business in agricultural sector both new and used machines (refinance). Altogether with plan to improve repossession car sales process by developing the digital platform that customers can buy - sell secondhand more fast smoothly and transparently.

The company has also target to increase the other income types such as fee-based income, which will come as insurance fee from insurance sell to customer. Another project is to become the intermediate agents for buying and selling agricultural machinery, which will help promote and build a customer base in both the new and existing customers of the company.

For personal loans, Sabai Money Company Limited, a joint venture between G Capital Public Company Limited and 9F International Holdings PTE. LTD., launched since last year and it start lending to retail customers in 2020, which will create a new group of customers and significantly enhance the company's business in the future.

Lastly, I would like to thank you the shareholders, investors, business partners, customers and all stakeholders for the trust and support giving to the company. Thank you, the management and staff, everyone who has dedicated their efforts and work with full capability to grow the company with stability and sustainability.

(Booksak Jiempreecha)
Chairman, Board of Directors



(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.

Corporate Value

G
Good for Great

We perform works with honesty, good faith, and transparency under ethics and laws. We are responsible for our speech, words, and actions and we are also ready to support our team and colleagues to achieve our Company's goals sustainably.

C
Customer Focus

We have strong determination, enthusiasm, and willingness to support internal/external customers to overcome/ achieve objectives with genuine understanding on requirements and demands of customers.

A
Agility

We accept and open to change and initiate new things that are practical. We always stimulate ourselves to create innovations for driving knowledge and developing new business operation methods.

P
Passion

We have passion in our works and pay attention to our colleagues with confidence and humility. We strive to develop ourselves, our team, and our organization to grow and develop sustainably.

Financial Information Highlights

		Financial statements in which the equity method is applied		
		2019	2018	2017
Assets	**(Thoundsand Baht)**			
Total assets		2,716,528	2,086,858	1,561,214
Liabilities and Shareholders'Equity	**(Thoundsand Baht)**			
Total liabilities		2,167,101	1,738,299	1,229,543
Total shareholders' equity		549,427	348,559	331,670
Operating Result	**(Thoundsand Baht)**			
Total revenues		358,632	306,401	198,604
Total expenses		171,844	149,871	125,511
Share of loss from invesment in joint venture		3,925	-	-
Financial Cost		116,677	87,728	39,103
Income tax expense		13,105	13,914	6,968
Net Profit (loss)		53,081	54,888	27,022
Profitability Ratio				
Interest spread	(%)	9.63%	11.11%	11.44%
Net profit margin	(%)	14.80%	17.91%	13.61%
Return on equity	(%)	11.82%	16.14%	8.13%
Book value per share	(Baht/Share)	1.92	1.74	1.66
Earning per share	(Baht/Share)	1.19	0.27	0.14
Dividend payout (Calculated from separate financial statements)	(%)	95.49%	91.09%	96.22%
Dividend per share (Calculated from separate financial statements)	(Baht/Share)	0.17	0.25	0.13
Efficiency Ratio				
Return on asset	(%)	2.21%	3.01%	2.21%
Asset turnover	(Times)	0.15	0.17	0.16
Current ratio	(Times)	1.24	0.77	1.53
Financial Ratio				
Debt equity	(Times)	3.94	4.99	3.71
Lendings to borrowing	(Times)	1.09	1.20	1.24
Allowance for Doubtful Account to total recivables ratio	(%)	3.94%	4.37%	3.97%
Allowance for Doubtful Account to total NPL ratio	(%)	64.56%	70.60%	111.50%
NPL to total lendings ratio	(%)	6.10%	6.19%	3.56%

Source : Financial Statement of G Cpaital Public Company Limited for the year 2017-2019 audited by certified public accountant.

Board of Directors

1 Mr. Boonsak Chiempricha

Independent Director / Chairman of the Board of directors

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 -

Work Experience

2015-Present	Independent Director and Chairman of the Board Directors 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.
2010-Present	Director and Chairman of risk management committee, Audit Committee Member, President Bakery Public
2009-Present	Chairman of the Board, of Directors Indara Insurance Public Company Limited

2 Mr. Yongyuth Tariyo

Independent Director / Chairman of Executive Committee

Education

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

Training Course

- Nation Building Institute No. 4/2018
- 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 -

Work Experience

2013-Present	Director Digital Port Asia Co., Ltd.
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

3 Asst. Prof. Wipada Tantiprabha

Independent Director / Chairman of Audit Committee

Education

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

Training Course

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

Relationship

- None -

Work Experience

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

4 Dr. Chaiyong Satjipanon

Independent Director / Chairman of Risk Management Committee / Nomination and Remuneration Committee and Audit Committee

Education

- Ph.D., (Law and Diplomacy) The Fletcher School of Law and Diplomacy, Tufts University, U.S.A.
- M.A.L.D., The Fletcher School of Law and Diplomacy, Tufts University, U.S.A.
- M.A., Political Science Chulalongkorn University
- B.A., (Hons), Faculty of Political Science, Chulalongkorn University

Training Course

- IOD Program, Thai Institute of Directors
  - Advanced Audit Committee Program (AACP 33/2019)
  - 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 -

Work Experience

2015-Present	Independent Director Audit Committee Member Chairman of Risk Management Committee and Nomination and Remuneration Committee Member G Capital Public Company Limited
2017-Present	Director Sino-Thai Engineering & Construction Public Company Limited

5 Mr. Prameson Pisitpan

Independent Director / Chairman of Nomination and Remuneration Committee / Audit Committee Member Corporate / Governance Committee Member

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 (Computer), East Texas State University, U.S.A.
- Bachelor of Science (Business), Kasetsart University

Training Course

- IOD Program, Thai Institute of Directors
  - Advance Audit Committee Program (AACP 35/2019)
  - Director Accreditation Program (DAP 90/2011)
  - Audit Committee Program (ACP 36/2011)
  - Director Certification Program (DCP 152/2011)

Relationship

- None -

Work Experience

2019-Present	Corporate Governance Committee Member G Capital Public Company Limited
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

6 Mr. Nattaphon Sarasas

Director / Risk Committee Member / Nomination and Remuneration Committee Member and Corporate Governance Committee Member

Education

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

Training Course

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

Relationship

Older Brother of Mr. Asa Sarasas

Work Experience

2019-Present	Corporate Governance Committee Member G Capital Public Company Limited
2017-Present	Risk Management Committee Member G Capital Public Company Limited
2015-Present	Nomination and Remuneration Committee Member G Capital Public Company Limited
2009-Present	Director G Capital Public Company Limited

7 Mr. Asa Sarasas

Director

Education

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

Training Course

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

Relationship

Little Brother of Mr. Nattaphon Sarasas

Work Experience

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

8 Pol.Lt.Gen. Pongsiri Suankaew

Director / Chairman of Corporate Governance Committee

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 -

Work Experience

2019-Present	Chairman of Corporate Governance Committee G Capital Public Company Limited
2018-Present	Director G Capital Public Company Limited
2016	General Staff Division Provincial Police Region 4

9 Mr. Spain Jingkaojai

Director / Managing Director

Education

- Master of Business Administration, Finance, Sasin Graduate Institute of Business Administration of Chulalongkorn University.
- 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 -

Work Experience

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

The Advisory for the Board of Director

1 Mr. Supot Singhasaneh

Chairman of, the Advisory for the Board of Director

Education

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

Training Course

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

Relationship

- None -

Work Experience

2011-Present	Chairman of the Advisory for the Board of Directors 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	Chairman of Audit Committee Social Security Office
Present	Audit Committee Thammasat University
Present	Vice President Asean Federation of Accountants

2 Mr. Chinavais Sarasas

Chinavais Sarasas, the Advisory for the Board of Directors

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

Work Experience

2016-Present	Advisory for the Board of Directors 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

The shareholdings of the Board of Directors

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 -
Dr. Chaiyong Satjipanon	- None -	- None -	- None -
Mr. Prameson Pisitpan	- None -	- None -	- None -
Mr. Nattaphon Sarasas	- None -	- None -	- None -
Mr. Asa Sarasas	- None -	- None -	1.00
Pol.Lt.Gen. Pongsiri Suankaew	- None -	- None -	- None -
Mr. Spain Jingkaojai	- None -	- None -	- None -

As os of 31 December 2019.

Management Committee

1. **Mr. Spain Jingkaojai**
   Managing Director

2. **Mr. Sutthi Sripratum**
   First Executive Vice President
   of Operation Credit & Processing

3. **Ms. Wirongrong Boonprateep**
   Executive Vice President
   of Marketing & Sales Management

4. **Mr. Chokchai Prasertchaiyaporn**
   Senior Vice President of Accounting and
   Finance Department

5. **Ms. Supasorn Phaotip**
   Senior Vice President of Debt Management

6. Ms. Sirikanda Chansaenwilai
Senior Vice President of Customer Experience Management

7. Ms. Morakot Thongsriphong
Senior Vice President of Human Capital Management

8. Mr. Pharkphoom Dhirapatranon
Senior Vice President of Business Development

9. Mr. Sahachart Pliensri
Vice President of Legal

Corporate Profile

General Information

Company Name	G Capital Public Company Limited
Stock Code	GCAP
Registration Number	0-1075-55000-03-1
Type of Business	Hire Purchase loans, Personal Loans is under supervision of the Bank of Thailand, and Nano Finance is under supervision of the Bank of Thailand.
Authorized Share Capital	150,000,000 Baht (as of 31 December 2019)
Issued and Paid-up Capital	150,000,000 Baht (as of 31 December 2019)
Type and Amount of Outstanding Shares	300,000,000 Ordinary Shares
Par Value of Share	0.50 Baht per share
Home Page	www.gcapital.co.th
Head Office	161/1 SG Tower 8nd Floor, Soi Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel: 02-651-9995 Fax: 02-651-9553
Company Secretary	Ms. Sirikanda Chansaenwilai 161/1 SG Tower 8nd Floor, Soi Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel. 02-651-9995 Ext. 4300 Fax: 02-651-9553
Investor Relations	Ms. Sirikanda Chansaenwilai Tel. 02-651-9995 Ext. 4300 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 14th Floor, Ratchadaphisek Rd., Dindaeng, Bangkok 10400, Thailand Tel: 02-009-9000 Fax : 02-009-9999
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	Miss Nannaphat Wannasomboon CPA License No. 7793 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 SG Tower 2nd Floor, Soi Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel. 02-651-9995 Ext. 1700 Fax: 02-651-9553 E-mail: narongpojl@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, the investment company mutual corporate with the Government Saving Bank, the state of financial bank provides the knowledge, experience and expertise in the hire purchase financial service business to expand the availability of loans to the individual. The company was established and start hire purchasing financial service for the agricultural machinery and 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 150 million baht 300,000,000 ordinary shares with a par value of 0.50 baht.

With the executives' vision to support financial needs to farmers for easier access the capital to buy new technology agriculture machinery for highly optimize crop operations, harvest and processing of agricultural products and for the better living and sustainable income. The company's business had expanding rapidly and continuously get good feedback from customers and it keeps running operations under the slogan "Agricultural loans for Thailand Agriculture in advances"

The company provides hire purchasing financial service to both new and used on agricultural machinery such as rice harvester combine, crawling rotavator, farm tractor, wooden loader, sugar cane loader. The Hire purchase loan on these products provide to customer base on their individual income basis. Subsequently, the company has expanded and provided the multipurpose loan as working capital to serve the customer who already hire purchased the agricultural machinery, by using databases of existing customers and select the good repayment records and offering them the working capital loans.

With the concept to grow sustainable business, the company focuses on providing financial services and products to be used in occupational aim to bring revenue and develop life quality of agriculture farmer. The company realizes the importance in selecting and designing the good and appropriate financial product & service to serve customer requirements. This is because the company pursue the sustainability concept under CSR, "Achieving Goal together" that is, when customers succeed in their careers, the company will success business and grow more sustainably.

The company had received Personal Loan License and Nano Finance under supervision from the Ministry of Finance with objective to expand credit availability and increase personal loan portfolio as well as the serve additional financial needs of the existing customer and incremental new customer base of the company.

In the year 2019, the Company established Sabai Jai Money Company Limited, which provides personal and retail loans for occupations (Nano Finance) by obtaining a business license under the supervision of the Bank of Thailand . This a joint venture between G Capital Public Company Limited (GCAP) and 9F International Holdings PTE . LTD . (9F), a leading financial company , one of the leaders using the use of technology in financial business in China , with shareholding structure is divided into GCAP , holding 51% and 9F, 49%. The objective is bringing new technology to provide credit services in personal loans to retail customers as it also increasing the source of loans, especially for retail customers with high potential but who are unable to access other funding sources.

Important Development

The significant 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 with a par value of Baht 100 intending to operate in hire-purchasing of agricultural machinery. The Headquartered resides at SG Tower Building, 8th Floor, 161/1 Soi Mahadlekluang 3, Ratchadamri Road, Lumpini, Pathumwan, Bangkok 10330.

October 2005

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

July 2006

The Company increase its share capital to Baht 75 million by issuing 250,000 ordinary shares with a 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.

June 2005

The Company increase its share capital to Baht 25.00 million by issuing 240,000 ordinary shares with a par value of Baht 100 to be used for business 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.

January 2006

The Company sign 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 initial the insurance feature the first accident insurance coverage in Thailand by coordination with Dhipaya Insurance Public Company Limited.

The Company 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.

March 2008

The Company initiated multi-purpose loan project in expanding customer base as well as and providing a full credit service. The project allow customers to use non-obligated combine harvesters as collateral with the Company.

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 10 percent shares they held which were of the paid-up capital, which 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.

November 2013

The Company has offered to sold new 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.

September 2010

The Company restructure its shareholders as follows:

(1) Song Nam Company Limited has acquired the Shares from Government Savings Bank for 10 percent of the paid-up capital. The percent share stake of Song Nam Company Limited rise from 55 percent to 65 percent of the paid-up capital.

(2) The Government Savings Bank sell shares to the Government Savings Mutual Fund in the proportion of 24.99 percent, and sell 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.

April 2013

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

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.

October 2014

The Company had issued 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.

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.

October 2015

The company received a license to operate personal loans under supervision. And retail business license for the occupation. (Nano Finance) from the Ministry of Finance

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

December 2015

The company started offering a personal loan under supervision.

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 2017

The Company sign MOU for the hire purchase of tractors with CNH Industrial Thailand.

October 2017

The Company has start up for the hire purchase of speed boat commercial segment with EU Marine Company Limited and Heli-Phuket Company Limited.

November 2018

The Company increase the registered capital to 150 million baht of registered capital from 100 million baht.

June 2019

The Company extend the MOU with CNH Industrial Thailand until to 2021.

September 2018

The Company sign MOU for the hire purchase of tractors with IST Farm Machinery Co., LTD.

February 2019

The company has paid the registered capital to 150.00 million baht, 300.00 million ordinary shares with a par value of 0.50 baht per share.

The Company establish joint venture in Sabaijai money Limited as February 7, 2019 with a registered capital of 50.00 million baht, divided into 10.00 million shares with a par value 5 baht per share.

Awards

August 2014

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

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)

October 2015

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

October 2016

- The Company has been awarded for Innovative Enterprise 2016 by National Innovation Agency (NIA).
- The Stock Exchange of Thailand has selected the Company to be listed in the "Thailand Sustainability Investment 2016"

October 2017

- 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.

October 2018

- 95 Score AGM Checklist 2018
- The company has been selected as an outstanding company, in the corporate governance aspects of the Thai listed company for the year 2018, it was rated at 4 stars.

July 2019

97 Score AGM Checklist 2019

October 2019

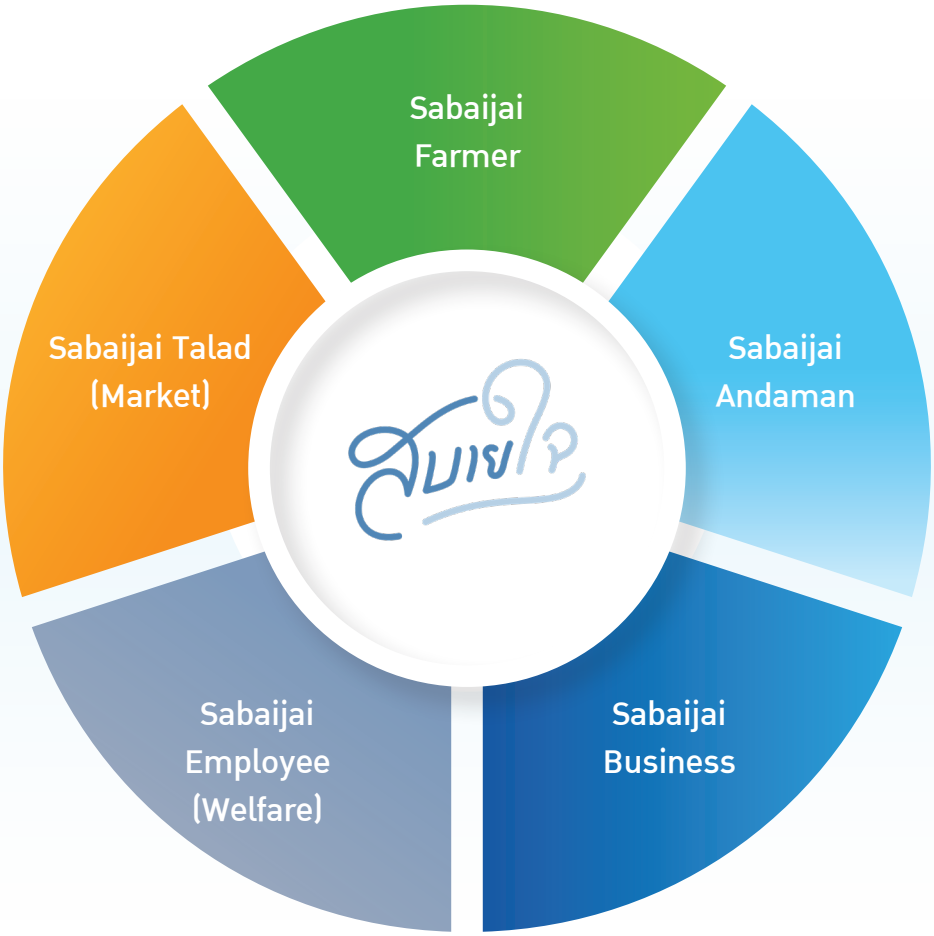
The company has been selected as an outstanding company, in the corporate governance aspects of the Thai listed company for the year 2019, it was rated at 5 stars.

November 2019

The Company received acknowledgment. "Sustainability Disclosure Acknowledgement" at the award ceremony Sustainability Disclosure Award 2019, organized by the Securities and Exchange Commission and Thaipat Institute.

Scope of Operations

Main Business of the Company divide in 5 types as follows:



Sabaijai Farmer

Sabaijai farmer provides hire purchase financial service to various agricultural machineries such as rice harvester, corn harvester, tractor and peripherals (New Holland and Iseki), wheel loaders (Champ), crepe rubber rolling machine (Gypta), including other agricultural machineries in which the customers can use the company's agricultural machinery that has memorandum of understanding (MOU) with G Capital to request a hire purchase financial service on agricultural machineries using in the occupation and service, increasing their work efficiency and expand business base with more sustainable profits.

Providing hire purchase financial service to

various agricultural machineries

The company provides hire purchase loan services those cover new and refinancing loans to be used as working capital for career, purchase the spare parts, repairs agricultural machinery or for down payment to buy new machine and the customer is required to proof the ownership of agricultural machinery (which is unencumbered) to apply a loan with company.

The company also provides the unsecured loans only for the existing customer with good payment records to request the loan as working capital. The company underwrite customer's personal loans credit limit according to the company credit policy, criteria and set interest rates and other fees comply to 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 havester

Corn combine havester

Tractor

Crepe rubber machine

Wheel loader

Sabaijai Andaman

The hire purchase financial service provides to individuals and juristic persons who plan to purchase the catamaran speed boats for the tourism industry, in which GCAP has designed loans to serve the customer's needs and they can choose to pay the terms of installment match with the incomes due to the tourism conditions on both high and low season ranges. It is considered as the good new options to serve the market's need.

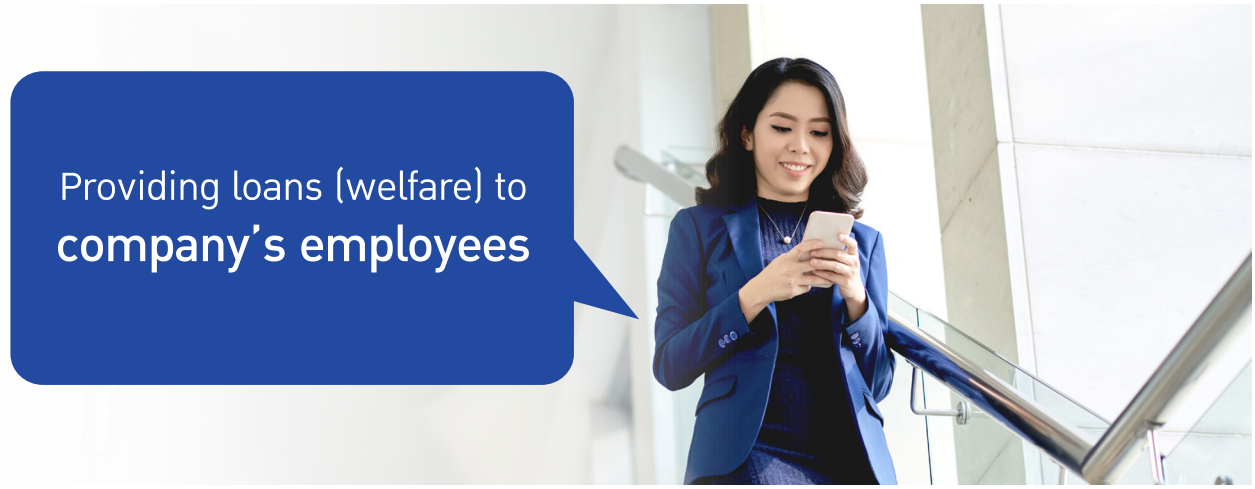
The company corporate with many leading shipyards in the country, in providing hire purchase loans to tour boat operators in Phuket, Krabi, Surat Thani and nearby provinces. It covers loans for new hulls and new engine installation and loans for the old hull that install the new engines.

Sabaijai Business

Hire purchase for secured loan service i.e. mortgage loans, factoring loans, sell with right redemption loans providing 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.

Secured loan service for business such as mortgage loans, sell with right of redemption loans, factoring loans, are all loan to increase liquidity for businesses that need money for additional investment, business expansion, or working capital to business during period that payment has not yet been received from trade receivable. The borrower can use the collateral such as land, building, accommodation, condos, apartments, factories to mortgage / sell with right to redeemed for loan applications whereas the trade receivables invoice has been approved can apply for factoring loans to use as working capital in the business.

Sabaijai Employee (Welfare)



The unsecured loan services to company's employees/ agencies that have signed the Memorandum of Understanding (MOU) with G Capital to serve the personal financial needs in daily consumption. Sabaijai employee is the unsecured personal loan therefore, the company has developed the product policy in providing loans to customers who have the career stability, own the specific residence and able to check their personal data/ information. And the company of loan applicant working with will deduct the installation and deliver to the company until the debt is completely settle.

Sabaijai Talad (Market)

The personal loan service for merchants, and entrepreneurs in the leading markets in Thailand. The loans objective is to serve needs to pay for the stall fee or to use for business liquidity. The target group is for the merchant with income stability with known address and verified data/ information such as explicit stall rental contract and data verification from the market operator.

Note:

The company has received license a personal loan business license under the supervision of the Bank of Thailand 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	2019		2018		2017	
	Million Bath	Proportion (%)	Million Baht	Proportion (%)	Million Baht	Proportion (%)
Hire Purchase	264.46	73.74	228.71	74.64	140.46	70.72
Personal Loan and Nano Finance	71.03	19.81	64.45	21.03	36.02	18.14
Fine for Late Payment	14.59	4.07	9.94	3.24	16.79	8.45
Other	8.55	2.38	3.30	1.09	5.34	2.69
Total	358.63	100.00	306.40	100.00	198.61	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.

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	31 Dec 2019		31 Dec 2018		31 Dec 2017	
	Million Bath	Proportion (%)	Million Baht	Proportion (%)	Million Baht	Proportion (%)
Loans	2,078.92	79	1,608.42	82	1,152.21	78
Loan from Financial institutions	-	-	218.74	11	180.00	12
Short-term loans from other persons and companies	226.57	9	40.00	2	-	-
Short-term unsecured debentures	170.00	6	100.00	5	-	-
Unsecured Long-term Debentures due more than one year	576.07	22	673.76	35	199.92	13
Long-term unsecured debentures	1,106.28	42	575.92	29	772.29	53
Shareholders' Equity	552.57	21	348.56	18	331.67	22
Total sources of funding	2,631.49	100	1,956.98	100	1,483.88	100

However, the company has policy in finding fund to be conformed with the purpose of expense and the period for using the money, in making company to have liquidity and manage the appropriate 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.

Competition Strategy

1. Service Differentiation 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. Business Expansion 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 also has planed to expand personal loans with collateral segment 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 segment 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. Get the customer 's 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

The advertising strategy in the year 2019, the company has focused on the speed and efficiency. The company therefore has opened more digital channels by improving all communication channels via the Social Network, from communication channels by product with support team divided into 2 main groups which are:

LINE Official Account "สินเชื่อสบายใจ"
(Line ID. @sabaijai)

The Public relations channels to communicate news or the movement of the company including company 's products and service , sales promotions for several target customers and general person.

LINE Official Account "G Capital IR"
(Line ID. @irgcapital)

The Public relations channels to communicate news or the movement of the company including Financial Statements , company 's operation performance to serve the target group such as shareholders, analysts , those interested in investing in GCAP stock and debenture.

The corporate communications team Department responsible to disseminate the overall press releases with accurate, complete, up to date information, while also having the customer service management (CSM) team to response and to serve customer inquiries via several social network. Soon, the company will implement the chat bot system to help answer customers' questions 24 hours a day.

In addition, the company has improved the easier content format for publication. This year, many video clips were created to communicate and create understanding about GCAP business to target audience such as investors, customers, and those who interested in getting to know each "Sabaijai Loan" products.

This is because each product of the company focus on the different target groups , therefore the company use advertising channels those match with target customers such as set up the exhibition booth , Troop Roadshow or installing advertising media in the area of the target group such as "Sabaijai Market " or join the marketing activity with distributors such as "Sabaijai Farmers" and "Sabaijai Andaman " Advertise via facebook to publicize and attract entrepreneurs who are "Sabaijai Business" target group.

5. Branding awareness

Throughout the year 2019, 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 5 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 sector.

"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.

"Sabaijai Business"

Credit loan for business and entrepreneurs, using as an initial investment and working capital for business expansion with various types of loans according to the needs of customers which are mortgage, sale of consignment or factoring.

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. Strategy to establish & maintain relationship with customers

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 management (Call Center), website , and via social media, i.e. Line, Facebook , etc. The company has created service differentiation to increase the competitiveness of the company by useing 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 with a good payment record, the company has 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 . This strategy aim to create the customer is satisfaction in the products , loans and services and build loyalty to the company with the last long relationship between customer and company (Win-Win Strategy).

7. Strategy to build and maintain relationship with Partners

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 compete in business, such as designing special credit campaigns. 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 action about basic credit services to customers. In the past, the company has held a conference for exchanging information and meeting sub-partners to get and understand the problems and suggestions improvement planing. 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.

Recently, the company has also signed the cooperation agreement with CNH Industrial (Thailand) Co., Ltd. (CNHi), a tractor provider under the brand "New Holland" as a financial partner providing hire purchase loans for tractors for a period of 2 years until 2021, which is considered to help create sustainable growth in the tractor industry for agriculture and strengthen the strategy to achieve business goals.

With the fierce competition from both directly and indirectly competitors in the current business, together with the development of new technology and communication that lower the barrier of entry into this business. Therefore, another thing can do to maintain the sustainably competitive advantage is having good business partners by looking for opportunities to increase and expand the service. The company provide loans to 2nd hand sugarcane harvester and signed off a collaboration project with SKGF Trading (2002) Co., Ltd., leading sugarcane harvester. Expansion the loan services for timber clamps, sugarcane grapples, as well as forklifts from Suptawee Engineering Company Limited. Adding new partners for Sabaijai Andaman, by signed off a business cooperation with En-Sine Company Limited for fiberglass shipyards

Proving for being a trustable organization on both staff and organization level, it requires the long-term reliable action and behavior of staff and company in building trust to the customer. The trustworthy not only can reduce the risk in many dimensions, but also ensure the customer that company will treat customer with highly fairness. Therefore, the company performs satisfaction surveys in various aspects all department 's services, be surveyed with business partners, etc. the issues from survey result has made been and improved for better customer experience in the future.

G Capital Public Company Limited operates business under the principles of sustainability and social responsibility. Therefore, it has a policy to help society every time a disaster happens every area of Thailand. The recent situation with heavy flooding situations and the drought has caused damage to agriculture sector as well as the residential accommodation of customer and general people. The company launch debt suspension and debt restructuring program to relief the farmer suffering. During these programs, farmer can use their money to invest or reconstruction either their accommodations or agricultural housing or restore the machinery tools.

8. Staff retaining & developing Strategy

Currently, the business requires to develop new products or services into the market in order to make and to maintain revenue with profits constantly. Innovating new products and services is required for value-added and very important to grow up the business and ready to compete in the market. New technologies and innovations have been applied in data processing for several tasks. support working team to work faster, more efficient.

Using innovation is an objective to improve service level by response to customer quick and easy with the highest satisfaction. Service innovation call Line Chat Bot (GBOT) facilitate customer to access information easier. In the pilot phase of GBOT development allow staff to inquire information and response customer 24 hours, helping customers solve basic problems with shorter waiting time. And during the 1st phase is open for user like business partners to check their customer's application status. In the near future, GBOT will be available for existing customers.

G Capital Public Company Limited keeps improving itself on technology. Recently it has kicked off IT project developing Sales Mobile Application to support sales staff working, increasing efficiency, reducing paperwork to help environment. Every working step tried to be paperless, working via mobile application starting from products or service information inquiry, loan e- application, e-document submission (customer documents for underwriting process), which is considered a new way of loan apply in financial service.

To comply the government policy which in line with the Sustainable Development principles, G Capital encourage farmer to use technology and innovation in agricultural sector for being "Smart Agriculture" to serve the national development strategies "Thailand 4.0"of the government. And to serve objective to raise up the quality of Thai agricultural products that will increase the competitiveness in the world market . With this purpose , the company kick off project GPS system install into agricultural machinery to record and analyze productivity data with ability to remote operation control from farm plots via IoT (Internet of Things) system. The stored data can be used to create Big data and IoT Platform for intelligent agriculture, increasing production and revenue and cost reduction. Besides, the company able to use the information planning for more productivity. In the future, the company can use this data solve problems and evaluate the situation with more accuracy.

Risk factors

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

1. Marketing and strategy risks

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

Personal loans under supervision are quite competitive. The interest rates and fees that credit providers are higher than personal loans, credit cards. The business loans under supervision, both operators are financial institutions. And non-financial institutions (Non-Bank) to compete in this kind of business is increasing.

The company therefore sees an opportunity to generate additional income. The company has received a license to operate personal credit under supervision. Ministry of Finance on October 14, 2558 and started offering loans under supervision, on December 1, 2558 by releasing personal loans to employees of the Company. Who signed the memorandum of understanding (MOU) under the name "Sabaijai Employee" The Company's focus on risk management in the competition in this business, with the risk management team studying the information Analyze various risk factors and set conditions Features of the loan From the old customers But still analyzing credit history information from financial items. And together with the Human Resources Department of the Company. The process allows customers to manage risk as well as the expansion of personal loans. To be the working capital and the cost of the stall for the merchants After the repository and understand customer needs. The team is therefore able to design personal loans under the brand "Sabaijai Market" which is suitable for the nature of the trade of various types of goods by merchants, as well as being able to properly design the management of debtors in specific market groups.

Nano Finance Credit Supervision The announcement of the 58 loans for an occupation under supervision. Regarding the determination of financial institutions and interest rates that financial institutions may charge from borrowers By the Bank of Thailand has announced the defined rules, procedures and conditions of business loans to professionals under supervision for businesses, non-financial institutions. To fix debt and the natural person without property or assets as collateral to access resources to be invested in the profession.

Competition in the nano finance business, although there are many licensed entrepreneurs. But there is still competition is not fierce. As each operator uses a strategy to focus on their own customer base in addition, large financial institutions have not yet entered into the said nano-financing services. Therefore, providing nano-finance loans will be an opportunity for the company. In expanding and expanding the business of the company the other one as well, but the company was aware of the competition and the risks of doing business. The company chose to start offering loans to finance the Nano owners, merchants, vendors. With the address only at Khlong Toei market Because it's the group that the company Close to customers and partners in this business Therefore ensuring the effectiveness of risk management for this group as well.

2. Financial risk

2.1 Risk from interest rate fluctuations

Due to the company's main business is the hire purchase and personal loan, generate earning from interest income from fixed rate whereas the company's interest expenses are paid to loans borrowing from financial institutions at floating interest rates which makes the company is at risk from interest rate fluctuations. However, the company sources of fund do not rely mainly from financial institutions' loans but most of the funds are from the issuance debentures and short-term loans with fixed rate interest. As of December 31, 2019, the company has short-term loans from other persons totaling 226.57 million baht (representing 10 percent of total debt) while having debentures not yet redeemed totaling Baht 1,852.35 million (85% of total debt) In addition, the company has a policy to carefully manage cash inflows, (Loans from the bond market) and cash outflow (Credit loans). The company manage to reduce interest rate fluctuations risk by set the interest rate of new loans to be in line with borrowing interest rates at that time. And in case of loan interest rate decreases, the company will gain from spread of those interest rates.

2.2 Risk from reliance on loan source

The company's source of funds to lending loans to the customers mainly are from the issuance and offering of debentures in the bond market. As of December 31, 2019, the company has nonredeemed-debentures totaling Baht 1,852.35 million (represent 85% of total debt). The Company, as the debenture issuer, has the duty to maintain the Debt to Equity ratio (DE ratio) at the end of the accounting period of the debenture issuer, according to the financial statements of the debenture issuer audited by the auditor not more than 5:1 (ratio) times. (Details are in accordance with the terms and conditions of the rights and obligations of the debenture issuers and debenture holders.) As of December 31, 2019, the Company has an interest-bearing debt to equity ratio in accordance with the definition of the regulation, rights and duties of debenture issuers and debenture holders at the rate of 3.77 times

However, the company has proceeded to increase the registered capital, which will strengthen the company's capital structure. At the Extraordinary General Meeting of Shareholders No. 1/2018. The meeting on 6 November 2018 passed a resolution approving the capital increase including the allocation of newly issued ordinary shares of the company, not more than 100 million shares with a par value of 0.50 baht per share, totaling a total of not more than 50 million baht, in offering to the existing shareholders in proportion to their shareholding (Rights Offering) at the ratio of 2 existing ordinary shares to 1 newly issued ordinary shares at 2.00 baht per share. The company registered the said capital increase with the Ministry of Commerce on November 23, 2018 and on February 22, 2019, the company has received the full payment amount of the increased share capital.

2.3 Risk from non-conforming between term of granting credit loans and term of source of funding

Due to the company's main business is the hire-purchase loan usually with loan's term more than 1 year while the partial of company's funding is the loans from financial institutions and short-term debt securities, therefore, it is risk from the non-conforming periods. This may cause the inconsistent cash inflows and outflows, which lead to low in liquidity. The company has well-aware of this risk, and has increased the registered capital, including the allocation of newly issued ordinary shares of the company, not more than 100 million shares with a par value of 0.50 baht per share, totaling a total of not more than 50 million baht. Offering to the existing shareholders in proportion to their shareholding (Rights Offering) at the ratio of 2 existing ordinary shares to 1 newly issued ordinary shares By offering at the price of 2.00 baht per share, which will enable the company The cash flow received from the said capital increase is a maximum of 200 million baht in February 2019.

2.4 Risk from early redemption of debentures

The company has the right to redeem the debentures before the call option date in full or partial amount according to the conditions specified in the terms and conditions of the debentures' rights. The said right is the exclusive right only by the company, therefore, investors are at risk of receiving early repayment because the company can exercise the right to redeem or repay the principal in full or partial amount (either at one time or many times). Before the maturity of the debentures starting from (and including), the complete date of first year in which the principal repayment date of the debentures before the said maturity must be the same due date of interest payment (can be any installments). However, the company shall consider the overall situation and various factors, then decision either to make the redemption or not to make the redemption. Therefore, the redemption of the debentures prior to the maturity date may prevent the investors to receive the return as investors expected. And investors are still exposed to the risk of continuously investment due to changes in interest rates in the money market, which prevent the investors to reinvest by using the principal and interest received from the redemption of the debentures to get the same expected rate of return that has been received, even though the company pay fees to the bondholders at the rate of 0.25 percent of the principal amount of the debentures being redeemed.

2.5 Risk from changes in accounting standards

The new accounting standards (TFRS 9), which will be effective on January 1, 2020, have changed the principles regarding classification and measurement of financial instruments and impairment of financial instruments. The important part is to set up an allowance for doubtful accounts in order to cover the possible losses from assets and obligations such as loans. From the previous concept that set up allowance for doubtful accounts, "incurred loss" is an allowance for doubtful accounts reserve for the expected loss (EL) in order to allow the allowance for doubtful accounts to reflect the credit risk by considering the data from past, present, and future events (Forward-looking Information) by considering the allowance for doubtful accounts differently based on the status or the stage of the debtor. For Stage 1 debtors (groups whose credit risk does not change from the first day of credit provision), set up allowance for doubtful accounts to handle the loss expected to occur within 1 year (1-year EL). At Stage 2 (groups with increased risk) And Stage 3 (Non-performing loan: NPL) to set up the allowance for doubtful accounts to cover loss that is expected to occur throughout the life of the debtor (Lifetime EL), causing the company to set allowance for doubtful accounts faster per changing status of the debtor.

However, the rate of allowance for doubtful accounts depends on many factors, such as general information of borrowers, each category loan agreements details and payment history data. Previously. From the past to the present and probability in the future, the company may affect from increasing in allowance for doubtful accounts that may impact the financial statements of each period as it will increase the accounting expenses but not affecting the company's cash flow.

As of 31 December 2019, the company has net receivables that are overdue over 3 installments (90 days) of the hire purchase contract in the amount of 75.62 million baht while the allowance for doubtful accounts is 38.32 million baht and there are net receivables overdue more than 3 Period (90 days) of personal loans 68.94 million baht and has an allowance for doubtful accounts of 29.87 million baht. It can be seen that the amount of allowance for doubtful accounts is calculated from the net debtors after deducting the collateral value which the company has tested the sufficiency of the said allowance for doubtful accounts carefully.

The company hires the actuarial to develop the models for hire purchase loans. Other loans classified by company's products to assess the adequacy of the allowance for doubtful accounts in accordance with the new accounting standards (TFRS 9). The company is currently evaluating to gradually adjust or reduce reserves to be at the appropriate level and the company believes that there is no significant impact.

3. Operational Risks

3.1 Risk of reliance on agricultural machinery manufacturers

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

3.2 Risks from the Management of Agricultural Machinery Restrained

In cases where the debtor has defaulted on the debt repayment, the Company will send the notice with the fine to the debtor. Meanwhile, the company will send a service representative to contact the debtor for a solution. If the debtor fails to make the corrective action under the joint plan, the company will negotiate for the debtor to deliver the agricultural machinery back to the company. The Company allows the debtors to contact for the redemption of agricultural machinery. And after the redemption period, the company will announce the auction to those interested in buying agricultural machinery. If the auction is insufficient to repay the debt, the Company can claim the remaining amount from the debtor and/or guarantor. In case the company cannot get the remaining amount, the Company

shall recognize the loss from the sale of agricultural machinery. The auction price will depend on the condition, lifetime and the popularity of agricultural machinery, including the market conditions and the demand at the moment. In addition, the Company has a database to contact with customers or those who are interested in buying used agricultural machinery (second hand) to use as a channel for the sale of agricultural machinery obtained.

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

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

3.3 Risk of employee fraud

The Company engages in hire purchase business, secured Loans, and personal loan without supervision. The Company has set up a procedure for reviewing the lending to customers who receive loans from the Company to confirm that the customer is fully paid according to the contract. And in payment of the customer, the company requires customers to pay through the channels that the company controls. When the company check the customer's payment, the Company will inform the customer and issue a receipt to the customer. And the company has the system to check and review the system of receipt and disbursement. Throughout the operations of the company, the employee fraud has never been detected.

In 2019, the Company structured its internal audit to plan and to monitor the system, work process, complaints and notices of misconduct from by the customer who was not slip well, had problems using credit service, or want to report a fraud. The customer can provide information through the channels as specified by the company. The company has set up the management and responsible for managing the complaint and notification of the offense. Throughout the operations, the Company never received a complaint and did not receive a clue.

3.4 Risk from reliance on specialized personnel

Whether it is agricultural credit loans or personal loans, the Company requires credit analysts and marketing staff who are experienced in understanding agribusiness, target customers which are different from those who have income from regular salaries, merchants in the market and customers from tour business . As a result, the Company manages the risk of knowledge, ability and specific skills of its employees which may affect the Company's operations in the short term. With a clear operating system and operating manual with the same standard for staff to follow and encourage sharing of knowledge to reduce dependency on one of employees. In addition, the Company has encouraged employees to work with the company for long term with the right return model, good welfare, and progress in the job.

4. Credit Risk

4.1 Risks to performance of overdue loans

The main customer base of the Company is farmers which usually the income is from the cultivation of agricultural crops. In the case of natural disasters such as floods, droughts, pest outbreaks or changes in government policy regarding agricultural production structure or the price of crops fluctuation may have an impact on the ability to repay the debt. This business may have a risk of overdue loans if there is a lack of caution in approving loans and a lack of good internal controls. However, the credit analysis process of the company uses credit scoring and cash flow analysis In addition, the company

There is a close monitoring of the adequacy of the allowance for doubtful accounts of debtors under the loan agreement together with the assessment by analysis of repayment history aging of receivables and expectations regarding the future obligations of the customer and the value of the securities purchase when they are taken to compare with the specified criteria and recognition of income on the accounts receivable are outstanding for more than 3 time.

The Company has a strict process for loan processment and check credit information of customers. The Company has developed a database of customers based on past transactions. It also collects information related to the occupation, such as brokerage information, the information gathered through the information system of the havester's driver, thus enabling the Company to effectively monitor the quality of its receivables by reviewing the repayment history from the existing debtors database. In addition, the Company has set up a business policy to prevent the risk of overdue debtors. The Company has focused on the quality of credit and collateral so it has set important measures in business such as setting clear criteria for loan approval in every step, including set up down payment amount to be appropriate to the risk of debtors and collateral. In addition, the Company has focused on the strict internal control system by using the Check and Balance system which provides the system to the marketing officers, credit analysis officers directly checks customer's information and rechecks with the credit committee again, to comply with the credit approval standards of the Company, and also has an effective reporting system to know the current status of the debtor. As a result, the Company Credit management can be used to prevent a large number of outstanding installments. The Company can reduce and prevent the risk of overdue receivables.

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

5. Legal risks

5.1 Risk from the government taking over control to the business)

Currently, the car and motorcycle hire purchase business is not under the supervision of the Bank of Thailand ("BOT") but supervised by the Office of the Consumer Protection Board ("OCPB"), which supervises the contracts to ensure the fairness for consumers. In the future, if the government considers to oversee the hire purchase business to control the operations to be the same standard may affect all companies that operate hire purchase loans. However, the company has currently complied with the guidelines of the BOT to supervise financial institutions, such as classification criteria, reserve requirements of financial institutions, revenue recognition and stop revenue recognition policy and being complied with the rules of the OCPB. Therefore, the company is confident that the government supervision will not significantly affect the company's performance.

The personal loans business operators under supervision and microfinance businesses under supervision by the Bank of Thailand which has the requirements regarding the criteria, procedures, and conditions for undertaking personal loans business operators that are not financial institutions, such as the qualifications of application, credit limit, setting the interest and any fees, complaints channels and debt follow up etc., This is to create the fairness to customers as the company has strictly adhered to the said regulations. The company will update/ change the guidelines to be in line with the modification or additional

regulations regarding personal loan under supervision and microfinance businesses under supervision of Bank of Thailand.

5.2 Risk from government regulate the legislation on debt collection

The government has issued the legislation Debt Collection Act, which aims to regulate company in contact the customer to claim the debt of the entrepreneur. This impact the on debt collection process especially the company in providing financial loans to consumers that are necessary and unable to avoid debt collection process to prevent the doubtful accounts. Even though the Debt Collection Act be effective since 2015 but the said law still issues announcements or sub-laws to continuously monitor debt collection. In the year 2019, the Debt Collection Commission announced the number of times to contact debt collection. The various regulations issued affect the company, adjust and increase the process and aware to contact for all debt collection. However, the company is aware of legal compliance as a cornerstone of the business and has improved the customer contact processes and systems in accordance with the laws, governed regulations. There are communications, staff training to acknowledge on the legal practices. Hiring an outsourced contractor is required to be trained on Debt Collection Act and registered the debt collection business with the government to avoid any acts that violate the law and maintaining the good debt management process.

5.3 Risk from the legal ability of the contract party

The Company is fully aware of the risk of regulatory effect and the completeness of the credit terms of the customers. To make the contract legally binding in accordance with the rules on the completeness of the contract as provided in the Civil and Commercial Code, especially those who are in bankruptcy status and the business reorganization that has limitations in the ability to enter into contracts to be legally binding. In case the company has no bankruptcy information checking system and business rehabilitation or the system using is non-concise, making mistake entering the contract with bankruptcy or rehabilitation business will directly impact to have doubtful debts and a financial burden for the company. Therefore, the company provides the additional tools to check the status and bankruptcy and business rehabilitation to add the rechecking process from the Office of Ketrangpetch, a lawyer who is responsible for compiling and providing bankruptcy information with widely trused by the financial institutions in Thailand for period of time.

5.4 Risk of security of personal information

The government issued legislation Personal Data Protection Act, to be effective in mid 2020. The company sees the importance and risks that may cause the company violate the Personal Data Protection act. Because this Act has the objective of protecting personal information, set the responsibilities of the company and about the management of personal information, data consolidation, data using and disclosure. Therefore, the company has done the preparation since mid-year 2019 by sending employees who are directly responsible for customer information to participate in training with government agencies, the specialized law firm to acknowledge the operational guidelines, including the dissemination of knowledge to other employees. The company also develop more appropriate, concise, sufficient system to manage the customer's personal data to support legal compliance Additionally, the company has hired the experts in the Personal Data Protection act to be a consultant and facilitate the information management systems development and improve work processes to comply with the law.

The Better things in year 2019

The company considers the effective Debt Management System is very important, therefore, the company keep adjusting debt management strategies and processes to assure the debt collection is meet the target. In 2019, debt management function has restructured the team to support new loan types while maintaining debt collection quality of existing product portfolio. The professional collection outsource has been used to cover all areas of the customer. The new Debt Collection system was also developed to increase productivity in all aspects, such as reduce paperwork, auto assign cases to collectors, and support team leader to monitor and supervise debt collector team more efficiency.

1. In April 2019, Debt Management Function start using new debt management system called "D-Debt" that facilitate, and support debt collect operations with several features such as worklist distribution, debtor monitoring, notifications, and documentation. It helps reduce repetitive works of employees and design reports with various data dimensions for data analysts, also helps executives and team to set debt collection goals and working direction.

2. Restructure debt collector's team for better manage on different debtor's characteristics and loan's aging as well as focusing on collection processes (by Bucket & Aging). The Debt Clinic team responsible to potential debtors who encounter the problems, such as drought and flood, will get consult or suggestion to solve problems including propose for debt restructuring if necessary.

3. Using new debt management system help team reducing working time through document work, free up them to manage on debtors more, help them define clear collection target and goals with additional conditions that consider necessary. It improves debt management criteria, and at the same time reducing risk of the company's assets aging, too.

4. Besides the internal debt collectors' team, there are extra 2 debt collection service companies 1) Mee Tem Co., Ltd. 2) Sub Sri Nu Thum Co., Ltd., doing more on field collection with debtors with overdue installments > 2 or more. They work closely with internal team on potential debtors' problems and able to propose debt restructuring if needed.

5. Since the beginning of the year 2019, all new customers who are farmers, merchants will receive payment card (credit card size) with a barcode that they can carry with and use to pay installments on various channels. They have no need to wait for monthly invoices or calling to ask for installment data from the company. It is more convenient and helping debtors to pay installment on their due date.

IT Infrastructure & Support Section

To get IT infrastructure and support section ready for business growth, the major management are as follows:

1. IT Management

- IT Management be managed to support current operations smoothly. The new standard core system will replace the existing as it is under developing by well-known outsource. The new core system connect end to end process from front to back end operations, reduce manual work and processing time as well as serve all requirement of internal users, employees, customers and trading partner.
- Define the maintenance procedure for core system, both Hire Purchase and Personal Loans, in order to get system ready to support operations efficiently.
- IT resources be managed to be ready for fully load operations, by defining the policy to maintain, schedule and maintenance the IT devices per plan each year.
- Besides the management on customer data, trading partners, and company is another main task, IT department also backup data on daily basis and make required data available for retrieving (anytime).

2. IT Security

- It monitors and prevents the unexpected or risky accessibility to core system of the company's system.
- Data security management is performed by updating devices and improving safety of network to be more efficient.

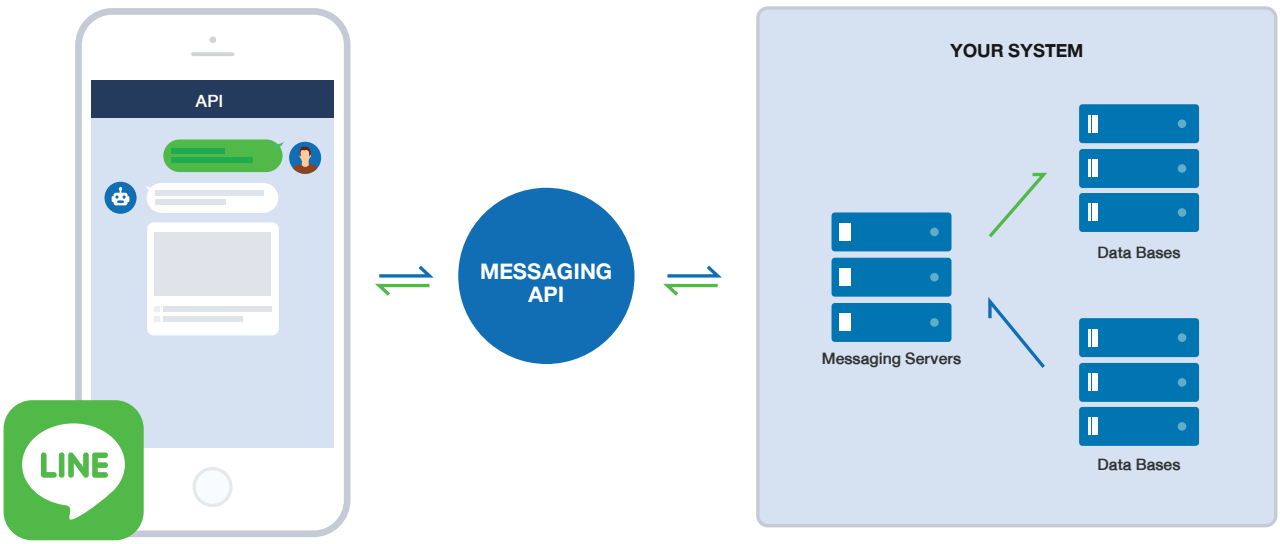
3. Business Continuity Planning (BCP)

- To ensure that the company's business is being able to operate promptly.
- There is preparation for telephone equipment, location, if there is an event that is not able to work at the company.

GCAP LINE OA: LINE Bot

When mentioning Platforms for communicating and chatting of Thai people during last 7 years, Line is considered as one of leading platforms. Refer to statistic on Line users in Thailand in 2019[1] , it was found that there were 66 million internet users in Thailand and 44 million users (calculated to be 64% of total internet users) were Line users. In addition, Thai people used smart phones for 216 minutes per day averagely whereas they spent 63 minutes per day on Line. It could be seen that users spent 29% of their online time or 25% of their online time on Line Platform.

Therefore, Line is considered as another key channel to communicate with larger number of customers. Moreover, another capability of LINE Official Account is creating Chatbot to auto reply to users' inquiries via Line Bot through Messaging API. Besides helping users quicker, it also reduce staff's effort to serve customer. However, it requires time for Chatbot to learn and understand human's language by Neuro Linguistic Programming or NLP to feedback or respond more accurate, because some questions may ask with different sentences, for example, "I would like to ask about debt balance" or "How much is my debt balance? ", etc. It seems that customers want to know their "debt balance: but they ask with different questions therefore Chatbot must learn and understand languages by itself. From this reason, developers utilize Machine Learning through Google Dialog flow service to enable Chatbot to manage conversations and reply to questions more naturally.



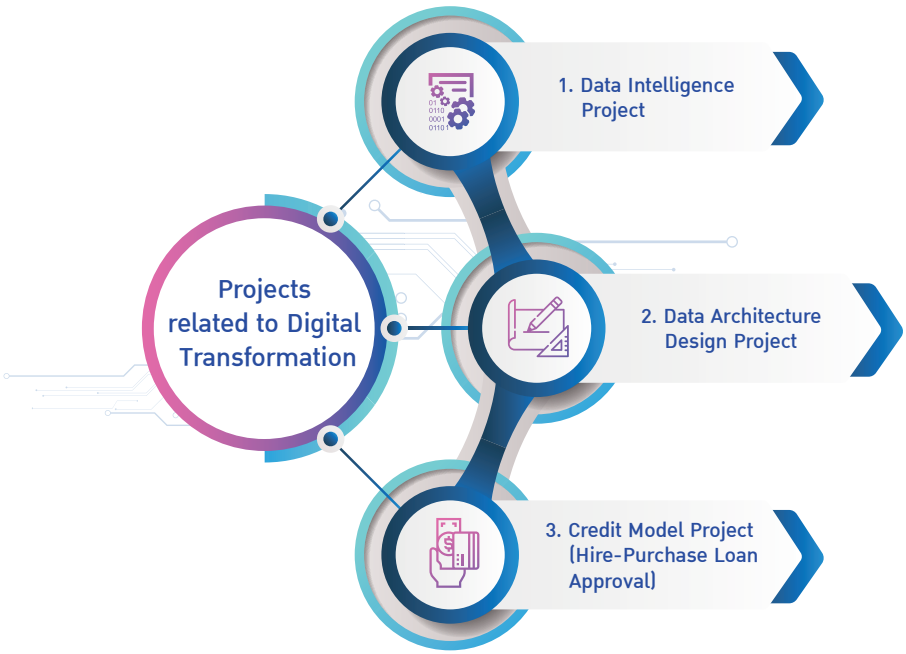
In the first phase, Chatbot develop for internal use by company's staff and trading partners who want to search and browse data conveniently and rapidly at any time and any place. Chatbot has been used since August 2019 and the company currently plans to develop Chatbot for providing services to customers and general users. Moreover, one feature that will be launched soon is customers can follow up the status of their accounts or loan agreements or hire-purchase agreements by themselves with conveniently.

[1] https://www.thumbsup.in.th/line-th-stats-2019

Data Intelligence

According to rapidly change in digital technology, there are some big changes of financial and agricultural businesses with competition in responding to demands of customers rapidly and timely. To understand on changing demands of customers in digital era, G Capital Company Limited strives to drive the Company to be ready in Digital Transformation phase with purpose to build customer's satisfaction and good experience that eventually bring the sustainable profitability for the Company and shareholders.

In 2019, the company strictly focus on utilize data for developing products and services, making business decision, and building organizational culture that employees can participate in creating and adding value for the company's business. Data were used to analyze and to understand in-depth behaviors of customers. Important projects related to Digital Transformation are as follows:



1. Data Intelligence Project - This project's target is to build culture on data utilization by providing knowledge to employees, allowing them to exchange their opinions and better understand customers through internal data, finding customer insight and create new innovations. For example, establishing Debt Clinic or Pre-Approved loans for existing customers with good debt payment record and potential.

2. The target of this project is to set structure and design data architecture to ensure the smoothness of digital transformation. Data structure must be in useable format for Data Analytics with appropriate data governance. This project plan to monitor and keep the process improved to support product development.

3. This project is conducted to improve hire-purchase loan analysis process by using Machine Learning Technology analyzing data on loan application, debt payment behavior, and other kinds of data through Credit Model of hire-purchase loan that grading customer credit score based on their risks profile. Consequently, credit team can analyses base on credit model more accurately and efficiently with less time in the future.

Another goal of the project is to develop credit model ability to assess risks and doubtful debts in order to manage company portfolio at the lowest risk and gain the ultimate benefit.

NCB (National Credit Bureau) Member Engagement

To enable the company to prevent the risk of granting loans to customers who are at risk of being able to pay off debt, therefore, the company decides to apply the membership of National Credit Bureau Company Limited, the largest database of indicating debt with payment behaviors of financial system in Thailand. This system helps to improve efficiency on risk prevention, risk analysis, and review on loan approval because it covers debt payment record and number of debts made with the other financial institutions while applying for loans with G Capital.

The principles and reasons of NCB Member Engagement are as follows:

1. To provide adequate data to the company for approving or analyzing new loans or reviewing existing loans.
2. To be used as the tool for preventing NPL / and managing risks of business operation.
3. To become the credit data center, for data searching to be the same standard of other financial institutions, in order to facilitate data searching via international system for statistical loan analysis and processing, debt payment record, “borrowing behavior and intention to pay debt”
4. To use statistical data report, overviewing the credit distribution, compares good debt and bad debt and apply for business operation planning and portfolio risk management.
5. To be a tool to create financial discipline for the customers according to the international standards required in Thailand.

Benefits of NCB Member Engagement

1. The company has standard credit database use for loan consideration.
2. The company can use statistical data report on credit scoring to approve loans rapidly with standard.
3. The company will able to analyze and prevent NPL from customers with high risk.
4. The company has ability to analyze the tendency of overall impact from credit data, and able to establish the guidelines for business operation in the future.

Shareholding Structure and Dividend Payment Policy

The first 10 shareholders of the Company as of December 31, 2019, which was the last closing date, were listed as follows:

No.	List of Name	Number of shares held	Percent
1	Song Nam Company Limited	61,000,000	20.33
2	Mr. Chinavais Sarasas	12,379,187	4.12
3	Mr. Pornchai Charumethee	10,694,153	3.56
4	Mr. Thaweechat Chulangkul	8,016,000	2.67
5	Thai NVDR Co., Ltd	6,071,259	2.02
6	Mr. Waykin Utatham	4,591,000	1.53
7	Mr. Thawee Kositjiranun	4,275,000	1.42
8	Mr. Pharinya Khuncharoensuk	3,997,900	1.33
9	Mr. Samkhan Choosri	3,708,000	1.23
10	Mr. Karn Pornsuksiri	3,500,000	1.16
	Total of 10 major shareholders	118,232,499	39.37
11	Others	181,767,501	60.63
	Total	300,000,000	100.00

Source : List of major shareholders as of December 31, 2019 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 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 paid 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 2016 paid 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 paid 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 paid 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)

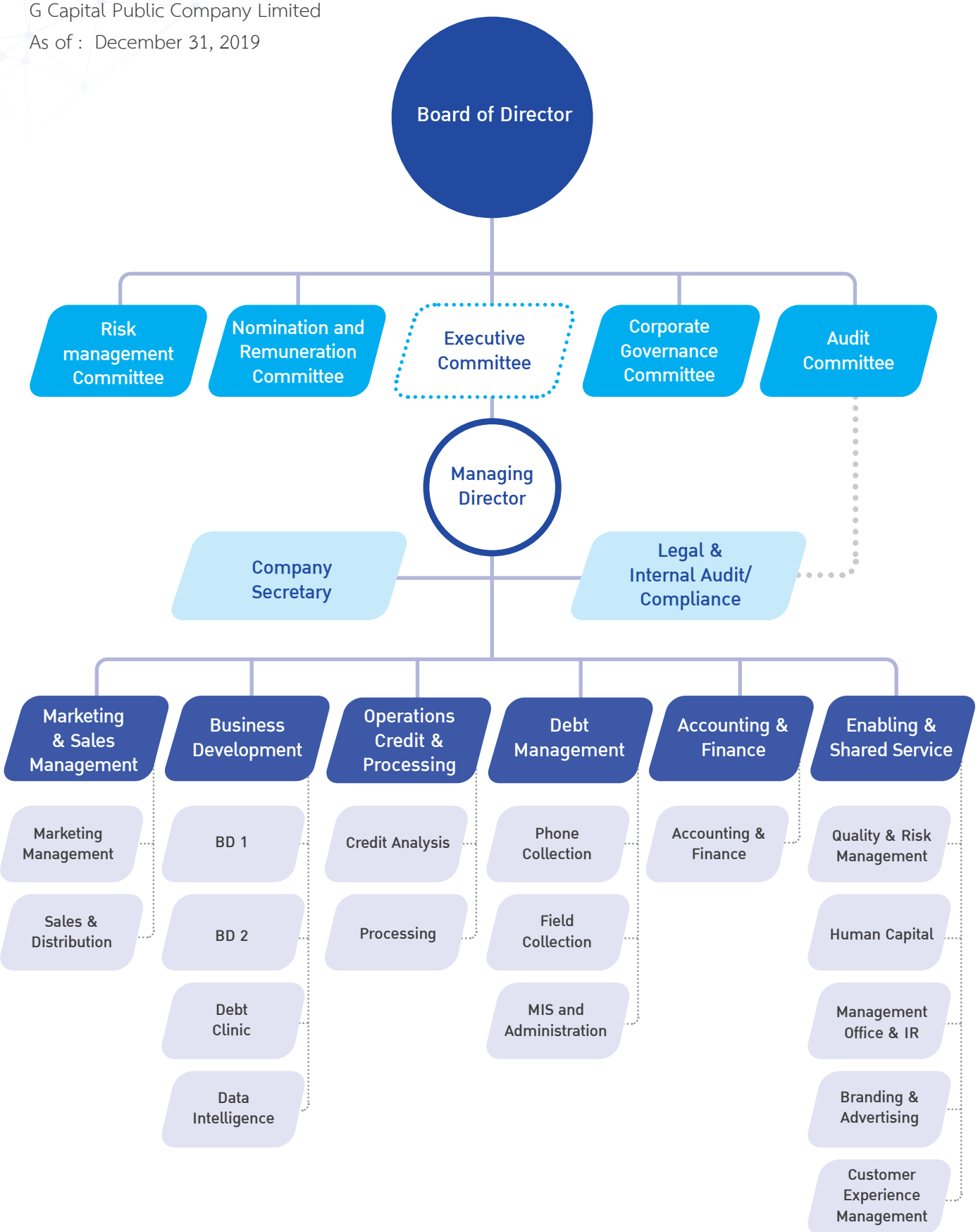
By the resolution of the Annual General Shareholder's Meeting for the Year 2019 on March 15, 2019, the company authorized to pay cash dividends for the year 2018 to its shareholder at Baht 0.25 per share, that equivalent to 91.09 percent of the net profit, the details are as follows;

- The interim dividend at Baht 0.10 per share, for the Company's performance from 1st January-30th June 2018 paid to shareholders on September 7, 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)
- The yearend dividend at Baht 0.15 per share, for the Company's performance from 1st July-31st December 2018 paid to shareholders on April 12, 2019 (The Company's paid-up share capital of 150,000,000 baht. into 300,000,000 ordinary shares with a par value of 0.50 Baht)

Organization Chart

G Capital Public Company Limited

As of : December 31, 2019



Management Structure

Management structure of the company have a consists of 6 committees as follow:

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

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. (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:
   4.1 One Shareholder has one vote per one share
   4.2 Each Shareholder will use all his votes according to elect one or several Directors, but they cannot separate their vote to several people.
   4.3 The individuals receiving the largest numbers of votes shall be elected as a director or directors at that time depending on the number of directors the Company can have. If there are several individuals who have the same number of votes but there is not enough position for every one of them, the Chairman will cast the final vote.
5. In case of vacancy for reasons other than retirement by rotation. The Board of Directors shall elect a person who is qualified and not disqualified under the regulations of public limited company to be the Company's directors represented at the next Board Meeting. Except the director's remaining term is less than two months. The persons who are newly appointed would be in the position for the remaining term of the Director whom he represents. Such resolution of the Board of Directors shall consist of not less than 3/4 of the votes of the remaining directors.
6. One board member is to be selected as the Chairman of the Board of Directors. One or more other member(s) may be selected as vice chairman and managing director should the Board deems appropriate the vice chairman has the duties according to the regulations in businesses assigned by the Chairman of the Board of Directors.
7. A meeting of shareholders may resolve to remove any director from office before the expiration of their term with the votes of not less than three fourth of the shareholders present at the meeting and entitled to vote, and the shares amounting to not less than half of the shares held by the shareholders present at the meeting and entitled to vote.

The definition of its "independent directors"

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

1. The independent Directors hold shares not exceed one percent of the total shares with voting rights of the Company, parent companies, subsidiaries, associated entities, legal entities that are major shareholders or controlling person of the Company. The shares held by those involved shall be counted.
2. The independent Directors shall not participate in the administration, nor be an employee, staff, advisor who receives regular salary or a controlling person of the company, not less than two years before his appointment. The prohibition does not include the case if they are public servants or advisor of Government organization which is a major shareholder or controlling person of the Company. Such forbidden character does not include the case where an independent member had been a civil servant or a consultant of a government agency who is a large shareholder or the authorized entity that controls the Company.
3. The independent Directors has no blood relationship or registered as father, mother, spouse, sibling, and child, including spouse of the children of executives, major shareholders, controlling authority or persons to be nominated as executive or controlling person of the subsidiaries.

4. The independent Directors don't have a business or have not been in a business relationship with a value more than three percent of the net tangible assets or more than Bath 20 million baht (whichever is lower) with its parent company, subsidiaries, associated entities, major shareholder or controlling person of the Company and not being or having been a shareholder or a controlling person of any person who have business relationship with the Company, parent companies, subsidiaries, associated entities, legal entities who are major shareholders or controlling person of the Company. Unless it is clear from the manner for not less than two years before the appointment. The definition of business relationship shall include item sunder 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.

The Board of Directors

The Board of Directors of the Company as of 31 December 2019, consists of 9 members as follows:

First-Last Name	Position
1. Mr. Boonsak Chiempricha	Independent Director and Chairman of the Board Directors
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, Chairman of Nomination and Remuneration Committee Audit Committee and Corporate Governance Committee
5. Dr. Chaiyong Satjipanon	Independent Director, Chairman of Risk Management Committee, Audit Committee and Nomination and Remuneration Committee
6. Mr. Nattaphon Sarasas	Director, Nomination and Remuneration Committee, Risk Management Committee and Corporate Governance Committee
7. Mr. Asa Sarasas	Director
8. Pol.Lt.Gen. Pongsiri Suankaew	Director and Chairman of Corporate Governance Committee
9. Mr. Spain Jingkaojai	Director and Secretary of the Board of Directors

Remark: Ms. Sirikanda Chansaenwilai 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.

Scope of duties and responsibilities of the Board of Directors

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. Responsible to disclose financial statements with the financial status and operating results of the previous year and present to the shareholders' meeting for consideration and approval.
8. 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.
9. 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.

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.

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 2019, The Audit Committee consists of 3 members.

First-Last Name	Position
1. Asst. Prof. Wipada Tantiprabha [1/]	Independent Director and Chairman of Audit Committee
2. Mr. Premesan Pisitpan	Independent Director and Audit Committee
3. Dr. Chaiyong Satjipanon	Independent Director and Audit Committee

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

Mr. Narongpoj Longchupol is Audit Committee Secretary

Composition and qualifications of the Audit Committee

1. The Audit Committee must be an independent director.
2. The Audit Committee must be appointed by the Board of Directors with majority vote.
3. The Chairman of the Audit Committee is appointed by The Board of Directors with majority votes.
4. The secretary of the Audit Committee must come from the related working fields (Internal Audit) and be approved by the Audit Committee.

Scope of duties and responsibilities of the Audit Committee

1. Review financial reports to ensure the accuracy, reliability including the adequacy of disclosed information by coordinating with external auditors and executives responsible for preparing quarterly and annual financial reports and disclosing relevant company information adequately before proposing to the Board of Directors.
2. Review the internal control and internal audit systems of the company to be appropriate and effective.
3. Review of compliance with the Securities and Exchange Act or the requirements of the Stock Exchange of Thailand policies including rules, regulations, and other laws relevant to the company's business.
4. Consider, select and propose the appointment of an independent person to act as the company's auditor. Consider the remuneration of the company's auditor and propose to the shareholders' meeting for approval as well as coordinating with the auditor about the objectives of the audit, scope, guidelines, plans and problems and issues encountered during the audit process and/ or auditor considers being significant.
5. Consider and assure that the disclosure of company information for related transaction occurs or transactions that may have conflicts of interest be accurate and complete, in accordance with the laws and regulations of the Stock Exchange of Thailand. Disclosure of information in performing the related transaction correctly and completely.

6. Prepare the Audit Committee report to disclose in the company's Annual Report, which must be signed by the chairman of the Audit Committee and must contain at least the following information:
    - Comments on the accuracy, completeness and reliability of the company's financial reports
    - Comments on the sufficiency of the company's internal control system
    - Comments on the compliance with the Securities and Exchange Act according to SET requirements or the other laws related to the company's business.
    - Comments regarding the suitability of the auditor
    - Comments on transactions that may have conflicts of interest

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 2019, The Nomination and Remuneration Committee consists of 3 members

First-Last Name	Position
1. Mr. Prameson Pisitpan [1/]	Independent Director and Chairman of Nomination and Remuneration Committee
2. Dr. Chaiyong Satjipanon[2/]	Independent Director and Nomination and Remuneration
3. Mr. Nattapon Sarasas	Director and Nomination and Remuneration Committee

Remark : [1/] Mr. Prameson Pisitpan and [2/] Mr. Chaiyong Satjipanon are Independent Director

Ms. Morakot Thongsriphong is Secretary of Nomination and Remuneration Committee

Scope of duties and responsibilities of the Nomination & Remuneration Committee

Nomination

1. Determine the appropriate qualifications of the directors to be selected, consider the structure by business's size and the complexity. Examine Directors' qualifications in terms of skills, experience, and specific talents related to the main business or industry.
2. Consider the nominee qualifications to be an independent committee to suit the company's characteristics, the independence must at least be complied with the rules and regulations of the SEC.
3. Set rules and procedures to select the suitable candidates to be directors and Executive Committee.
4. Consider the list of candidate name, recheck their background and qualifications according to the law and regulations of the official agency of the proposing person and presenting to the Board of Directors for consideration.
5. Consider the work performance, qualifications and the suitability of the directors who retire by rotation and shall be re-elected to be the Board of Directors and to consider, to approve and to propose to the shareholders' meeting for appointment as a director of the company.
6. Carefully reconsider and scrutinize the appropriateness of sub-committee in the position.

7. Review the appropriateness of the position of the Board of Directors in case there is any change to the qualifications of the Board of Directors.
8. Arrange the orientation to the new directors and develop directors' skill and knowledge.
9. Establish the succession plan for Managing Director and C Executive level.
10. Perform other duties as assigned by the Board of Directors.

Remuneration

1. Set and establish the written remuneration policies
2. Propose remuneration's guidelines and procedures for Board of Directors, Board of Director's Advisor the other sub-committees.
3. Consider the form, criteria and determination of the compensation value. Both salary and other benefits paid to advisors to the Board of Directors, Managing Director And senior executives (C Executive Level)

Risk Management Committee

The Risk Management Committee consist of 2 members 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 and representatives of the parties.

As of 31 December 2019, Risk Management Committee consists of 2 members.

First-Last Name	Position
1. Dr. Chaiyong Satjipanon	Independent Director and Chairman of Risk Management Committee
2. Mr. Nattapon Sarasas	Director and Risk Management Committee

Mr. Sahachart Pliensri is Secretary of Risk Management Committee

Scope of duties and responsibilities of the Risk Management Committee

1. Assess the potential risks including the tendency of the impact that may have on the organization.
2. Establish the Risk Management policy to cover all related possible risks issues to present to the Board of Directors.
3. Assess the risk issues of new credit product offering by the management, consider the preventive correct and advice to the management.
4. Be authorized to appoint risk management working group as necessary.
5. Follow up the operations in systematic managing risk including analyze, evaluate, manage, and follow up the reporting.
6. Report and provide suggestion for risk management to the Board of Directors.
7. Perform other duties as assigned by the Board of Directors.

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 2019, the Executive Committee consists of 11 members and 1 advisor.

First-Last Name	Position	Executive Committee
1. Mr. Yongyuth Tariyo	Chairman of Executive Committee	Director/Executive assigned by Board of Directors
2. Mr. Spain Jingkaojai	Member	Managing Director
3. Mr. Sutthi Sripratum	Member	First Executive Vice President
4. Ms. Wirongrong Boonprateep	Member	Executive Vice President of Marketing & Sale Management
5. Mr. Chokchai Prasertchai-yaporn	Member	Senior Vice President of Accounting and Finance Department
6. Ms. Sivapun Sriampai	Member	Senior Vice President Accounting and Finance Department
7. Ms. Supasorn Phaotip	Member	Senior Vice President of Debt Management
8. Ms. Sirikanda Chansaenwilai	Member	Senior Vice President of Enabling & Shared Services
9. Ms. Morakot Thongsriphong	Member	Senior Vice President of Human Capital Management
10. Mr. Pharkphoom Dhirapatranon	Member	Senior Vice President of Business Development
11. Mr. Sahachart Pliensri	Member	Vice President of Legal
12. Mr. Asa Sarasas	Member	Advisor to the Executive Committee

Ms. Pattanan Tongkomsuk is Secretary of Executive Committee

Scope of duties and responsibilities of the Executive Committee

1. Operate and manage the business of the company according to the objectives, regulations, policies, regulations, requirements, orders and resolutions of the Board of Directors.
2. Screening proposals from management specify on the organization structure, policy, direction, business strategy of the company. Consider and determine on the business expansion, financial plans, management budgets on Human Resources, and Information Technology management to present to the Board of Directors for the consideration.
3. Be authorized to appoint a sub-committee and/ or working group to operate or manage the company. Determine the sub-committee and working group on authorities, duties and responsibilities, including control and oversee the operations performance.
4. Monitor the company's performance in accordance with the policy of the Board of Directors and the set goals and supervise the operation to have quality and efficiency.
5. Consider the annual budget allocation proposed by management prior to propose to the Board of Directors for consideration and approval.
6. Be authorized to consider and approve the business expenditure but not more than the budget approved by the Board of Directors. Approve the important investment expenditures which has been approved annual expenditure budget or be approved in principle by the Board of Directors.
7. Consider engaging into a contract regarding normal business operations within the scope and budget approved by the Board of Directors and proceed according to the approval authority of the company.
8. Perform the other duties as assigned by the Board of Directors.

Corporate Governance Committee

As of 31 December 2019, Corporate Governance Committee consists of 3 members.

First-Last Name	Position
1. Pol.Lt.Gen. Pongsiri Suankaew	Director and Chairman of Corporate Governance Committee
2. Mr. Premsan Pisitpan	Independent Director and Corporate Governance Committee
3. Mr. Nattapon Sarasas	Director and Corporate Governance Committee

Mr. Sahachart Pliensri is Secretary of Risk Management Committee

Scope of duties and responsibilities of the Corporate Governance Committee

1. Consider and define the guidelines and policies, the practices regarding business ethics policies, measures to fight against the corruption in accordance with good corporate governance to propose and presenting to Board of Directors and management team in order to govern the organization with the standardized and good practice.

2. Supervise, give advice, evaluate and review the policies to ensure the compliance to the principles of good corporate governance and business ethics, including the responsibility to the social and environmental to achieve the sustainable development, upgrade the company's corporate governance system to international standards.

3. Ensure the principles of corporate governance have the appropriate practices.

4. The Corporate Governance Committee is directly responsible to the Board of Directors as being assigned the duties and responsibilities. The Board of Directors remains the responsibility of the company's operations to third parties.

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.

Management

As of 31 December 2019, Management Team consists of 9 members as follows:

Name-Surname	Position
1. Mr. Spain Jingkaojai	Managing Director
2. Mr. Sutthi Sripratum	First Executive Vice President
3. Ms. Wirongrong Boonprateep	Executive Vice President of Marketing & Sale Management
4. Mr. Chokchai Prasertchaiyaporn	Senior Vice President of Accounting and Finance Department
5. Ms. Supasorn Phaotip	Senior Vice President of Debt Management

Name-Surname	Position
6. Ms. Sirikanda Chansaenwilai	Senior Vice President of Enabling & Shared Services
7. Ms. Morakot Thongsriphong	Senior Vice President of Human Capital Management
8. Mr. Pharkphoom Dhirapatranon	Senior Vice President of Business Development
9. Mr. Sahachart Pliensri	Vice President of Legal

Scope of 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.

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.

In some cases, high-level executives or independent experts may attend the meeting to provide additional useful information as related persons. It also has been known to direct policy can be implemented effectively. In the vote on the Board of Directors to hold a vote of the majority. In which one director has one vote the directors who have interests not to attend the meeting and / or the right to vote on the matter. And if the votes are equal the chairman of the meeting will have an additional vote as the deciding vote.

In this regard, the directors will attend every meeting except for necessary reasons. The company secretary will notify the company secretary in advance. The company will prepare a report of the number of meetings attended by each director in the annual report and the company has assigned the company secretary to proceed 1. Prepare a meeting schedule in advance for the whole year in order for all the Board of Directors to know the meeting schedule. 2. Send meeting invitations to all directors by specifying the date, time, venue, and agenda. Which is delivered at least 7 days in advance 3. To collect the meeting documents from the management to send to the board with the invitation letter. The said documents must be sufficient information for independent decision-making and discretion of the Board of Directors, and 4. The Company Secretary will record the issues in the meeting in order to prepare a complete minute of the meeting. To propose to the chairman to sign as well as having a good storage system Easy to find and secret.

The attendance details of each Director for 2019 are summarized as follows:

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

Remark : The meeting of the Board of Directors on November 27, 2019, without the executive directors attending this meeting.

Remuneration for the Board of Directors

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.

The 2019 Annual General Meeting of Shareholders, held on March 15, 2019 passed a resolution that the remuneration of the Board/ the remuneration Audit Committee/ the compensation to Directors of the Company in 2019 in an amount not exceeding Baht 4,250,000 per year. The remunerations were classified by meeting.

Monetary Remuneration

Position	Meeting Allowance Attendance
Chairman of the Board of Directors	25,000 Bath
Director	15,000 Bath
Chairman of the Audit Committee	25,000 Bath
Audit Committee	15,000 Bath

Position	Meeting Allowance Attendance
Chairman of Executive Committee	15,000 Bath
Chairman of Nomination and Remuneration	15,000 Bath
Nomination and Remuneration Committee	10,000 Bath
Chairman of Risk Committee	15,000 Bath
Chairman of Corporate Governance Committee	15,000 Bath
Corporate Governance Committee	10,000 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, 2019 compared to the year 2018 was as follows:

รายชื่อ	Meeting Gratuity							Total (Baht)
	Company Director	Auditing Director	Executive Director	Risk Management Director	Nomination & Remuneration	Corporate Governance *	Compensation 2019	
1. Mr. Boonsak Chiempricha	200,000	-	-	-	-	-	176,694.92	376,694.92
2. Mr. Yongyuth Tariyo	105,000	-	190,000	-	-	-	156,745.76	451,745.76
3. Asst. Prof. Wipada Tantibrapha	105,000	150,000	-	-	-	-	173,694.92	428,694.92
4. Dr. Chaiyong Satjipanon	120,000	90,000	-	90,000	30,000	-	173,694.92	503,694.92
5. Mr. Prameson Pisitphan	120,000	90,000	-	-	45,000	50,000	173,694.92	478,694.92
6. Mr. Nattaphon Sarasas	120,000	-	-	60,000	30,000	50,000	171,694.92	431,694.92
7. Mr. Asa Sarasas	90,000	-	-	-	-	-	154,745.76	244,745.76
8. Pol.Lt.Gen. Pongsiri Suankaew	120,000	-	-	-	-	75,000	171,694.92	366,694.92
9. Mr. Spain Jingkaojai	105,000	-	-	-	-	-	171,694.92	276,694.92

Remark : * Good Corporate Governance Committee Appointed by the Board of Directors on March 15, 2562.

The remuneration of each Director as of December 31, 2018 was as follows:

First-Last Name	Meeting Gratuity						Total (Baht)
	Company Director	Auditing Director	Executive Director	Risk Management Director	Nomination & Remuneration	Compensation 2018	
1. Mr. Boonsak Chiempricha	175,000	-	-	-	-	200,000	375,000
2. Mr. Yongyuth Tariyo	105,000	-	130,000	-	-	187,500	422,500
3. Asst. Prof. Wipada Tantibrapha	105,000	100,000	-	-	-	187,500	392,500
4. Dr. 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	-	-	-	-	170,000	275,000
8. Pol.Lt.Gen. Pongsiri Suankaew	105,000	-	-	-	-	185,000	290,000
9. Mr. Spain Jingkaojai	105,000	-	-	-	-	185,000	290,000

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 2019 and 2018, the company paid remuneration to executives amounting to 35.09 million baht and 34.88 million baht, respectively. The aforementioned remuneration includes salaries, bonuses providence fund and employment benefits.

Role and Responsibilities of the Board of Directors

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 has 5 independent directors which are more than half of the Board of Directors to balance the voting rights. The audit committees consisting of 3 independent directors, representing 33.33 percent from total directors.

Currently, the company has 9 members of the Board of Directors, consisting of 8 non-executive directors representing 88.89 percent of the total board and 1 executive director, representing 11.11% of the total committee who is the Managing Director. The Board of Directors has been appointed neither allowing any person or group of persons having solely decision making nor authorization. The management shall have effectiveness and balance in power. The company has the explicit management structure as shown in the management structure, clear duty segregation and line of command by function. The decentralization and authorization has been cascaded to department levels within the company.

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.

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

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 2019, there were directors and executives attending the seminar in various courses.

- Mr. Prameson Pisitphan attended the Advanced Audit Committee Program (AACP) Class 35/2019 of the Thai Institute of Directors Association (IOD).
- Ms. Sirikanda Chansaenwilai attended the Enhancing Good Corporate Governance based on CGR Scorecard as of September 20, 2019 of the Thai Institute of Directors Association (IOD).

In 2019, 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 2019, which divided from Annual Report, so as to disseminate the company policy and working process with good corporate governance to ensuring the company long-term sustainability growth as well as to advance social, economic and environment responsibility. All information is posted on The Company's website (www.gcapital.co.th).

Human Resource

G Capital Public Company Limited considers Human is the most important resource in the organization. Human is not as resource; it is a capital that is an important part of the organization's ability to compete and grow sustainably. Therefore, the company intends to continuously develop its personnel, through organizational development in the following ways:

- Join the project of Best Employer, established by Aeon World Class organization and human resource development consultants. The objective is to explore the organization's commitment in accordance with the Model that has standards and is recognized internationally, which the results of the survey are used to develop organizations in various fields, such as training and development compensation and welfare and performance management, etc. The goal of participating is not just wanting to win the best employer but to understand and solve personnel problems directly for employees to work happily and delivering good and quality work to customers which will be an important part of the company Sustainable growth.
- Join the total compensation survey program and comparative analysis, policies and practices in human resource management in Thailand for the year 2019, organized by the Human Resources Management Association of Thailand. To use the survey results to improve compensation and benefits that will make the company to be able compete in the recruitment the highly capable personnel and maintain highly capable people to work with the organization.

With the awareness of the importance of personnel aspect, Human Resources work be upgraded to be more strategic. The recruitment process has been adjusted, by using personality tests to select employees in important positions to select the personnel with qualifications and personality suitable for the job position and meet the needs of supervisors and organizations, performance measuring system, salaries adjusting and other special compensation. There is a framework for developing and retaining highly talented staff. and having the annual training plan that is in line with the direction of the company. The development plans suitable at a personal level In addition, personnel are sent for training and seminars with both public and private institutions and agencies outside, including technical, professional, technology, management and management, etc., in order to prepare employees to have skills that support future work.

Human Resource

Number of Employees of the company as of 31 December 2019 and 2018 details as follow;

	Department	2018 No. of Employees	2019 No. of Employees
1	Management Office & Investor Relationship	5	6
2	Marketing	2	2
3	Sales & Distribution	20	17
4	Finance and Accounting	7	8
5	Debt Management	12	13
6	Operation Credit and Processing	13	16
7	Information Technology	5	5
8	Quality & Risk Management	2	1
9	Sales-Tele sale	3	3
10	Human Resources & Administration	12	12
11	Legal & Internal Audit / Compliance	3	4
12	Business Development	-	6
	Total	**84**	**92**

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 2019 and 2018, the company paid remuneration to its employees (not including executives) amounting to 31.06 million baht and 27.23 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 2017-2019, 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	2017	2018	2019
Annual financial statement audit fee	330,000	355,000	360,000
Interim financial statements audit fee	300,000	345,000	410,000
Non-Audit Fee	None	None	None
Total audit fee for year	630,000	700,000	770,000

The company does not have a subsidiary company.

Corporate Governance

The Company's Board of Directors realizes on essential of transparent and fair business operation for stakeholders in all sectors, society, and environment therefore the Board of Directors establishes a written Corporate Governance Policy, and company has complied and follows the rules and regulations as defined by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The policy always be reviewed, monitored to ensure that it is being complied and practiced and be disclosed in Corporate Governance Report in the Annual Report, Annual Filing Form (56-1 Form), and the Company's website: www.gcapital.co.th

In 2019, the Company's Board of Directors appoints the Corporate Governance Committee to establish policy framework and present to Board of Directors for approving to be the appropriate Management operational guidelines with transparency. Board of Directors also assigns the in-charged persons to report the progress of assignment to Corporate Governance Committee and the Company's Board of Directors continuously.

Corporate Governance Policy

G Capital Public Company Limited strives to grow business operation stably and sustainably by adding the incremental value for shareholders and generating shared values to stakeholders in all sectors. To gain Good Corporate Governance, in order to have good corporate governance system, the Company's Board of Directors strictly emphasizes on the compliance to the guidelines of the Stock Exchange of Thailand (SET). The Company's Board of Directors had establishes Corporate Governance Policy, Code of Conduct and Business Ethics for all stakeholders to be an operational or practice guideline for directors, executives, employees. It is already announced to all employees and published to company's website: www.gcapital.co.th. The objective of this policy is to provide and share the Corporate Governance principles to all employees and be ensured they and related parties understand the principles in the same direction as well as strictly holding to the policy, working with transparency, fairness, accountability, ethics and comply to related laws, rules and regulations with responsibility to economic, social and environmental.

The Company's Board of Directors see that Corporate Governance policy, code of conduct and business ethics are important for stable and sustainable growth as the leading company. The participation in economic, social, and environmental development also create the good image and reliability of the company.

Board of Directors has considered, reviewed Corporate Governance policy to ensure it is up to date and appropriate to serve the current situations. There are 5 sections as follows:

Section1 : The Rights of Shareholders

Shareholders have the rights exercise through appointed directors. Board of Directors see it is important to encourage shareholders to exercise their rights and shall not perform any actions which are a violation or depriving the rights of shareholders.

- All shareholders must be well supported to obtain basic rights including the rights to sell, purchase, and transfer shares, the rights in profit shares, the rights to obtain information, the rights to attend meeting and vote, and other legal rights that should be obtained by the shareholders.

- Shareholders will allow to propose agendas and the list of appropriate qualifications candidate to be selected as director. They have the rights to address questions, request for explanation, and give their opinions in advance. In 2019 Annual General Meeting of shareholders, the company communicates and informs shareholders about those mentioned rights via website of the Stock Exchange of Thailand and the company with the time duration as defined by laws.
- Annual General Meeting invitation letter and agendas will be sent to allow shareholders to prior review in advance before the meeting.
- On the next working day after each meeting, the resolutions will be immediately published via website of the Stock Exchange of Thailand and the Company to be acknowledged by the shareholders.

Meetings of Shareholders

The Company's Board of Directors held 2019 Annual General Meeting of Shareholders within 4 months from the end of accounting period. The meeting was on March 15th, 2019, during 02:30 p.m.-04:20 p.m., at Hansa Hotel, Hansa Room, 8th floor, No. 3/250 MahadLekLuang 2 Alley, Rajdamri Road, Lumpini Sub-District, Pathumwan District, Bangkok. To call any shareholder's meeting, Board of Directors prepares the invitation letter specify venue, date, time, agendas, and proposals with appropriate details and reasons that they are proposed for acknowledgement, approval, or consideration, including Boards of Directors opinion that shareholder and registrars will acknowledge from the invitation letter sent. The proxy's document has been attached for the shareholder who cannot attend the meeting by himself/herself and it sent via registered mail not less than 14 days in advance. The company will advertise such appointment of meeting on newspaper not less than 3 days in advance as defined by the company's regulations or laws.

The company runs the meeting appropriately and prepare company's staffs to welcome shareholders and support them during the meeting. Stamp duties are provided to shareholders who grant proxy/receive proxy, snacks are well prepared for the shareholders. Barcode system is used for registration and vote counting. Shareholders allow to register 2 hours before the meeting and ballots are already prepared for all attending shareholders in all agendas.

The company's Board of Directors, executives, secretary, and auditor attend the meeting to answer all shareholder's questions and the Board of Directors' chairman be the Chairman of the Meeting. Before commencing the meeting, the chairman of the meeting assigns the company secretary to clarify on the number of attending shareholders and proxies, the shareholder's rights under regulations, meeting moderation, agendas, methods to give opinions and ask questions, voting for each agenda, and announcement of voting results to shareholders. The Chairman invites Mr. Khom Wachirawarakarn, an independent lawyer, to attend the meeting as the representative of shareholders, observer, and witness of vote counting.

The Chairman of the Meeting moderates the meeting based on agendas as informed to shareholders. Each agenda is considered under the appropriate duration and all shareholders allow to exercise the right to reserve their benefits through various methods, for example, giving opinions or expression, questioning, discussion, etc. The company pay attention to all questions and straight answer transparently. The company make the written minutes of meeting recording questions, answers of shareholders, and voting results of each agenda whether they are agreements, disagreements, or abstention.

The company reports the Stock Exchange of Thailand on the resolutions of meetings, votes of all agendas, questions, answers, and important

opinions with correctness, complete content details on attending directors, executives, Secretary, and auditor as recorded. The company submits meeting's minutes to the Stock Exchange of Thailand within 14 days from the date of shareholders meeting. Minutes of annual meetings attached with copies of balance sheet, Profit and Loss Statement audited by the auditor and approved by the meeting of shareholders are also submitted. The copies of minutes of shareholders' meeting, approval of balance sheet, profit allocation, and dividend payment submit to the registrar of public company limited. The company also published minutes of the Annual General Meetings of Shareholders on the company's website.

In 2019, the company's 2019 Annual General Meeting of Shareholders be evaluated at 97 points out of 100 points by Thai Investors Association, it means that the company's 2019 Annual General Meeting of Shareholders is "very good (5 stars level)".

2019 AGM of Shareholders as of March 15, 2019

Article2 : The Equitable Treatment to Shareholders

The company's Board of Directors is required to provide equitable and fair treatment to all shareholders therefore the company establishes the following practices:

- Shareholders are entitled to vote based on the number of their entitled shares.
- Shareholders will obtain necessary information equally, sufficiently, fairly, and timely and the company also provides information in English to foreign shareholders or investors.
- Shareholders will be treated by the company fairly and equally under the rights as defined by laws or Good Corporate Governance principle.
- In the event of any significant transaction (e.g., asset acquisition or disposition or related transaction), the company will carefully consider on reasons and necessity before making such transaction. The process of approval is under the criteria as defined by governing units and it is already disclosed in the annual report and Annual Filing Form (56-1 Form) for acknowledgement of all shareholders and stakeholders.

report changes of assets possession to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand according to Section 59 and punishment under Securities and Exchange Act B.E. 2535.

Section3 : Roles of Stakeholders

The company strives to govern all groups of stakeholders, shareholders, customers, trading partners, trading competitors, employees, creditors, government agencies, communities, and society to enable them to gain the rights and equitable treatment as defined by related laws. Board of Directors establishes policy and practices for each group of stakeholders to be the operational norm, for example, emphasizing on human rights, equitable treatment of employees, governance and prevention against intellectual property and copyright infringement, equitable treatment of trading partners or trading competitors, raising awareness, and consideration on possible effects caused by company's operations that against communities, society, and environment, etc. The company's Board of Directors promote cooperation between the company and stakeholders in order to build company's financial stability and sustainability. Additionally, the Company's Board of Directors also provides communication channels to each group of stakeholders and establishes the measures on whistle blowing or complaining of employees and other stakeholders on violation against laws, Code of Conduct, or any action that may cause corruption of any person in the company (if any). Moreover, the company group consecutively holds some activities to foster good policies and practices on anti-corruption of the company every year. The company also be the pioneer business operation in the manner of social business that meets with international standards and quality and develops/ improves operational systems continuously. The company fosters and emphasizes on environmental conservation as the organizational culture for employees in all levels in order to make them realize that all actions must not cause any negative effect against environment, communities, and society. This action requires observation and supervision to gain confidence and reliability.

G Capital Public Company Limited is certified to renew "membership of Thailand's Private Sector Collective Action against Corruption" (CAC) for 3 more years from February 26th, 2019.

Investor Relations

The Company assigns company secretary to be responsible for Investor Relations by communicating and disclosing information to investors, analysts, mass media, and other related persons equally and fairly via various kinds of media, for example, documents, newspapers, radios, televisions, press conferences, websites, emails, etc.

Investor Relations :
Miss SirikarndaChansanwilai
G Capital Public Company Limited
161/1 SG Tower, 2nd Floor,
MahadLekLuang 3 Alley, Rajdamri Road,
Lumpini Sub-District, Pathumwan District,
Bangkok 10330

Tel : 02-651-9995 ext.4300
Fax : 02-651-9553
Website : www.gcapital.co.th
E-mail : ir.gcap@gcapital.co.th

The company supports our Investor Relations officer to participate in some useful seminars regularly. In 2019, our Investor Relations officer participates in various seminars held by Investor Relations Division, Department of Corporate Governance for Capital Market, the Stock Exchange of Thailand, and other related events as follows:

1. CSR Value x Impact : The Power of Sustainability
2. IR Fundamental Course (2nd class)
3. IR Sharing
4. Mai Forum 2019
5. Analyst Meeting 2019
6. CGR Workshop

Activities on Investor Relations

- "Opportunity Day" arranged by the Stock Exchange of Thailand with the aim to give information of the listed company regarding business and operations performance to securities analysts, investors, mass media, and anyone interested whereas this activity will be held after announcing financial statement of every quarter and the company regularly participates in this activity and discloses information that shareholders and investors are able to check via the Company's website (www.gcapital.co.th) and website of the Stock Exchange of Thailand.

- "Company Visit" held by the company to provide information on operations of the company to securities analysts, investors, mass media, and shareholders who are interested in this activity and to provide some opportunities to investors (in Thailand) to acknowledge information on management and operations that is considered as good relationship management between executives and participants, increasing the confidence, reliance, impression, and pride as shareholders of the company , leading to expansion of shareholders and investors in the future.

During 2019, the company provides some opportunities to securities companies for meeting with executives or management team. The questions from some investors and analysts be gathered and the followings are 10 frequently asked questions:

1) Has the allowance for bad debts set for TFRS9?
2) Is revenue recognition of Financial Statement ended at June 2019 of hire-purchase loans and personal loans of legal debtors stopped at the 2nd quarter or the 3rd quarter?
3) What is the business plan of Sabaijai Money Company Limited?
4) Due to current problem on drought causing GCAP to increase portfolio on agriculture from 60% to 70%, will the company offer the large amount of loan in the 3rd quarter as done in the previous years?
5) What is the maximum percentage set for NPL?
6) What is the progress of joint venture with 9F When will license be issued?
7) When will TFRS9 start using? What are possible effects against the company?
8) How many risks are caused by Sabaijai Business Loan?
9) What are accounting effects caused by establishment of Sabaijai Money Company Limited as a joint venture?
10) How much loan is estimated to be offered in this year?

In the past year, securities analysts issued the analysis on securities of the company and the Company published such analysis via the Company's website (www.gcapital.co.th).

Opportunity Day 2019 and e-finance better trade 2019

This activity was held on July 13th, 2019. Market for Alternative Investment (MAI) and MAI Listed Companies Association held MAI FORUM 2019 at Centara Grand at Central World aimed to publish information of MAI listed companies to investors, securities analysts, mass media, and anyone interested and to publish information on policies, guidelines, and previous performance of the Company. In this event, there were many investment activities, for example, exhibition with booths to provide information about products and services of listed companies, seminars on investment, Opportunity Day quarterly held at the Stock Exchange of Thailand, exhibition with booths of Taxi Cooperative held with Department of Sales and Marketing in Phuket Province, and e-finance Better Trade held on November 2nd, 2019, at Siam Pavalai Cinema, Siam Paragon, 6th floor, etc. The company participated in those activities and get good feedback from investors, securities analysts, shareholders, and large number of interesting people.

mai FORUM 2019 at Centara Grand at Central World.

The company publish the company's information such as company's business introduction, performance and news release to media to keep all shareholders, investors, stakeholders, and interesting people up-to-dated through several channels, for example, newspapers, televisions, radios, and being invited lecturers of seminars, etc.

Section4: Disclosure and Transparency

The Company's Board of Directors pay the attention to the correct, complete, well-timed, and sufficient information disclosure including information on financial report and general information under the criteria of SEC and the Stock Exchange of Thailand. Board of Directors see it is important to provide information equally that may impact to the company's stock price, may support decision making of investors and stakeholders. The company's information is published to shareholders and public via channels and media of the Stock Exchange of Thailand and the Company's website: www.gcapital.co.th

The Board of Directors realizes it is the company's the responsibility to disclose information with transparency and strives to govern strict compliance with laws, rules, and regulations as follows:

- The company publishes information as defined by the criteria via channels of the Stock Exchange of Thailand, Annual Filing Form (56-1 Form), and Annual Report (56-2 Form) and such information is also published via the Company's website with regularly updating.
- The Board of Directors reports performance under Corporate Governance Policy via Annual Filing Form (56-1 Form), and Annual Report (56-2 Form).
- The Board of Directors reports Board of Directors' Responsibility towards Financial Report along with the auditor report. In addition, the Board of Directors also reports on corporate governance of Audit Committee in Annual Report (56-2 Form).
- The Board of Directors discloses name list, roles, and duties of committees, sub-committees, number of meetings, and number of meeting attendance of each director in each year via Annual Filing Form (56-1 Form), and Annual Report (56-2 Form).
- To comply to the Notification of the Capital Market Supervisory Board on Report Criteria, Conditions, and Procedures on Company's

Financial Status and Performance Disclosure, the Company discloses information on the following topics: (1) policies and overall picture of business operation; (2) nature of business operation; (3) risk factors; (4) securities used in business operation; (5) legal disputes; (6) general information and other important information; (7) information on securities and shareholders; (8) management structure; (9) corporate governance; (10) social responsibility; (11) internal control and risk management; (12) related transactions; (13) significant financial data; (14) Management Discussion and Analysis

- The Board of Directors and executives required to report company's stock securities hold and the amount changing to meet with the criteria of the Office of the Securities and Exchange Commission.
- The first 4 directors and executives are counted from the Managing Director, are responsible to report their self-interest report and of those related persons to the company's Chairman Board of Directors, and the Chairman of Audit Committee. Such information must be disclosed to all directors according to Securities and Exchange Act B.E. 2551
- The Board of Directors governs strictly to operate the internal control system covering financial, operational, and performance to comply to the related laws, rules, and regulations. The Board of Directors defines the system must be the efficient Check & Balance mechanism, sufficient to protect the investment of shareholders and assets of the company. The Board of Directors and independent internal auditor who directly reports to the Audit Committee mutually establish the written practices to audit operations of all units to meet with established regulations.
- The Board of Directors establishes Risk Management System relate to all dimensions, cover all risk factors on vision, target, business strategies, financial management, operations, corruption, and performances by considering on possibility and severity of the impact. The Board of Directors also establishes Preventive Measures on Correction, Governance, and Observation whereas the Risk Management Committee is responsible to assess and present risk management plan to the Board of Directors.
- The company assigns the secretary responsible for Investor Relations function, to communicate to shareholders, institutional investors, general investors, analysts, and related government sector with the following duties:
  - Disclose important information to public.
  - Publish information to public extensively.
  - Provide clarification in case of any rumor or news.
  - Sell and purchase stock of listed companies correctly, sufficiently, timely, equally, transparently, and fairly.
  - Perform actions when stock selling and purchasing of listed companies are incorrect.

  The convenient contact channels are as follows:

  Tel : 02-651-9995 ext. 4300 (Investor Relations)
  Fax : 02-651-9553
  Email : ir.gcap@gcapital.co.th
  Website : www.gcapital.co.th

The company authorizes Chairman of Executive or Managing Director to provide abovementioned information.

- The following information requires the disclosure to the Stock Exchange of Thailand:
  - Managing Director is authorized to disclose transactions on assets acquisition/ disposition, related transactions, schedule of meetings of shareholders, replacement of directors and auditors, head quarter relocation, minutes of meeting of shareholders, investment projects, dividend payment/suspension based on situations.
  - Managing Director is authorized to disclose Annual Financial Statement, Quarterly Financial Statement, Annual Filing Form (56-1 Form) and Annual Report (56-2 Form) based on accounting period.
- The Company assigns the Managing Director to provide general news on organizational management to mass media.
- Contact Persons are assigned to coordinate with other related organizations including:
  - The Company's Secretary or internal auditor be assigned to coordinate with Thailand Securities Depository Company Limited.
  - The Company's Secretary or internal auditor be assigned to coordinate with the Office of the Securities and Exchange Commission.

Section5 : Board of Directors' Responsibilities

The Company's Board of Directors see the important of roles and responsibilities of the Board of Directors to establish policies, to direct and to observe the operations with accountability towards the company and shareholders. The company's Board of Directors consists of persons with leadership, vision, knowledge, abilities, experiences, honesty, and independence to make decision for the ultimate benefits of the company and overall stakeholders.

The company's power balancing of 8 Non-Executive Directors with the following details:

Status	Executive Directors	Non-Executive Directors	Audit Committee	Total
Directors who are representatives of shareholders	1	3	-	4
Independent Directors	-	2	3	5
Total	1	5	3	9

The company's Audit Committee consist of 3 independent directors, represent 33.33% of all directors and 5 Non-Executive Directors calculated to be 55.56% of all directors. There are 8 Non-Exclusive Directors, represent 88.89% of all 9 directors. The company does not assign the mandatory authority to any individual or group of persons to make decision, to ensure the exercise of power balancing mechanism. The company also has management structure as shown in Management Structure section with explicit division of chain of command, Management Decentralization and decision making of all departments. This will prevent any person to have mandatory authority on decision making.

The company's management structure consists of 6 committees which are Board of Directors and 5 sub-committees as follows:

1. Board of Directors
2. Audit Committee
3. Executive Committee
4. Risk Management Committee
5. Nomination and Remuneration Committee
6. Corporate Governance Committee

(Remarks : Details of sub-committees are shown in Management Structure section.)

Whistle Blowing

The company is certified by Private Sector Collective Action Coalition Against Corruption Council. The company has the anti-corruption policy prohibiting all kinds of bribery and corruption both directly and indirectly impact to the company's benefit. The company does not accept all behaviors related to corruption. The risk on corruption regularly be evaluated and reviewed with observation and assessment before reporting the Audit Committee on performance related to anti-corruption. For any corruption violation or even giving the support such corruption will be considered as corruption and must be punished as the company's regulations. The company establishes the following measures and channels for complaining, giving opinions, and whistle blowing against legal violation of stakeholders in all sectors:

Mail :

Internal Auditor: Mr. Narongpoj Longchupol
G Capital Public Company Limited
161/1 SG Tower, MahadLekLuang 3 Alley,
Rajdamri Road, Lumpini Sub-District,
Pathumwan District, Bangkok 10330

Tel : 02-651-9995 ext.1700
Fax : 02-651-9553
Website : www.gcapital.co.th
E-mail : narongpojl@gcapital.co.th

The employee can complain or provide opinions to the company's Board of Directors and executives directly via e-mail in the system of the Company.

Whistle Blowing Process

Once receiving the whistle blowing or complaining from all channels, the company will collect, investigate the further information, analyze problems establish the measures to relieve the loss and damage. The company appoints the committee to perform such operation, observe results of correction and issue the preventive guidelines. Subsequently, the responsible committee will report the result of action to whistle blower/complainer and report to Managing Director, Chairman of Executive Committee, Audit Committee, Corporate Governance Committee (CG), and the Company's Board of Directors, respectively.

The measures to protect complainer or person who cooperate in auditing process.

Complainer or person who cooperate in auditing process will be protected under the following criteria:

1. Complainer or person cooperate in auditing process has an option not to show himself /herself as it may cause any danger or damage.
2. In case complainer or person cooperate in auditing process chooses to show himself/ herself, the company will report on the progress and clarify on facts.
3. The company will not disclose name-surname, address, photo, or other information of complainer or person cooperate in auditing process. To request for international information, it must be supervised by Internal Audit Office under supervision of Audit Committee.

4. Person who receive the complaint must keep related information confidential with necessary disclosure by considering on safety and damages of complainer or person cooperate in auditing process, data sources, or related persons. In case that it tends to cause any trouble, damage, or danger, the appropriate measures must be established.
5. The affected person must be treated to relief appropriate and fair process.

Direct Channels to contact Audit Committee/ Company's Board of Directors

Any stakeholder intends to contact with Audit Committee / Board of Directors can contact via e-mail: auditcommittee@gcapital.co.th. The company establishes the policy to protect whistle blower and policy on confidentiality. The company will investigate the complaint and find solution.

Sealed letter sent to the Chairman of Audit Committee at the address of
the Head Quarter:
G Capital Public Company Limited,
No. 161/1 SG Tower, 2nd floor,
MahadLekLuang 3 Alley, Rajdamri Road,
Lumpini Sub-District, Pathumwan District,
Bangkok 10330
ore-mail : auditcommittee@gcapital.co.th

Governance Performed by Corporate Governance Committee (CG)

Directors, Executives and Management in all levels of the company must be the role models and comply to the Corporate Governance Policy. Board of Directors then established another sub-committee, Corporate Governance Committee (CG) on May 15th, 2019 to responsible to set policy, guidelines and disseminate the knowledge, building understanding and promoting all level employees to strictly comply with Corporate Governance Policy. This action must be made as a part of organizational culture on operation.

Code of Conduct and Business Ethics

The company establishes the Management and employees' practices and code of conduct in order to enable related persons to perform their duties under the company's missions with honesty and fairness to stakeholders in all sectors. Those practices must be observed and governed regularly.

The company communicates to keep all employees acknowledged and to comply with these practices strictly. The company also conducts assessment on knowledge, understanding the Code of Conduct and Business Ethics of the company.

Internal Control

The company's Board of Directors requires the internal control system must cover all operation dimensions, including finance, business operations, staff recruitment, asset and equipment procurement. It must comply to laws, rules, regulations, and operational manuals. The company also provides efficient and sufficient power balancing mechanism and defines the written approval authorization. The Company establishes Internal Audit to control, govern, inspect, and review operations to follow the operations manuals and comply with laws, rules, and regulations and be assigned to report to Audit Committee directly and regularly.

Company's related transactions, Acquisition and Disposition of Assets

In case the company and subsidiaries (companies that directly or indirectly hold over 50% of company's paid-up shares) have done the related transaction or acquisition and disposition of assets of the company with the criteria of the Stock Exchange of Thailand, the company must comply these regulations on such matter as defined by the Stock Exchange of Thailand. The company is required to request for approval from shareholders on making any related transaction or acquisition and disposition of any significant asset. The votes must not be lower than

one-fourth of total votes of attending shareholders or proxies with the right of vote excluded with votes of shareholders that are stakeholders.

Conflicts of Interest

The company's Board of Directors establishes the policy to prevent conflict of interest stated that any decision on business must be made for the ultimate benefit. Any action may cause conflict of interest must be avoided. Related person or gaining any stake from related transaction must keep the company informed about his/her relationship or stake in such related transaction. Such related person must not participate in consideration without any power to approve such related transaction.

Any transactions may cause conflict of interest which considered as an abnormal business operation or under General Trade Conditions, such transaction must be proposed to Audit Committee to carefully consider the appropriateness prior propose to Board of Directors for approval and/or the Meeting of Shareholders (as the case may be). The company must comply with the criteria of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand and disclose such transaction in Notes to Financial Statement, Annual Report (56-2 Form), and Annual Filing Form (56-1 Form).

Prevention on Insider Trading of Executives

The company has the policy to govern directors and executives on insider trading of internal information that is not disclosed to public and securities trading as follows:

- Knowledge on duties to report possession of personal stock securities and those of spouses and children that are younger than legal age to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand according to Section 59 and 275 of Securities and Exchange Act B.E. 2535 is provided to directors and executives of all departments.
- The company defines that directors and executives are required to report changes of stock securities to the Office of the Securities and Exchange Commission according to Section 59of Securities and Exchange Act B.E. 2535 within 3 working days from the date of change and the copy of this report must be submitted to the company on the dame day.
- The company requires that directors, executives and relevant staff who are aware of material inside information, which shall affects the price of stock securities must suspend the trading of the company's securities before the financial statements or internal information are disclosed to the public for 1 month and should wait at least 24 hours after the disclosure to the public Including prohibiting the disclosure of such significant information to other parties

Reporting Stakeholders

The company has stipulated that directors, the executive committee and executives report their own interests and related persons once he/she started his/her position and when information is changed. It requires to review various information annually in accordance with the rules and procedures for reporting interest of directors and executives of the company.

G Capital Public Company Limited has reviewed and implemented the principles of Good Corporate Governance for listed companies by adapting according to the business context of the company. The company has maintained almost all existing practices and added policies and practices in accordance with CG CODE's Corporate Governance Principles by integrating them as part of the vision, mission, Business values, policies and corporate governance are divided into 8 principles as follows

Code 1 : Realization on Board of Directors' Roles and Responsibilities as the Leaders who Build Value to Business Sustainably

This Code establishes the criteria on the company's status, roles, and management structure as well as to establish the criteria to define the power of Company's Board of Directors, sub-committees, Management, as well as power on approval, consideration on approval of action plan, budget, goals, monetary compensation, non-monetary compensation, and significant operational policies to be consistent with major goals with appropriate review under changing factors.

This Code is considered as the criteria established for consideration of the Board of Directors to approve new investment projects and projects requesting for expansion on business scope as well as to manage business for the ultimate benefits of the company and shareholders with fairness for related persons. Actions must be observed to meet the defined policies and action plans as well as policy on operational development and improvement. Operational system must be supervised and ensured that the company performs all activities correctly according to laws, the company's objectives, rules and regulations, resolutions of the Board of Directors, resolutions of meetings of shareholders, and policies or guidelines as defined by the company. It also requires the approval process of significant operations to be under the criteria and rules of laws and governing agencies.

1. Board of Directors establishes Corporate Governance Policy to the company and subsidiaries by assigning directors to observe performance and participate in making decision on important matters as well as govern subsidiaries to report financial status and performance as well as to approve significant transactions to meet with laws and related criteria. The Company's Board of Directors also governs internal control system and risk management to be appropriate and sufficient.
2. Directors are governed and promoted to perform their duties with responsibility, carefulness, honesty, good faith, leadership, independent decision making, and independence from Management. Roles, duties, and responsibilities between Directors and Management are clearly segregate whereas the Board of Directors is responsible to establish Corporate Governance Policy while Management is managing all operations to meet with defined policies, being responsible for employees by supervising them to comply with related laws and standards strictly, treating employees with respect to human rights and fairness by attaching to the practices under Work Policy, Work Rules and Regulations, and Manual on Code of Conduct and Business Ethics of the Company.
3. The written Corporate Governance manual is provided and communicated to directors, employees, and stakeholders. The compliance with policies is supervised whereas the Company's Board of Directors will review Corporate Governance Policy every year or in the event of any important change in order to be consistent with changes of business, regulations and rules of related laws.
4. The written Code of Conduct and Business Ethics manual was made as the internal practices and communicated to directors, executives, employees, and related persons in all sectors to understand on ethical standard applied by the company to operate business. In addition, compliance with such manual is seriously supervised since the Board of Directors will consider, approve, and review Manual on Corporate Governance every year or in the case that any important change in order to be consistent with changes of business, regulations and rules of related laws.

Code2: Establishment of Major Objectives and Goals of Business for Sustainability

Define core values, visions, missions, strategies, key goals and business policies, as appropriate including communication for directors and employees to acknowledge and understand throughout the organization. To develop potential staff, value creation, by taking into consideration the various factors and risks that may affect relevant stakeholders throughout the chain as well as maintain reputation and good image, credibility and corporate culture adhering to the ethics of the company to help achieve the main goal of creating stable growth, creating sustainable returns for shareholders. And creating benefits for the stakeholders Society and Environment.

Code3: Reinforcing Effective Board of Directors

The structure of the Board of Directors and Sub-Committees is established, consists of Audit Committee, Risk Management Committee, Corporate Governance Committee (CG), Nomination and Remuneration Committee, and Executive Committee. The company supervises directors and committees to have various qualifications on knowledge, abilities, skills, experiences, and specific expertise that are necessary for elements of committees and directors, together with the appropriation to company's business. Sub-Committees will supervise management system and internal control system to meet with defined policies and monitor operations when necessary to ensure performance of directors and committees is efficient, effective, and transparent. Their roles, responsibilities, and duties are clearly defined, and their performances are always reported to the Company's Board of Directors.

Appoint a director to be the chairman and vice chairman will be as the board deems appropriate. The Chairman is Non-Executive Director and not the same person as Managing Director. The company has appointed the company secretary to oversee the activities of the committee including coordination for the implementation of the resolutions of the Board of Directors with roles, duties and responsibilities as stipulated in the Securities and Exchange Act B.E. 2533. Section 89/15, Section 89/16, Section 89/17 and Section 89/23 as amended by the Securities and Exchange Act (No.4) 2008, Section 21 including other duties as assigned by the Board of Directors deem appropriate.

The Nominating and Remuneration Committee will oversee the process of transparent recruitment and election of directors. The remuneration of the committee and sub-committee has been determined suiting with roles and responsibilities and motivate to lead the company to achieve the main goals. By proposal from the Nomination and Remuneration Committee and approval by shareholders in Annual General Meeting. The company supervises and supports the directors to have knowledge and understanding of the roles, duties and responsibilities of the directors, nature of business, laws related to business operations and necessary information and sufficient time devoting to perform duties in attending the board meetings and shareholders Annual General Meeting.

Code4 :Top Manager Nomination and Development and Personnel Management

The Company's Board of Directors has authority to appoint and revoke Managing Director, as well as define scope of work, duties, and responsibilities of Managing Directors, too. Including approving the person nominated by the managing director to be a senior executive.

The company manages to have a succession plan for Managing Director, including overseeing the evaluation of the performance of the managing director / senior management and have appropriate compensation structure base on responsibility performance and can motivates to perform duties to achieve the operational goals on both in the short-term and in long term.

The Company manages and develops personnel to have qualification, knowledge, skills, and experiences in accordance to serve company's direction and strategies. The Company also treats them fairly with appropriate remuneration structure, criteria, and factors on performance assessment.

Code5 : Promoting Innovations of Business Operation with Responsibility

Board of Directors support the company to create innovation that adding value as apply innovation and technology in business development for loan service and the other services to meet the customer's needs, interested parties. The company takes the various risk factors into consideration that may affect relevant stakeholders. This is to create value to the organization, including creating mutual benefits for the organization, customers, business partners, society and the environment.

Board of Directors supervise to have communication and/ or information disclosure systems by promoting the use of information technology for information dissemination and development of sufficient operations for business operations. It also having policies to manage information technology and security measures for information systems that are sufficient and appropriate to ensure that the company has complied with the laws, rules and regulations and standards related to the use of information technology, including data security and prohibiting the misuse of information.

It requires to conduct business ethically, having social and environmental responsibility and respect the rights of all groups of stakeholders, including employees, customers, business partners, shareholders or investors, creditors, competitors, communities where the company is located. Society or government sector, etc., does not violate any rights that are legally or according to agreements / agreements. Complying with relevant and fair standards by adhering to the guidelines of the Code of Ethics of the company as well as promoting and promoting good touch and cooperation between the company and the stakeholders which helps to promote the company's operations to achieve its main goals and to be sustainable.

The establishment a policy against corruption to be used as a guideline for business operations. It is the duty that directors, executives and employees must understand and be aware of actions that may pose a risk of corruption. It must strictly comply with relevant laws and standards and ensure the disclosure of anti-corruption policy information to all stakeholder groups thoroughly with the internal audit department overseeing the implementation of the said policy.

Monitoring and managing the allocation and management of resources, including finance, wisdom, personnel, society, relationships and the environment effective and efficient by considering the impact on cost-effectiveness and resource development throughout the line based on ethics, responsibility and create value for the company's activities.

Code6 : Governing Risk Management System and Internal Control System to be Appropriate

Establishing risk management policies throughout the organization, supervise and govern to have an effective risk management system. Assigning the Risk Management Committee to consider and assess risks, identify and manage those risk factors found properly and report to the Board of Directors. The Audit Committee are acknowledged at least once a year by regularly reviewing and evaluating the risk management system.

Govern and supervise to have an internal control and internal audit system, together with data security systems that has schedule on maintenance with confidentiality and trustworthiness. The data must be available including information management that

may affect the price of stock or securities. Reducing the risk of fraud, conflict of interest in using company information and business opportunities. Preventing the wrongdoing, rules, regulations, policies, as specified operations. The company must have regularly monitoring, evaluating, and reviewing the adequacy of each system.

Board of Directors sets the internal audit department with duty and responsibility to recheck and review the operation to ensure that it is done correctly according to policy, guideline, work procedures and that regulatory agencies and/or being under good corporate governance, business ethics, Anti-Corruption Policy and other policies. There must perform regular audits and report to the Audit Committee to provide opinions before report the results to the Board of Director regularly.

Board of Directors set the policies and guideline to considerate the related transactions that may have conflicts of interest. It must be reasonable and in the best interest of the company and the shareholders. Considering it as if it were a transaction with a third party, transparent, in which the person with conflict of interest does not participate in the decision making. And it requires to strictly comply to relevant rules and regulations to disclose the complete and accurate information to investors once considered by the Audit Committee.

Define mechanisms for effective anti-corruption policies, by assessing the risk of loss caused by corruption and having an investigate plan on the corruption as in internal audit plan.

Set a policy to report clues and requesting complaints regarding dishonesty guidelines, consideration process, complaint channels and the measures to protect whistleblowers. Tool that helps the company to be informed of complaints about illegal acts, regulations, code of Business Conduct, from all stakeholders. Revealing the policy on whistleblowing and complaints of dishonesty to all stakeholders thoroughly.

Code7 : Maintaining Financial Reliability and Information Disclosure

Ensure the financial reporting and disclosure of important information is accurate, sufficient, timely, in accordance with relevant rules, standards and guidelines. By disclosing information through the channels of the Stock Exchange of Thailand and the company website.

Monitor and ensure the adequacy of financial liquidity and ability to pay off debt. Any transaction approval must not impact the continuity of business operation, financial liquidity or ability to pay off debt. Ensure the plans or mechanisms that can solve financial problems in case of experiencing problems with likeliness to encounter problems with reasonable and fair to the stakeholders. The company assigned the Accounting and Finance Department to responsible on this.

The company has assigned the company secretary to responsible for investor relations, providing convenient communication channels in the annual report and on the company's website, communicating with shareholders, capital markets and other interested parties such as investors, analysts with the principles of information disclosure as follows

- Perform duties with honesty.
- Protect internal information with confidential and internal information that may affect the price of securities or stock.
- Use discretion in providing information carefully
- Disclosing information appropriately, clearly, equally, and in timely, according to the rules of the relevant agencies.

Develop the website to disclose important information correctly, completely and up to date, provide annual reports to disclose financial reports which shows the financial status and operating

results of the previous year correctly according to the general accounting standards with audited by an independent auditor which has a list of auditors attach with Audit Committee report. And report the responsibility of the Board of Directors to the said financial report as well as disclosing business management information and Corporate Governance, including other important information correctly and completely according to the regulatory agencies. The sustainability report is done separately from the company's annual report.

Requires directors and executives to disclose information about their own interests and related parties, to be consider transactions that may have conflicts of interest and to make decisions for the benefit of the company. Requires directors and executives to report their stocks or securities holding to the company on an annual basis and or when there is a change

Establish policies to prevent the use of inside information, use for oneself benefits or others in a wrong way, which will consider as taking advantage of other shareholders. Communicating to the Board of Directors, executives and relevant persons in the organization to be aware and strictly comply including schedules for each year to the Board and Management to avoid insider trading in the company's securities or stocks during period of 14 days before the disclosure of annual or quarterly financial reports up to 24 hours after the disclosure.

At the shareholders' meeting, the company assigned the company secretary to prepare the minutes of the shareholders' meeting records the important details of each agenda, questions and answers, suggestions or opinions of shareholders, meeting resolution and number of votes correctly and completely. And deliver to the Stock Exchange of Thailand and related agencies within the time specified by law. And having a good storage system that can be inspected and referenced at any time.

Code8 : Supporting Participation and Communication with Shareholders

Respect the rights of shareholders, treat them all equally and fairly. Not acting in violation of or depriving the rights of shareholders. Giving priority to basic rights of shareholders, such as buying and selling shares. Every share of the profits of the business in the form of dividends is equal. Receiving sufficient news and information about the business. Attending the meeting to exercise voting rights at the shareholders meeting, to elect the directors, appoint auditors, approval of directors' remuneration, and other matters affecting the company such as dividend allocation. Determining or solving problems, regulations and memorandum of association, capital reduction or increase of capital, and approval of special items etc.

Arrange a shareholders' meeting and encourage shareholders to participate in important decision making by facilitating the shareholders to exercise their rights and supervise the day of the meeting to proceed smoothly and transparently. Oversee the disclosure of resolutions of the shareholders' meeting and minutes of the shareholders' meeting preparation with accuracy and complete according to the time specified. Allowing shareholders to propose the meeting agenda in advance of the meeting date as criteria set by the company.

Facilitate to deliver the notice of the shareholders' meeting together with relevant documents and disseminate the said meeting invitation on the company's website to inform the shareholders of the date, time, venue and agenda of the meeting, rules and procedures for attending the meeting. Ensure the information is accurate, complete and sufficient for consideration in each agenda in advance of the meeting date so the shareholders have time to study the information.

The company has reviewed the various policies of the company regarding this corporate governance. Therefore, all stakeholders are assured in the good governance of G Capital Public Company Limited

Social Responsibility

In addition to the improvement of the company's work processes to meet its customers' needed. 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 in paying back ability of the customers. The Company design the new credit products to answer target customers that need loans but cannot apply for loan from financial institutions, thus depending on loan shark 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 shark. 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 shark 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. This helps increase their opportunity in applying loan in the systems.

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 including publishing Anti-Corruption the policy and guidline the through the Company's internal channels that available to the stakeholders and the employees. The Company provide the communication channel for all stakeholders in directly contact to the executives to receive complaint regarding corruption issues, there for the issues will be resolved leads to better operation transparency.

In the year 2019, has kicked off the CSR project in the area of Khon Kaen Province By allocating the budget to build the new canteen For Ban Don Ya Nang School (Elementary school In Don Chang Subdistrict, Mueang District, Khon Kaen Province) to replace the old one which is damaged and cannot be used. This is to support the youth, children and Thai farmers. We believe that children with a better quality of life, grow up more potential. The Company will continuously implement in several areas in the year to come.

The Company has separately a sustainability report 2019, from Annual report to disclose the policy, operations plan of corporate social responsibility and sustainable development together with participation development for economic social and environment.

The Company has prepared the 2019 Annual report and the Sustainability Report for distribution to shareholders to attend the 2020 Annual General Meeting of Shareholders and disclose via the website of the company www.gcapital.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 Public Company Limited has appropriate guidelines and 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 August 2, 2019 and August 27, 2019, G Capital Public Company Limited organized the training called, GCAP - Growing Together Training, Anti-Corruption and Corruption Training, with all management and staff well corporation by joining these trainings.

These 2 events were held internally at the meeting room on the 3rd floor, with objective to keep all the management and employees to aware one of company's target on anti-fraud and corruption and ensure the organization standpoint to anti-corruption in all aspects. Currently, GCAP has been certified as a member of **The Private Sector Collective Action against Corruption (CAC)** with the renewal certification for another 3 years by 26 February 2019.

The company had issued the policy to support business partners, alliances and stakeholders to realize the importance on anti-corruption and communicates through various channels to all stakeholders. The company also support in the establishment of a system to prevent and anti-corruption in the organization and joining as a member of various networking or agencies to fight against corruption away from Thai society.

Employees participated
in anti-corruption training

GCAP has received a renewal certificate for another 3 years.
On February 26, 2019

In the year 2019, the Executives of G Capital Public Company Limited met with the executives of Kaset Pattana Industry Co., Ltd. (Partners) by Mr. Sutthi Sriprathum. Invited the Kaset Pattana Company to work together with GCAP to fight against corruption. Mr. Sutti pointed out the disadvantages of corruption that will cause both companies Damaged There has been a fraud. To witness such an act of corruption can channel complaints to fraud complaints to the Agricultural Industry Development Company Limited was informed of the complaint by the channel.

Internal Control and Risk Management

The company has strategic management under good corporate governance, risk management, and sufficient internal control as it is being considered as the key factors enabling the company to operate business appropriately. The internal control is realized as the important tool driving company to achieve goals efficiently. The company comply the internal control practice of The Committee of Sponsoring Organization of the Treadway Commission (COSO) covering internal control on management, operational, financial and compliance. The company evaluates the operation process under the Good Corporate Governance (GCG) by using Anti-Corruption Policy under the criteria of Collective Action Coalition Against Corruption (CAC) as guideline.

The Audit Committee has reviewed internal control system regularly as well as considering the audit results of internal Control department under the Audit Committee with company authorized auditor's opinion and report to Board of Directors at least once a year.

The consideration on the abovementioned factors together with existing internal control system and operation practicing, Board of Directors agrees with the Audit Committee's report stated that the company's internal control system is appropriate and sufficient to protect the company's property, assets from illegal execution by executive, management and employee. The system can prevent all significant losses. Previously, Audit Committee and Board of Directors have never been reported on any significant losses occurs the authorized auditor and internal audit department.

There are 5 dimensions to evaluate the company's internal control system as described as following:

Control Environment

The Board of Directors and Executives has established Business Code of Conduct and Ethics document with objective to be guideline for Board of Directors, Executives, management and employees. The Board of Directors consists of independent directors that are proportionate 55.56% of total directors, higher than that defined by laws. They are effectively independent from Executives, management team to evaluate and make any judgement to the internal control system.

The Board of Directors and Executives have designed the organizational structure, duties to have proper segregate responsibilities in supporting the control aspects. The internal audit is the independent department, report directly to the Audit Committee, not depending to management team.

The Board of Directors and Executives realized that all employees are the valuable asset. The company strongly support the employee's skill and career development, together with the appropriate remuneration and welfares.

Risk Assessment

Risk Management Committee is an essential part of the organizational structure, consisted of independent directors and executive directors with objectives to define risk management policy and risk management practice, propose risk management's guidelines and framework to align with the direction of operational strategies and business plan. It also required to govern, monitor, and review important risk issues and work with risk management department to comply and perform operations under risk management policy.

Risk factors that impact business operations has being analyzed and defined to identify the response action at operational and activity level. And keep evaluating regularly the existing or new risks to prevent the corruption or improper actions.

The company defines the explicit objectives in operational, disclose financial and non-financial information that required by directed laws.

Control Activities

The company operate the internal control activities to prevent the possible risks and keep them under acceptable risky level, including preventive control such as define explicit the segregation of duties, manage and control the accessibility to data and information by authorized level, define the appropriate operational authorization and physical company's asset. The company establishes Business Continuous Plan (BCP) to ensure the company's capability to operate business continuously and smoothly.

The company's Board of Directors approves the official policy to control and govern management system properly through operational manual of each department. In addition, the approval authorization is also defined to govern the management level to consider the company's benefits as priority.

The Audit Committee reviews the related transactions as per the criteria of the Stock Exchange of Thailand and strictly discloses such information. The company has consolidated major shareholders and related persons data to use in monitoring and reviewing the related transactions whereas Finance and Accounting Department is responsible for reporting the related transactions to the Audit Commit quarterly.

Information & Communication

The company operates by the efficient Information Technology System with correctness, completeness, to support the company's operations. It provides useful data and information for precise decision making, also providing systematically data storage that easy for data searching.

There are several communicate channels between Management level to employees including email, Line, and News on Board use for knowledge sharing and information exchanging among employees. The company arrange Town Hall to providing business direction, goals, and or update policies, regulations, to the employees regularly.

Another communication channels specifically to investors is company's website, providing the contact points and keep investors up to date about company's news and useful information.

The company also provides Whistle-blower hotline for complaint issues, and communicate to all employees that in case of corruption found, it requires to report directly to Managing Director via email, line or telephone. Another important channel is mailing directly the Audit Committee: Address, G Capital Public Company Limited, 161/1 SG Tower, 2nd floor, MahadLekLuang 3 Alley, Rajdamri Road, Lumpini Sub-District, Pathumwan District, Bangkok 10330. The company implements, the complaint person protection policy, not to disclose the identity of such complainer.

Monitoring Activities

The Board of Directors regulate that management must have the business performance evaluation session by comparing actual operating result with business goals report to Executive Committee and Boards of Directors monthly. The performance report including internal control system monitoring and evaluation in all dimension such as finance and accounting, law and regulations compliance, asset management and fraud or corruption management. Any issues shall have significantly impact to the company's reputation will be report to Top Management, Executive Committee, Audit Committee and Board of Directors within specific period. Board of Directors assign Audit Committee to monitor internal control system to ensure the system is sufficient and operate appropriate as defined. And part of financial evaluation which is audited by authorized auditor and present the result for Audit Committee approval quarterly and annually. There is no significant fraud issues or incident found.

In the 2019, The Board of Directors Meeting has evaluated the internal control system by following the office of Securities and Exchange Commission (SEC) guidelines, with the result that the company has the efficient, sufficient, and appropriate internal control system

Internal Audit

Internal Audit department is directly report to Audit Committee, work independently from Management team by comply to the International Standards for the Professional Practice of Internal Auditing (IIA) and Code of Conduct. They provide consult on auditing and assessment on sufficiency of internal control system independently and fairly. The auditing covers operation process under laws, regulations, rules including the correctness and reliability of data and information reporting to Audit Committee quarterly. The Internal Audit follow up the result of process improvement to prevent issues especially significant risk incidents, finding root cause and manage to prevent incidents happens in the future. Internal Audit must assure the operation process is under control with efficiency and risk management. The Audit Committee's charter provides both of guidelines and code of conducts to internal audit and be reviewed annually. Audit Committee has appointed Mr. Narongpoj Longchupol as the Head of Internal Audit due to his qualifications, knowledge, abilities, and experiences that suit with the duty.

Audit Committee and Internal Audit work independently and they are assigned as another whistle blowing channel to ensure the process has been managed transparently and fairly under the Good Corporate Governance Principles.

The company realizes the important of good corporate governance to customers, business partners, and all stakeholders. The Chairman of Corporate Governance Committee and internal auditor regularly doing site visiting to survey customer satisfaction and listening to their problems, take their complaints and suggestions and hand on to management and working team to handle cases and make the improvement, and report to Board of Directors regularly.

The Chairman of Corporate Governance Committee customer site visiting, meet and survey service satisfaction.

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. 1/2020 on January 31, 2020 also attended by the Audit Committee and the independent directors to review the related party transaction for the period ended December 31, 2019 and December 31, 2018, 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, 2019	December 31, 2018	
General Outsourcing Co.,Ltd Related through directors	Reference Fee	316,455	635,013	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.
	Payroll Services Fee	364,890	363,780	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.
Director	Interest income (Interest Rate 8.50% and 13.50% per year)	1,172,246	651,676	Related party transactions are in accordance with a normal business, this transaction is considering and approval by Audit Committee and the Board of Directors.
	Interest expense (Interest Rate 5.50% and 7.00% per year)	452,425	-	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 • Without Collateral • Property secured by mortgage	 836,621 21,135,070	 990,183 3,202,084	Related party transactions are in accordance with a normal business, this transaction is considering and approval by Audit Committee and the Board of Directors.

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, 2019	December 31, 2018	
	• Loan to employees	450,009	139,078	Related party transactions are in accordance with a normal business, this transaction is considering and approval by Audit Committee and the Board of Directors.
	• Short term unsecured debenture	10,000,000	-	
	• Accrued interest	278,082	-	
Shareholders	Interest expense (interest rate 5% - 10% per year)	10,433,014	12,923,288	Related party transactions are in accordance with a normal business, this transaction is considering and approval by Audit Committee and the Board of Directors.
	Short - term unsecured debenture	160,000,000	100,000,000	Related party transactions are in accordance with a normal business, this transaction is considering and approval by Audit Committee and the Board of Directors.
	Long - term unsecured debenture	-	120,000,000	
	Accrued interest expense	3,260,000	2,952,192	

Reasonableness of the Related Party Transactions

According to the resolution of the Board of Directors' Meeting No. 1/2020 on January 31, 2020 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
2019	Ms. Nannaphat Wannasomboon	7793	Dharmniti Auditing Co.,Ltd.
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.

2) Summary of auditor report

The auditor report for the financial statements in 2015-2019 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

On 7 February 2019, G Capital Public Company Limited held 5,100,000 shares in Sabaijai Money Company Limited in the amount of 25.50 million baht, representing 51% stake. The company has a joint venture with 9F International Holdings PTE. LTD., the leading financial company from China by mutual making a joint venture agreement.

As of 31 December 2019, Sabaijai Money Company Limited has not yet operated any business. Therefore, the company analyzed the operating results in 2 parts 1) Financial statement in which theequity method and 2) Separate Financial Statement.

Financial statements in which the equity method is applied

On February 7, 2019, the company has a joint venture with foreign companies, one Chinese. By creating a joint venture agreement. The company holds a joint venture in the amount of 5,100,000 shares, amounting to 25.50 million baht, representing a 51 percent. The conditions of the agreement were given the right to vote on decisions about things that affect significantly the returns required to be approved unanimously by the participants to work with the control jointly by the parties or control exclusive. Including assigning rights to assets Obligations and liabilities as well as income from the joint operation will be divided according to a company controlled by a joint shareholding of each company. Therefore, such a venture is classified to joint venture. Therefore considered as investment in a joint venture.

As at December 31, 2019 the joint venture has not conducted any business. Therefore, the statements of investment using the equity method the company therefore has a share of loss from investment in joint venture equal to 3.93 million baht in comprehensive income. And the company will reduce the carrying amount of the investment in proportion to its investment stake. Making the investment in joint ventures was 21.57 million baht in the statement of financial position. As in the following table:

STATEMENT OF COMPREHENSIVE INCOME unit:million	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
Total revenues	358.63	306.40	358.63	306.40
Total expenses	171.84	149.87	171.84	149.87
Profit before share of loss from investment in joint venture, finance cost and income tax expense	186.79	156.53	186.79	156.53
Share of loss from investment in joint venture	(3.93)	-	-	-
Profit before finance costs and income tax expenses	182.86	156.53	186.79	156.53
Finance costs	116.68	87.73	116.68	87.73
Profit before income tax expenses	66.19	68.80	70.11	68.80
Income tax expenses	13.11	13.91	13.89	13.91
Profit for the year	53.08	54.89	56.22	54.89
Other comprehensive income :				
Items that will not be reclassified to profit or loss				
Actuarial loss arising from post-employment benefit, net of income tax	(0.44)	-	(0.44)	-
Total comprehensive income for the year	52.64	54.89	55.78	54.89
Earnings per share				
Basic earnings per share (Baht)	0.19	0.27	0.20	0.27
Weighted average number of issued and paid-up common shares (shares)	285,753,425	200,000,000	285,753,425	200,000,000

STATEMENT OF FINANCIAL POSITION unit:million	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
Current assets				
Cash and cash equivalents	254.17	29.13	254.17	29.13
Current portion of hire-purchase receivables	620.93	536.79	620.93	536.79
Current portion of personal loan receivables	183.36	174.12	183.36	174.12
Current portion of corporation loan receivables	154.86	81.16	154.86	81.16
Receivables under litigation enforcement process with collateral	47.92	17.07	47.92	17.07
Other receivables	23.00	43.55	23.00	43.55
Total current assets	1,284.24	881.83	1,284.24	881.83
Non-current assets				
Hire-purchase receivables	1,040.96	936.70	1,040.96	936.70
Personal loan receivables	162.90	158.29	162.90	158.29
Corporation loan receivables	112.55	47.03	112.55	47.03
Receivables under litigation enforcement process	20.05	1.48	20.05	1.48
Investments in joint venture	**21.57**	**-**	**25.50**	**-**
Equipment	18.05	21.33	18.05	21.33
Intangible assets	8.94	0.87	8.94	0.87
Deferred tax assets	43.46	35.50	42.68	35.50
Other non-current assets	3.79	3.84	3.79	3.84
Total non-current assets	1,432.28	1,205.03	1,435.42	1,205.03
Total assets	2,716.52	2,086.86	2,719.66	2,086.86
Total current liabilities	1,034.41	1,142.65	1,034.41	1,142.65
Total non-current liabilities	1,132.69	595.65	1,132.69	595.65
Total liabilities	2,167.10	1,738.30	2,167.10	1,738.30
Shareholders' equity				
Issued and paid up share capital				
300,000,000 common shares at Baht 0.50 per share	150.00	-	150.00	-
200,000,000 common shares at Baht 0.50 per share	-	100.00	-	100.00
Premium on common shares	255.18	105.95	255.18	105.95
Retained earnings (deficits)				
Appropriated to legal reserve	12.81	10.00	12.81	10.00
Unappropriated	131.43	132.61	134.57	132.61
Total shareholders' equity	549.42	348.56	552.56	348.56
Total liabilities and shareholders' equity	2,716.52	2,086.86	2,719.66	2,086.86

Company's performances

There are 5 main business categories which are 1) Sabaijai Agricultural 2) Sabaijai Andaman 3) Sabaijai Business 4) Sabaijai Employees and 5) Sabaijai Market. 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 2019, 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 diversify 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	2019
Total New Loan Booking (THB million)	270	355	1,120	1,180	1,290
Percentage Growth	-37%	31%	215%	5%	9%

In the year 2019, the company had total loans of 1,290 million baht, compared to the total loan amount in the year 2018 of 1,180 million baht, representing a 9% 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 35 percent in 2018 to 44 percent in 2019 compared to the total amount of loans in the total hire purchase port.

Separate financial statements

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 2019 and 2018 at THB 358.63 million and THB 306.40 million an increasing by THB 52.23 million or 17%. 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 74% and 75% of total revenues in 2019 and 2018, respectively. In addition, the company also has interest income from personal and corporate loans, or interest income from personal loans in 2019 and 2018, the company has revenues of 47.79 and 54.23 million baht, respectively, decreasing by 6.43 million baht, representing an decrease of 12 % and interest income for corporate loans in 2019 and 2018, the company has revenue of 23 .23 and 10.23 million baht, respectively , increasing by 13.00 million baht, representing an increase of 127%.

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 2019 and 2018 were THB 16.66 million and THB 12.64 million, increase THB 4.02 million equivalent to 5% and 4% of total revenues.

Administrative Expenses

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

The administrative expenses in 2019 were THB 117.20 million equivalent to 33% of total revenues, increase than in 2018 at THB 13.57 million or equivalent to of 13%.

Financial cost

The financial costs of the company in 2019 and 2018 are equal to 116.68 million baht and 87.73 million baht, respectively. Increased 28.95 million baht or 33 percent.

In the year 2019, the company has a total outstanding loan of 2,078.92 million baht, representing an increase of 29% compared to the same period of 2018, with the main funding structure coming from both short and long term. The short-term comes from the issuance of debentures of 170.00 million baht and short-term loans from other persons 226.57 million baht. For the long-term comes from the issuance of debentures in the amount of 1,682.35 million baht to repay the debentures which are due and to To support the increase in credit which is considered as the business expansion.

Profit

Net profit for the year of the company in 2019 and 2018, the company had a net profit of 56.22 million baht and 54.89 million baht, representing 16 percent and 18 percent of total revenue, respectively. Mainly due to an increase in total revenue of 52.23 million baht while selling and administrative expenses increased only 17.60 million baht and financial costs increased 28.95 million baht and total doubtful debt increased 4.37 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.

The financial costs increased due to the issuance of debentures and short-term net loans increased to support the company's credit approval.

Income tax expense

In 2019 and 2018 the corporate tax is 20%.

Earnings per Share (EPS)

In 2019 and 2018 the company has earnings per share of THB 0.20 and THB 0.27 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 2019, the company had the interest rate difference of 9.63 percent while in the year 2018, the Company had an interest rate difference of 11.11 percent, due to the higher ration in 2019 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, investments in joint venture, deferred tax assets and other non-current assets.

Total assets of the Company at the end of 2019 was THB 2,719.67 million, increasing from the total assets in 2018 at THB 2,086.86 million or increasing by THB 632.81 million or 30%. The significant factors of such increase included an increase in hire purchase receivables by THB 188.40 million or 13%, an increase in personal loan receivables by THB 13.85 million or 4%, an increase in corporate loan receivables by THB 139 .22 million or 109 %, receivables during legal proceedings with collateral increased by 30.85 million baht or 181% and cash and cash equivalents increased by 225.04 million baht or 772%.

Hire-Purchase Receivables

At the end of 2019 and 2018, the Company had accounts receivable under hire purchase contract at THB 1,661.89 million and THB 1,473.49 million, respectively, representing total assets at 61% and 71% 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 2019 and 2018, the Company had personal loans receivable at THB 346.26 million and THB 332.41 million, respectively, increasing by THB 13.85 million or 4%. 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 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.

Corporate loan receivable

In 2019 and 2018, the company has corporate loan receivable of 267.42 million baht and 128.19 million baht, respectively, increasing by 139.22 million baht or 109% 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 5/2016 concerning the classification and the provision of financial institutions, announced on June 10, 2016. 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.

At the end of the accounting period the company has reviewed, adjusted and estimated the accounting estimates regarding the allowance for doubtful accounts of debtors accordingly. To prepare to apply the financial reporting standards which are effective for the financial statements beginning on or after January 1, 2020, the company collects and analyzes statistically And the ability to pay debt according to the current situation In testing the adequacy of the allowance for doubtful accounts and getting results close to the estimates according to financial reporting standards.

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					
	2019		2018		2017	
	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)
Normal (Normal Accounts Receivables)	1,154.88	67	1,106.32	72	846.64	80
Special Mentioned level (less than 0.5 installment)	51.19	3	31.02	2	26.04	3
Lower than Standard (more than 0.5 - 1 installment)	234.61	14	150.93	10	71.95	7
Suspicious level (more than 1 - 2 installment)	105.74	6	105.99	7	44.02	4
Doubtful level (more than 2 - 3 installment)	99.54	6	72.86	4	34.42	3

Type of Accounts Receivables	For the year ended					
	2019		2018		2017	
	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)
Doubtful level (more than 3 installment)	75.62	4	75.18	5	34.29	3
Total	1,721.58	100	1,542.30	100	1,057.36	100
Subtract provision for doubtful accounts	(59.69)	(3)	(68.81)	(4)	(44.31)	(4)
Net Accounts Receivable under Hire-purchase contracts	1,661.89	97	1,473.49	96	1,013.05	96

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

In year 2019 and 2018, The ratio of overdue receivable in doubtful loss (more than 3 installments) is 4 and 5 percent of total debtors. Improved portfolio quality due to the company Has adjusted the management process for tracking and collecting debts more efficiently. Along with setting up a debt collection team that is likely to be especially a doubtful debt Including follow-up and management of overdue receivables There will be a customer relations staff to contact the customers in the area to check and inquire about the cause of overdue payment. As well as guidelines for customers to pay installments on a case-by-case basis There will be different procedures depending on the behavior and ability to pay, such as planning and payment schedule. Collateral increase and returning the leased property, etc. In addition, the company Have adjusted the structure and working system within the organization to be more efficient, such as the project for debt settlement clinic Debt restructuring.

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					
	2019		2018		2017	
	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)
Normal (Normal Accounts Receivables)	264.96	70	254.91	73	273.95	80
Overdue						
Doubtful level (over 1 - 3 installment)	44.87	12	64.90	19	49.72	15
Doubtful level (more than 3 installment)	68.94	18	30.95	8	18.54	5
Total	378.77	100	350.75	100	342.21	100
Subtract provision for doubtful accounts	(32.51)	(9)	(18.35)	(5)	(13.95)	(4)
Net Accounts Receivables under personal contracts	346.26	91	332.40	95	328.26	96

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					
	2019		2018		2017	
	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)
Normal (Normal Accounts Receivables)	237.07	88	110.35	85	81.63	99
Overdue						
Doubtful level (over 1 - 3 installment)	31.47	12	-	-	0.88	1
Doubtful level (more than 3 installment)	-	-	19.09	15		
Total	268.54	100	129.44	100	82.51	100
Subtract provision for doubtful accounts	(1.13)	(0.4)	(1.25)	(0.9)	(0.64)	(0.01)
Net Accounts Receivables under personal contracts	267.41	99.6	128.19	99.1	81.87	99.9

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 2019 and 2018, receivables during legal proceedings secured net worth THB 47.92 million and THB 17.07 million or equivalent to 2% and 1% of total assets, respectively.

Other Account receivables

Other Account Receivables consist of Revenue Department receivables, employee loans receivables, and other receivables, etc. At the end of 2019 and 2018, the values of other Account Receivables were THB 23.00 million and THB 43.55 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 2019 and 2018, receivables during the legal action was worth THB 20.05 million and THB 1.48 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 2019 and 2018, the equipment value was THB 18.05 million and THB 21.33 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 2019 and 2018, the deferred tax assets were THB 42.67 million and THB 35.50 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 2019 and 2018 was THB 2,167.10 million and THB 1,738.30 million, respectively. In 2019, total liabilities increased from 2018 at THB 428.80 million, representing 25% due to increasing in long-term debenture by 689.24 million baht. And a decrease in short-term loans from financial institutions in the amount of 218.74 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 2019 and 2018 trade payables and other payables amounted to THB 51.27 million and THB 96.91 million, respectively.

Sources of funds of the Company are as follows:

Source of funds	For the year ended					
	2019		2018		2017	
	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)
Loans	2,078.92	79	1,608.42	82	1,152.21	78
Bank overdrafts and shot-term loans from financial institutions	-	-	218.74	11	180.00	12
Other shot-term loans.	226.57	9	40.00	2	-	-
Short-term unsecured debentures	170.00	6	100.00	5	-	-
Long-term unsecured debenture from financial institutions more than 1 year	576.07	22	673.76	35	199.92	13
Long-term unsecured debentures	1,106.28	42	575.92	29	772.29	53
Shareholder's equity	552.57	21	348.56	18	331.67	22
Total	2,631.49	100	1,956.98	100	1,483.88	100

Shareholders' Equity

The Shareholders' Equity of the Company as of 31 December 2019 and 2018 were THB 552.56 million and THB 348.56 million, increaseing by THB 204.00 million from the capital increase of 200 million baht, paying dividends of 51 million baht and total comprehensive income for the year 55.78 million baht. The company's return on shareholders in 2019 and 2018 is 12% and 16% respectively.

Audit Fee

In the fiscal year 2019, the Company paid Audit fee to Dharmniti Auditing Co., Ltd. in the amount of THB 770,000 with non-another audit fee.

Liquidity analysis

unit : million

Items	2019	2018	2017
Cash flows received (used) from operating activities	(342.57)	(423.19)	(644.47)
Cash flows received (used) from investing activities	(34.85)	(11.54)	(4.23)
Cash flows received (used) from financing activities	602.45	413.87	621.53
Net cash increase (decrease)	225.04	(20.86)	(27.17)

In the year 2019, the company had cash used in operating activities equal to 342.57 million baht due to an increase in accounts receivable from financial lending. The cash flow used in investing activities was 34.85 million baht which the 25.50 million baht is the investment in the joint venture, and the net cash flow received from financing activities was 602.45 million baht. During the year 2019, the company received 200 million baht in capital increase from the new ordinary shares, paid dividends of 51 million baht, and the rest is issuing and repayment of debentures, loans and overdrafts, both short-term and long-term.

Source of fund

Capital Structure

Debt to equity shares at the end of 2019 and 2018 were 3.92 times and 4.99 times, respectively. Which decreased 1.07 times due to the company Capital increase in February 2019.

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 2019. 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 2019 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 2019

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 2019, the Risk Management Committee has meeting 5 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.
6. Risk management report 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 2019

Nomination and Remuneration Committee consists as follows

1. Mr. Prameson	Pisitpan	as	Chairman of Nomination and Remuneration Committee.
2. Dr. Chaiyong	Satjipanon	as	Nomination and Remuneration Committee.
3. Mr. Nattaphon	Sarasas	as	Nomination and Remuneration Committee.
4. Ms. Morakot	Thongsriphong	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 2019, 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 2019

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. Dr. Chaiyong	Satjipanon	as	Audit Committee
3. Mr. Pramesan	Pisitpan	as	Audit Committee
4. Mr. Narongpoj	Longchupol	as	Secretary of the Audit Committee

In 2019, 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 6 meetings with senior management, auditors and internal auditors. The matters that the Audit Committee has considered and operated can be summarized as follows:

1. Reviewing the financial statements on quarterly and yearly basis

Audit Committee responsible to review the financial statements on quarterly and yearly basis. The auditor is also invited to attend the meeting every time when considering the quarterly and yearly financial statements. The Audit Committee has reviewed the financial statements, governing the auditor about the accuracy, completeness and reliability of the financial statements includes the sufficiency of the information disclosure disclosing information that effect on the financial statements to ensure the preparation of financial statements complies with legal requirements and financial reporting standard and the general accounting principles. The Audit Committee agreed with the auditor that the said financial statements were correct as it should be in essence, in accordance with the financial reporting standards.

2. Reviewing the internal control systems

Audit Committee conduct a review of risk management and internal control systems to ensure the company's operations to be effective and effective to achieve the company's defined goals. Internal audit report will be considered as well as internal control system will be evaluated on risk management aspect to be accordance to international standards COSO (Committee of Sponsoring Organization of the Treadway Commission).

3. Reviewing the internal audit

Audit Committee has considered the scope of work, roles and responsibilities and the independence of the internal audit department. Reviewing the Internal audit charter and it deem appropriate. Considering the qualifications of the head of the internal audit department in terms of education background, work experience, and

training history, the committee see he is qualified to be appointed to perform the duties on managing the internal audit department. The auditing plan also be approved with the comprehensive risk assessment and cover the scope of various important work systems of the company.

4. Reviewing the Audit Committee Charter

Audit Committee review the Audit Committee Charter of the company, to consider, to improve, and to amend regarding to the qualifications, roles, duties, and the authorization of the Audit Committee, Minutes of the Meeting to comply with the rules and guidelines with the principles of the good Corporate Governance and the regulations of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC).

5. Consideration on the related transaction or transactions with conflicts of interest

Audit Committee consider and provide the opinion on the related transaction or transactions that may have conflicts of interest with the company, considering the related transactions are reasonable including the disclosure of such items in accordance with the regulations of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC) by taking into account the interests of all parties on a quarterly basis.

6. Preparation the Audit Committee Meeting report

Audit Committee prepare the Audit Committee Meeting's report reporting to the Board of Directors to be acknowledged. The useful suggestions shall be provided to the management and taking into the improvement actions and complying the appropriate best practices of the Audit Committee and regulations of the Stock Exchange of Thailand (SET).

7. Compliance with the law on securities and stock exchange

Audit Committee review the company's operations that must be complied to the regulations of the Stock Exchange of Thailand (SET) and any laws related to the company's business and found that there is no significant problems, negative actions occurs.

8. Consideration for auditors' selection, and determination of auditors' remuneration

Audit Committee consider the selection of auditors and determine the remuneration for auditor by considering the quality of work, auditor status, the significant limitations or the requirements of Stock Exchange of Thailand (SET) or other related departments. There is the meeting between Audit Committee and auditors on the quarterly basis to discuss regarding issue of accounts auditing, problems found in the auditing process and find the solutions for various issues.

In this regard, the Audit Committee considered the performance of the auditor, Mr. Pojana Assawasantichai, from Dharmniti Auditing Company Limited in the past accounting period. Consideration on the remuneration of the auditor presenting to the Board of Directors. By the 2019 Annual General Meeting of Shareholders has approved the appointment of Mr. Pojana Assawasantichai, the auditor registration no. 4891 from Dharmniti Auditing Company Limited, to be the company's auditor.

9. Anti-Corruption

The Board of Directors and executives are aware of the fraud and corruption problem, therefore, establishing the committee to work against corruption and consider the plan, the system, monitor the implementation of anti-corruption both inside and outside the organization. The company communicate to employees to have knowledge, understand and aware of anti-corruption. The company has set anti-corruption policies and signed the intention declaration with Collective Action Coalition (CAC) of the Thai private sector to fight against the corruption. Since 2015, the company has been certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption until now.

10. Arranging the self-assessment of the Audit Committee

Audit Committee organize the committee self-assessment with the result "Excellent". This demonstrate the Audit Committee has performed all duties and operations as be assigned by Board of Directors and in line with best practices.

Audit Committee perform duties independently in accordance with the scope and responsibility which has been assigned by the Board of Directors and stipulated in the Audit Committee charter. The Audit Committee has the opinion that the company's financial report has been prepared correct in general practices. The disclose information is sufficient and correct with no significant issue contrary to the facts and financial reporting standards or the government regulations.

The company operate under the internal control system and the effective risk management that complied with the relevant laws and regulations, accurate and adequate information disclosure. The operations must in line with the good corporate governance, transparent, reliable. It must responsible to the economy, society and environment and be ensured G Capital Public Company Limited is ready to grow and maintain the good corporate governance status of the organization.

(Asst.Prof. Wipada Tantiprabpa)
Chairman of Audit Commitee

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, 2019, 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, 2019, its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Allowance for doubtful accounts of hire-purchase receivables, loans receivables, and personal loans receivables

Regarding the appropriateness of the allowance for doubtful debts, the Company provides loans to many types of receivables such as agricultural machinery loans to farmers who are hired to harvest the products, personal loans for continuous financial support among receivables, loans for agricultural machinery for improvement of agricultural machinery or for consumption, personal loan groups with the establishment for unsecured borrower, general loans with shops joining the collateral, loans for merchants in the fresh market, etc. These loans have specific characteristics and sources of income to be paid in different contexts. Some groups of loan receivables depend on agricultural factors, geography and government support. Some receivables depend on their income source or economic conditions and household spending and the process of credit management and the collection of claims from the credit department, etc., which all rely on the perspective and caution in credit release, the debt collection process and the risk management of the management to consider.

It is important for the management to make judgment on allowance for doubtful accounts in accordance with the financial reporting standards. It is based on historical data that identified the impairments for receivables and determining the amount to be expected to be refunded. Moreover, the form of granting loans is an inevitable process of uncertainty. Since it requires many assumptions and various factors such as the financial status of the receivables, estimated future cash flows, ability to pay the debt of the receivables. In addition, the assumptions used in different calculations may cause a significant amount of allowance for doubtful accounts. The disclosure of risk management involved is complex and depends on the quality of information of each receivable.

I have assessed and tested the design and operating effectiveness of the internal controls over allowance for doubtful accounts data and calculations. These controls testing included the understanding the accounting policies and procedures regarding allowance for doubtful accounts, including the test of appropriateness and check of accuracy of information and approach used in the preparation of quality in classification of receivables, random check the accuracy of individual receivables report from the overdue period estimated from IT system for the allowance for doubtful debts that is calculated from each receivable. 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 evaluated and tested the control and efficiency controlled regarding to the related disclosure. It is included the disclosure the value of confiscation and recoverable value.

I assessed the basis and data used to evaluate the collateral by comparing samples with appraisal reports by independent values. If an independent values' valuation was not available, I investigated samples of information provided by the Company about the selling price history from the disposal of similar collateral to verify if the valuation of collateral was within an appropriate range.

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.

Emphasis Matter

I draw attention to Note 6 and 7 to the financial statements, the Company has changed estimated allowance for doubtful accounts at a rate of 2.5% of the hire-purchase contracts receivable and account of mortgage loan receivable to set allowance for doubtful accounts at the rate of 1% of the loan contracts receivable to new estimated allowance for doubtable 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 change affects the financial statements for the year ended December 31, 2019 by decreasing allowance for doubtful account by Baht 8.22 million and increasing profit for year ended by Baht 6.58 million and increasing earnings per share by Baht 0.021 per share.

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 Thai 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:

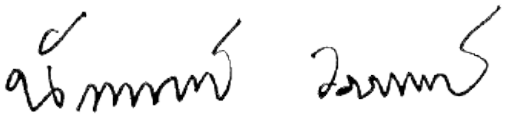
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 Miss Nannaphat Wannasomboon.



(Miss Nannaphat Wannasomboon)
Certified Public Accountant
Registration No. 7793

Dharmniti Auditing Company Limited
Bangkok, Thailand
January 31, 2020

G CAPITAL PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

ASSETS

		Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2019	2018	2019	2018
Current assets					
Cash and cash equivalents	5	254,171,664	29,134,266	254,171,664	29,134,266
Current portion of hire-purchase receivables	6	620,927,032	536,793,696	620,927,032	536,793,696
Current portion of personal loan receivables	7	183,367,727	174,118,422	183,367,727	174,118,422
Current portion of corporation loan receivables	8	154,864,650	81,161,359	154,864,650	81,161,359
Receivables under litigation enforcement process with collateral	9	47,920,633	17,066,348	47,920,633	17,066,348
Other receivables	10	23,001,187	43,554,011	23,001,187	43,554,011
Total current assets		1,284,252,893	881,828,102	1,284,252,893	881,828,102
Non-current assets					
Hire-purchase receivables	6	1,040,962,221	936,695,963	1,040,962,221	936,695,963
Personal loan receivables	7	162,897,843	158,287,605	162,897,843	158,287,605
Corporation loan receivables	8	112,553,024	47,034,041	112,553,024	47,034,041
Receivables under litigation enforcement process	11	20,046,118	1,480,392	20,046,118	1,480,392
Investments in joint venture	12	21,574,657	-	25,500,000	-
Equipment	13	18,051,225	21,328,584	18,051,225	21,328,584
Intangible assets	14	8,936,220	869,967	8,936,220	869,967
Deferred tax assets	15	43,462,865	35,497,716	42,677,797	35,497,716
Other non-current assets		3,791,786	3,835,787	3,791,786	3,835,787
Total non-current assets		1,432,275,959	1,205,030,055	1,435,416,234	1,205,030,055
Total assets		2,716,528,852	2,086,858,157	2,719,669,127	2,086,858,157

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

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

G CAPITAL PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2019	2018	2019	2018
Current liabilities					
Trade and other payables	16, 4	51,275,788	96,909,211	51,275,788	96,909,211
Bank overdrafts and short-term loan from financial institutions	17	-	218,736,720	-	218,736,720
Short-term loan from other personal	18	226,574,575	40,000,000	226,574,575	40,000,000
Short-term unsecured debentures	19, 4	170,000,000	100,000,000	170,000,000	100,000,000
Current portion of long-term secured and unsecured debentures	20, 4	576,071,172	673,759,764	576,071,172	673,759,764
Current portion of liabilities under financial lease agreements	21	1,805,597	1,722,786	1,805,597	1,722,786
Accrued income tax		8,681,919	11,524,012	8,681,919	11,524,012
Total current liabilities		1,034,409,051	1,142,652,493	1,034,409,051	1,142,652,493
Non-current liabilities					
Long-term secured and unsecured debentures	20, 4	1,106,281,683	575,923,692	1,106,281,683	575,923,692
Liabilities under financial lease agreements	21	2,834,060	4,639,657	2,834,060	4,639,657
Employee benefit obligations	22	9,150,763	6,115,064	9,150,763	6,115,064
Other non-current liabilities		14,426,326	8,968,732	14,426,326	8,968,732
Total non-current liabilities		1,132,692,832	595,647,145	1,132,692,832	595,647,145
Total liabilities		2,167,101,883	1,738,299,638	2,167,101,883	1,738,299,638

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

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

G CAPITAL PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2019	2018	2019	2018
Shareholders' equity					
Share capital	24				
Registered share capital					
300,000,000 common shares at Baht 0.50 per share		150,000,000	150,000,000	150,000,000	150,000,000
Issued and paid up share capital					
300,000,000 common shares at Baht 0.50 per share		150,000,000		150,000,000	
200,000,000 common shares at Baht 0.50 per share			100,000,000		100,000,000
Premium on common shares		255,179,704	105,950,000	255,179,704	105,950,000
Retained earnings (deficits)					
Appropriated to legal reserve	25	12,811,044	10,000,000	12,811,044	10,000,000
Unappropriated		131,436,221	132,608,519	134,576,496	132,608,519
Total shareholders' equity		549,426,969	348,558,519	552,567,244	348,558,519
Total liabilities and shareholders' equity		2,716,528,852	2,086,858,157	2,719,669,127	2,086,858,157

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

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

G CAPITAL PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

		Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2019	2018	2019	2018
Revenues					
Income from hire-purchase contracts		264,460,447	228,710,777	264,460,447	228,710,777
Interest income - personal loans	4	47,795,587	54,227,010	47,795,587	54,227,010
Interrest income - corporation loans		23,231,544	10,227,008	23,231,544	10,227,008
Income from penalty on hire-purchase contracts		14,333,594	9,441,697	14,333,594	9,441,697
Income from penalty on personal loans and corporation loans		258,744	499,672	258,744	499,672
Other incomes		8,551,640	3,294,396	8,551,640	3,294,396
Total revenues		358,631,556	306,400,560	358,631,556	306,400,560
Expenses					
Selling expenses		16,659,429	12,635,478	16,659,429	12,635,478
Administrative expenses		117,197,467	103,624,087	117,197,467	103,624,087
Allowance for doubtful accounts - hire purchase		14,822,048	28,616,450	14,822,048	28,616,450
Allowance for doubtful accounts - personal loans and corporation loans		23,164,587	4,995,206	23,164,587	4,995,206
Total expenses		171,843,531	149,871,221	171,843,531	149,871,221
Profit before share of loss from investment in joint venture, finance cost and income tax expense		186,788,025	156,529,339	186,788,025	156,529,339
Share of loss from investment in joint venture		(3,925,343)	-	-	-
Profit before finance costs and income tax expenses		182,862,682	156,529,339	186,788,025	156,529,339
Finance costs		116,677,050	87,727,698	116,677,050	87,727,698
Profit before income tax expenses		66,185,632	68,801,641	70,110,975	68,801,641
Income tax expenses	15	13,105,037	13,913,623	13,890,105	13,913,623
Profit for the year		53,080,595	54,888,018	56,220,870	54,888,018
Other comprehensive income :					
Items that will not be reclassified to profit or loss					
Actuarial loss arising from post-employment benefit, net of income tax	22	(441,879)	-	(441,879)	-
Total comprehensive income for the year		52,638,716	54,888,018	55,778,991	54,888,018
Earnings per share					
Basic earnings per share (Baht)		0.19	0.27	0.20	0.27
Weighted average number of issued and paid-up common shares (shares)		285,753,425	200,000,000	285,753,425	200,000,000

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

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

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

G CAPITAL PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

		Baht				
		Financial statements in which the equity method is applied				
		Share capital	Premium on	Retained earnings (deficits)		Total
	Note	issued and paid-up	common shares	Appropriated to legal reserve	Unappropriated	
Beginning balance as at January 1, 2018		100,000,000	105,950,000	10,000,000	115,720,463	331,670,463
Dividend	26	-	-	-	(37,999,962)	(37,999,962)
Total comprehensive income for the year		-	-	-	54,888,018	54,888,018
Ending balance as at December 31, 2018		100,000,000	105,950,000	10,000,000	132,608,519	348,558,519
Increase capital	24	50,000,000	149,229,704	-	-	199,229,704
Legal reserve	25	-	-	2,811,044	(2,811,044)	-
Dividend	26	-	-	-	(50,999,970)	(50,999,970)
Total comprehensive income for the year		-	-	-	52,638,716	52,638,716
Ending balance as at December 31, 2019		150,000,000	255,179,704	12,811,044	131,436,221	549,426,969

		Baht				
		Separate financial statements				
		Share capital	Premium on	Retained earnings (deficits)		Total
	Note	issued and paid-up	common shares	Appropriated to legal reserve	Unappropriated	
Beginning balance as at January 1, 2018		100,000,000	105,950,000	10,000,000	115,720,463	331,670,463
Dividend	26	-	-	-	(37,999,962)	(37,999,962)
Total comprehensive income for the year		-	-	-	54,888,018	54,888,018
Ending balance as at December 31, 2018		100,000,000	105,950,000	10,000,000	132,608,519	348,558,519
Increase capital	24	50,000,000	149,229,704	-	-	199,229,704
Legal reserve	25	-	-	2,811,044	(2,811,044)	-
Dividend	26	-	-	-	(50,999,970)	(50,999,970)
Total comprehensive income for the year		-	-	-	55,778,991	55,778,991
Ending balance as at December 31, 2019		150,000,000	255,179,704	12,811,044	134,576,496	552,567,244

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

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

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

G CAPITAL PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before income tax expenses	66,185,632	68,801,641	70,110,975	68,801,641
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)	-	(423,709)
Gain on sale of fixed assets	(1,168,219)	-	(1,168,219)	-
Depreciation and amortization	5,729,869	3,816,515	5,729,869	3,816,515
Allowance for doubtful accounts	37,986,635	33,611,656	37,986,635	33,611,656
Reversal of allowance for doubtful debt of hire-purchase receivable	(33,830,125)	-	(33,830,125)	-
Share of loss from investment in joint venture	3,925,343	-	-	-
Employee benefits expenses	2,592,723	1,478,844	2,592,723	1,478,844
Finance costs	116,677,050	87,727,697	116,677,050	87,727,697
Profit from operation before changing in operating assets and liabilities	198,098,908	195,012,644	198,098,908	195,012,644
(Increase) decrease in operating assets				
Hire-purchase receivables	(179,505,535)	(485,283,039)	(179,505,535)	(485,283,039)
Personal loan receivables	(32,916,596)	(8,460,453)	(32,916,596)	(8,460,453)
Corporation loan receivables	(139,098,892)	(46,675,360)	(139,098,892)	(46,675,360)
Receivables under litigation enforcement process with collateral	(38,355,248)	9,492,444	(38,355,248)	9,492,444
Other receivables	20,552,824	(18,882,967)	20,552,824	(18,882,967)
Receivables under litigation enforcement process	(5,181,660)	(8,249,421)	(5,181,660)	(8,249,421)
Other non-current assets	44,001	(1,907,937)	44,001	(1,907,937)
Increase (decrease) in operating liabilities				
Trade and other payables	(50,568,792)	34,944,303	(50,568,792)	34,944,303
Other non-current liabilities	5,457,594	5,989,628	5,457,594	5,989,628
Cash received (paid) from operating activities	(221,473,396)	(324,020,158)	(221,473,396)	(324,020,158)
Cash paid for employee benefit	(294,763)	(104,792)	(294,763)	(104,792)
Cash paid for finance costs	(96,998,313)	(80,802,893)	(96,998,313)	(80,802,893)
Cash paid for income tax	(23,801,811)	(18,263,705)	(23,801,811)	(18,263,705)
Net cash provided by (used in) operating activities	(342,568,283)	(423,191,548)	(342,568,283)	(423,191,548)

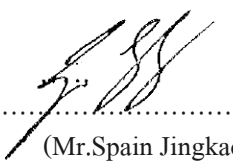
……Director
(Mr.Spain Jingkaojai)

……...Director
(Mr.Nattaphon Sarasas)

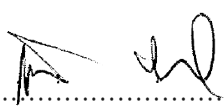
Notes to financial statements form an integral part of these statements.

G CAPITAL PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities:				
Cash paid for investment in securities held-for-trading	-	(345,000,000)	-	(345,000,000)
Cash received from investment in securites held-for-trading	-	345,423,709	-	345,423,709
Cash paid for investment in joint venture	(25,500,000)	-	(25,500,000)	-
Cash paid for purchase of fixed assets and intangible assets	(10,518,768)	(11,961,629)	(10,518,768)	(11,961,629)
Cash received from sales of fixed assets	1,168,224	-	1,168,224	-
Net cash provided by (used in) investing activities	(34,850,544)	(11,537,920)	(34,850,544)	(11,537,920)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts	(18,736,720)	18,736,720	(18,736,720)	18,736,720
Cash received from short-term loans from financial institutions	550,000,000	510,000,000	550,000,000	510,000,000
Cash paid for short-term loans from financial institutions	(750,000,000)	(490,000,000)	(750,000,000)	(490,000,000)
Cash received from short-term loan for other person	516,976,081	40,000,000	516,976,081	40,000,000
Cash paid for short-term loans for other person	(340,000,000)	-	(340,000,000)	-
Cash received from issuing short-term unsecured debentures	463,000,000	421,946,400	463,000,000	421,946,400
Cash paid for short-term unsecured debentures	(393,000,000)	(322,700,000)	(393,000,000)	(322,700,000)
Cash received from issuing long-term secured and unsecured debentures	1,102,209,916	474,949,400	1,102,209,916	474,949,400
Cash paid for long-term secured and unsecured debentures	(674,500,000)	(200,000,000)	(674,500,000)	(200,000,000)
Cash paid for liabilities under financial lease agreements	(1,722,786)	(1,063,513)	(1,722,786)	(1,063,513)
Cash received from ordinary share capital	199,229,704	-	199,229,704	-
Cash paid for dividend	(50,999,970)	(37,999,962)	(50,999,970)	(37,999,962)
Net cash provided by (used in) financing activities	602,456,225	413,869,045	602,456,225	413,869,045
Net increase (decrease) in cash and cash equivalents	225,037,398	(20,860,423)	225,037,398	(20,860,423)
Cash and cash equivalents, beginning of the year	29,134,266	49,994,689	29,134,266	49,994,689
Cash and cash equivalents, end of the year	254,171,664	29,134,266	254,171,664	29,134,266
Supplement disclouses at cash flow information				
The Company acquired fixed assets by means of finance lease agreements	-	4,007,700	-	4,007,700



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



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

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

G CAPITAL PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

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.

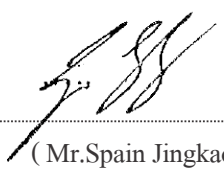
The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development, the Ministry of Commerce, issued under the Accounting Act B.E. 2543.

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

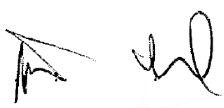
The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements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

2.2 The financial reporting standards are effective in the current year

During the year, the Company have adopted the revised (revised 2018) and new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.



Director (Mr.Spain Jingkaojai)



Director (Mr.Nattaphon Sarasas)

2.3 Financial reporting standards that will become effective in the future

During the year, the Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

TFRS 16 Leases

These TFRSs supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues recognition

Income from hire-purchase contracts

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

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

Income from personal loan and corporation loan

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

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

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

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

3.2 Expenses recognition

Expenses are recognized on the accrual basis.

3.3 Cash and cash equivalents

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

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

3.4 Hire-purchase receivables and allowance for doubtful accounts

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

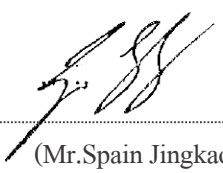
The Company has policy allowance for doubtful accounts at a rate of 2.5% of the hire-purchase contracts receivable and compared to the benchmark of the Company.

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

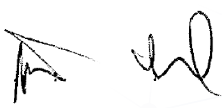
Installment of overdue (Calculated from the amount overdue) (1 installment = 3 Months)	Percent for allowance
Not yet due	1% of hire-purchase receivables - net
Over due:	
0 - 0.5 installments	2% of hire-purchase receivables - net
Over 0.5 installments - 1 installments	2% of hire-purchase receivables -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

At the end of the reporting period, if the allowance for doubtful accounts at the 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.

For the year 2019, the management assessed the ability to pay for the receivables under the hire purchase contract in accordance with the Bank of Thailand 's classification criteria of the receivables. If it is sufficient, 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 the estimate of allowance for doubtful accounts in accordance with the above criteria. The result of the change in accounting estimates of the Company is stated in Note 6.



Director (Mr.Spain Jingkaojai)



Director (Mr.Nattaphon Sarasas)

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 equal to the criteria of the Company by providing an allowance for doubtable 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

Mortgage loan receivable - net and allowance for doubtful accounts

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

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

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

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

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

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

For the year 2019, the management assessed the ability to pay for the receivables in accordance with the Bank of Thailand 's classification criteria of the receivables. If it is sufficient, the Company has changed estimated allowance for doubtful account of personal loan receivable to set allowance for doubtful accounts at the rate of 1% of the loan contracts receivable to the estimate of allowance for doubtful accounts in accordance with the above criteria. The result of the change in accounting estimates of the Company is stated in Note 7.

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 doubtable 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

Director Director

(Mr.Spain Jingkaojai) (Mr.Nattaphon Sarasas)

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 Investment in joint venture

Joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Investment in joint venture is accounted for using the equity method.

Investments in joint venture are stated at cost net from allowance on impairment (if any) in the separate financial statements.

3.9 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:

	Useful lives
Computer and equipment	5 Years
Office improvements	5 Years
Furniture and office equipment	5 Years
Vehicles	5 Years

3.10 Intangible assets

Intangible assets are carried at cost less accumulated amortization and allowance on impairment (if any).

Intangible assets with finite lives are amortized on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method of such intangible assets are reviewed at least at each financial year end. The amortization expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	Useful lives
Computer software	5 - 10 years

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

3.11 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

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

Deferred tax

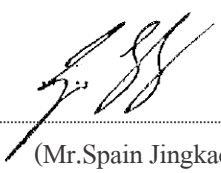
Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which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

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

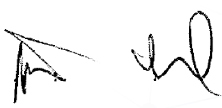
Deferred tax assets and liabilities are measured at the tax rates that the Company expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting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

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

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



Director (Mr.Spain Jingkaojai)



Director (Mr.Nattaphon Sarasas)

3.12 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.

3.13 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

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

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

3.14 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.

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

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.

3.15 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, 2019 and 2018, the significant transactions with related parties can be summarized as follows:

		Baht	
		Financial statements in which the equity method is applied/ Separate financial statements	
	Pricing policy	2019	2018
Transactions in the statements of comprehensive income			
Related through directors			
General Outsourcing Co., Ltd.			
- Reference fee	Contract price	316,455	635,013
- Payroll services fee	Contract price	364,890	363,780
Director			
Interest income	Interest rate 8.50%, 13.50%	1,172,246	651,676
Interest expense	Interest rate 5.5%, 7%	452,425	-
Shareholders			
Interest expense	Interest rate 5% - 10%	10,433,014	12,923,288

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

Management compensation

Management compensation - for key management personnel for the years ended December 31, 2019 and 2018 are as follows :-

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Short-term benefits	33,377,699	33,857,672
Post-employment benefits	1,714,746	1,019,826
Total management compensation	35,092,445	34,877,498

The outstanding balances at the statements of financial position as at December 31, 2019 and 2018 are as follow :-

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Outstanding balances at the statements of financial position		
Director		
Personal loan receivable		
- Without collateral	836,621	990,183
- Property secured by mortgage	21,135,070	3,202,084
	21,971,691	4,192,267
Loans to employees	450,009	139,078
Short-term unsecured debentures	10,000,000	-
Accrued interest expense	278,082	-
Shareholders		
Short-term unsecured debentures	160,000,000	100,000,000
Long-term unsecured debentures	-	120,000,000
Accrued interest expense	3,260,000	2,952,192

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

5. CASH AND CASH EQUIVALENTS

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Cash on hand	100,000	100,000
Deposits at bank - saving account	225,834,434	23,456,367
Deposits at bank - current account	28,237,230	5,577,899
Total cash and cash equivalents	254,171,664	29,134,266

6. HIRE-PURCHASE RECEIVABLES

This account consisted of:

	Baht					
	Financial statements in which the equity method is applied/ Separate financial statements					
	Current portion of hire - purchase receivables - net		Hire - purchase receivables - net of current portion and not exceed 5 years		Total	
	2019	2018	2019	2018	2019	2018
Hire-purchase receivables	862,696,690	773,380,577	1,310,227,791	1,193,415,649	2,172,924,481	1,966,796,226
Less Unearned income from hire-purchase contracts	(220,960,522)	(212,407,620)	(230,383,690)	(212,089,248)	(451,344,212)	(424,496,868)
Total	641,736,168	560,972,957	1,079,844,101	981,326,401	1,721,580,269	1,542,299,358
Less Allowance for doubtful accounts	(20,809,136)	(24,179,261)	(38,881,880)	(44,630,438)	(59,691,016)	(68,809,699)
Hire-purchase receivables - net	620,927,032	536,793,696	1,040,962,221	936,695,963	1,661,889,253	1,473,489,659

As at December 31, 2019 and 2018, 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			
	Financial statements in which the equity method is applied /Separate financial statements			
	2019			
	Hire-purchase receivables-net	Based amount for computation	Rate for allowance (%)	Allowance for doubtful account
Not yet due	1,154,878,904	1,154,878,904	1	11,548,798
Over due:				
0 - 0.5 installments	51,192,853	51,192,853	2	1,023,857
Over 0.5 - 1 installments	234,606,398	234,606,398	2	4,692,127
Over 1 - 2 installments	105,740,348	105,740,348	2	2,114,807
Over 2 - 3 installments	99,538,286	99,538,286	2	1,990,766
Over 3 installments	75,623,480	38,320,661 *	100	38,320,661
Total	1,721,580,269	1,684,277,450		59,691,016

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

	Baht			
	Financial statements in which the equity method is applied /Separate financial statements			
	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

*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, to secure short-term loans from Government Savings Bank of Baht 200 million, (Note 17).

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. 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.

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

As at December 31,2019, 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 doubtable 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. In order to prepare to apply Thai Financial Reporting Standards which are effective for financial statements beginning on or after January 1, 2020, the company collects and analyzes statistically and the ability to pay debt according to the current situation In testing the adequacy of the allowance for doubtful accounts and getting results close to the estimates according to the Thai Financial Reporting Standards. The change affects the financial statement for the year ended December 31, 2019 by decreasing allowance for doubtful account by Baht 7.72 million and increasing profit for years ended by Baht 6.18 million and increasing earnings per share by Baht 0.02 per share.

As at December 31, 2019, the outstanding hire - purchase receivables excluding unrecognized income from hire-purchase receivables which are over 3 consecutive installments contractually past due amounted to Baht 75.62 million and the recognition of revenue had stopped for Baht 4.60 million.

TROUBLED DEBT RESTRUCTURING

The debt restructuring above has 2 - 5 years agreement

For the years ended December 31, 2019 and 2018, troubled debt restructuring were as follows:

	Financial statements in which the equity method is applied/Separate financial statements							
			Outstanding debts					
	No. of accounts		Before debt restructuring		After debt restructuring		Loss on debt restructuring	
Types of debt restructuring	2019	2018	2019 (Million Baht)	2018 (Million Baht)	2019 (Million Baht)	2018 (Million Baht)	2019 (Million Baht)	2018 (Million Baht)
Debt restructuring in various forms								
Changes of repayment conditions	100	-	106.03	-	106.03	-	-	-
Total	100	-	106.03	-	106.03	-	-	-

(Mr.Spain Jingkaojai) Director

(Mr.Nattaphon Sarasas) Director

As at December 31, 2019 and 2018, the Company has outstanding balances relating to troubled debt restructuring loans as follows

	Financial statements in which the equity method is applied /Separate financial statements			
	2019		2018	
	No. of accounts	Outstanding debts (million Baht)	No. of accounts	Outstanding debts (million Baht)
Not yet due	75	77.00	-	-
Over 1 - 3 installments	24	29.93	-	-
Over 3 installments	1	2.31	-	-
Total	100	109.24	-	-

Supplementary information relating to restructuring loans for the years ended December 31, 2019 and 2018 were as follows:

	Million Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Interest income recognized in the statement of comprehensive income	5.10	-

ALLOWANCE FOR DEBT RESTRUCTURING

As at December 31, 2019 and 2018, the changes to the revaluation allowance for debt restructuring were as follows:

	Million Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Beginning balance as at January 1,	-	-
Increase (decrease) during the year	3.03	-
Ending balance as at December 31,	3.03	-

Allowance for doubtable 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.

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

7. PERSONAL LOAN RECEIVABLES

This account consisted of:

	Baht		
	Financial statements in which the equity method is applied/ Separate financial statements		
	2019		
	Current portion of personal loan receivables-net	Personal loan receivables-net of current portion and not exceed 5 years	Total
Personal loan receivables	191,800,150	179,797,979	371,598,129
Accrued interest income	7,173,684	-	7,173,684
	198,973,834	179,797,979	378,771,813
Less Allowance for doubtful accounts	(15,606,107)	(16,900,136)	(32,506,243)
Personal loan receivables - net	183,367,727	162,897,843	346,265,570

	Baht		
	Financial statements in which the equity method is applied/ Separate financial statements		
	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

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

As at December 31, 2019 and 2018 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			
	Financial statements in which the equity method is applied/ Separate financial statements			
	2019			
	Personal loan receivables - net	Based amount for computation	Rate for allowance (%)	Allowance for doubtful account
Not yet due:-				
Personal loan receivables	207,120,379	207,120,379 *	1	2,071,204
Personal loan receivable				
- With collateral	175,063	- **	1	-
- Property secured by mortgage	57,667,851	311,117 ***	1	3,111
	264,963,293	207,431,496		2,074,315
Over due				
Over 1 - 3 installments	44,868,483	28,292,357	2	565,847
Over 3 installments****	68,940,037	29,866,081	100	29,866,081
	378,771,813	265,589,934		32,506,243

	Baht			
	Financial statements in which the equity method is applied/ Separate financial statements			
	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
- 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

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

* 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.

**** Personal loan receivables that exceed the due date of more than 3 installments had included the 2 default debtors from the payment of debt restructuring agreement. The Company had set up an allowance for doubtful accounts in full amount.

As at December 31, 2019, the outstanding personal loan receivable plus accrued interest which are over 3 consecutive installments contractually past due amounted to Baht 68.94 million and the recognition of revenue had stopped for Baht 4.30 million.

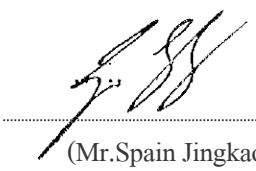
And the Company has changed estimated allowance for doubtful account of Personal loan receivable to set allowance for doubtful accounts at the rate of 1% of the loan contracts receivable to new estimated allowance for doubtable accounts in accordance with the announcement of Bank of Thailand Sor.Nor.Sor. 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 year ended December 31, 2019 by decreasing allowance for doubtful account by Baht 0.50 million and increasing profit for year ended by Baht 0.40 million and increasing earnings per share by Baht 0.001 per share.

TROUBLED DEBT RESTRUCTURING

The debt restructuring above has 1 - 5 years agreement

For the years ended December 31, 2019 and 2018, troubled debt restructuring were as follows:

	Financial statements in which the equity method is applied/Separate financial statements							
			Outstanding debts					
	No. of accounts		Before debt restructuring		After debt restructuring		Loss on debt restructuring	
Types of debt restructuring	2019	2018	2019 (million Baht)	2018 (million Baht)	2019 (million Baht)	2018 (million Baht)	2019 (million Baht)	2018 (million Baht)
Debt restructuring in various forms								
Changes of repayment conditions	174	190	21.27	33.08	21.27	33.08	-	-
Total	174	190	21.27	33.08	21.27	33.08	-	-



Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

As at December 31, 2019 and 2018, the Company has outstanding balances relating to troubled debt restructuring loans as follows

	Financial statements in which the equity method is applied /Separate financial statements			
	2019		2018	
	No. of accounts	Outstanding debts (million Baht)	No. of accounts	Outstanding debts (million Baht)
Not yet due	53	5.25	65	7.29
Over 1 - 3 installments	42	3.94	123	25.36
Over 3 installments	251	38.19	-	-
Total	346	47.38	188	32.65

Supplementary information relating to restructuring loans for the years ended December 31, 2019 and 2018 were as follows:

	Million Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Interest income recognized in the statement of comprehensive income	4.72	1.32

ALLOWANCE FOR DEBT RESTRUCTURING

As at December 31, 2019 and 2018, the changes to the revaluation allowance for debt restructuring was as follows:

	Million Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Beginning balance as at January 1,	0.09	-
Increase (decrease) during the year	16.23	0.09
Ending balance as at December 31,	16.32	0.09

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

Allowance for doubtable 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.

8. CORPORATION LOAN RECEIVABLES

This account consisted of:

	Baht		
	Financial statements in which the equity method is applied/ Separate financial statements		
	2019		
	Current portion of corporation loan receivables-net	Corporation loan receivables-net of current portion and not exceed 5 years	Total
Corporation loan receivables	150,098,048	112,836,477	262,934,525
Accrued interest income	5,610,296	-	5,610,296
	155,708,344	112,836,477	268,544,821
Less Allowance for doubtful accounts	(843,694)	(283,453)	(1,127,147)
Corporation receivables - net	154,864,650	112,553,024	267,417,674

	Baht		
	Financial statements in which the equity method is applied/ Separate financial statements		
	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 (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

As at December 31, 2019 and 2018, 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			
	Financial statements in which the equity method is applied/ Separate financial statements			
	2019			
	Corporation loan receivables - net	Base amount for computation*	Rate for allowance (%)	Allowance for doubtful account
Not yet due :-				
Corporation loan receivables	168,342,058	26,010,801	1	260,108
Corporation loan receivables				
- With collateral	49,382,514	49,382,514	1	493,825
- Property secured by mortgage	19,346,391	19,346,391	1	193,464
	237,070,963	94,739,706		947,397
Over due				
Over 1 - 3 installments	31,473,858	8,987,514	2	179,750
Over 3 installments	-	-	100	-
	268,544,821	103,727,220		1,127,147

	Baht			
	Financial statements in which the equity method is applied/ Separate financial statements			
	2018			
	Corporation loan receivables - net	Base amount for computation*	Rate for allowance (%)	Allowance for doubtful account
Not yet due				
Corporation loan receivables	4,240,371	4,240,371	1	42,404
Corporation loan receivables				
- With collateral	28,405,031	11,312,565	1	113,126
- Property secured by mortgage	77,708,921	7,539,119	1	75,391
	110,354,323	23,092,055		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 (lower) than specific reserve				1,019,608
Total allowance for doubtful accounts (general reserve)				1,250,529

* Base amount for computation in amount of corporation loan receivable net from collateral value.

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

9. RECEIVABLES UNDER LITIGATION ENFORCEMENT PROCESS WITH COLLATERAL

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Receivables under litigation enforcement process with collateral	72,200,343	33,845,095
Less Allowance for doubtful accounts	(24,279,710)	(16,778,747)
Receivables under litigation enforcement process with collateral - net	47,920,633	17,066,348

10. OTHER RECEIVABLES

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Revenue department receivable	6,449,142	18,177,572
Loans to employees	6,827,848	6,393,069
Deposit	583,450	2,129,203
Cash advance transfer	-	10,950,963
Others	9,140,747	5,903,204
Total other receivables	23,001,187	43,554,011

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

11. RECEIVABLES UNDER LITIGATION ENFORCEMENT PROCESS

This account consisted of:

		Baht	
		Financial statements in which the equity method is applied/ Separate financial statements	
		2019	2018
11.1	Hire - purchase receivables under litigation enforcement process	50,250,892	68,391,753
	Less Allowance for doubtful accounts	(49,296,380)	(66,911,361)
		954,512	1,480,392
11.2	Personal loan receivables under litigation enforcement process	4,230,915	-
	Less Allowance for doubtful accounts	(4,230,915)	-
		-	-
11.3	Corporation loan receivables under litigation enforcement process	19,091,606	-
	Less Allowance for doubtful accounts	-	-
		19,091,606	-
	Receivables under litigation enforcement process - net	20,046,118	1,480,392

On September 30, 2019, the Company has entered into an agreement for claim transfer on the payment of debt from account receivable and collateral (if any) in the receivable assets of the court order in Hire-purchase receivables 96 accounts, with the debt amount Baht 44.33 million and Personal loan receivables 79 accounts, with the debt amount Baht 6.85 million ,total 175 accounts with the debt amount Baht 51.18 million (Included VAT) with a local company. It was agreed to pay for the compensation on claim transfer in the amount of Baht 13.33 million (included VAT), The payment is divided into 3 installments, with payment scheduled to be completed by December 25, 2019, and on October 2 and 9, 2019, the company received the full amount.

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

12. INVESTMENT IN JOINT VENTURE

According to the Board of Directors' Meeting No. 7/2018 dated December 21, 2018, it has approved the Company to establish a joint venture name "Sabaijai Money Company Limited" for conduct business, non-financial business by loaning personal loan under supervision and Nano finance, the registered capital Baht 50 million is divided into 10,000,000 shares at Baht 5.00 per share. The subsidiary has already registered the capital with the Ministry of Commerce on February 7, 2019, which is held by the Company at 51 percent for 5,100,000 shares, totaling Baht 25.50 million.

The Company has a joint venture with a Chinese overseas company by establishing a joint venture agreement in which the conditions under the contract specify the right to vote in the decisions about activities that have a significant impact on compensation. It must be unanimously approved from the participants with joint control without any individual control. It is included the assigning rights to assets and the obligation in the liabilities as well as the profit and loss from the joint operations will be divided into the joint control company according to the proportion of the shareholding of each company. Therefore, such joint venture is classified as joint venture and is considered as investment in the joint venture.

At present, such joint venture has not operated the business.

12.1 Details of joint venture:

					Million Baht			
					Financial statements in which the equity method is applied		Separate financial statements	
			Shareholding percentage		At equity method		At cost	
Company's name	Nature of business	Country of incorporation	2019	2018	2019	2018	2019	2018
			(%)	(%)				
Sabaijai Money Co., Ltd.	business non-financial financial business by loaning Personal loan under supervision and Nano finance	Thailand	51	-	21.57	-	25.50	-
	Total		51	-	21.57	-	25.50	-

12.2 Share of comprehensive income and dividend received

For the years ended December 31, 2019 and 2018, the Company has recognized its share of profit from investments in joint venture in the financial statements in which the equity method is applied and dividend income in the separate financial statements as follows:

	Million Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
Company's name	Share of loss from investment in joint venture during the year		Dividend received during the year	
	2019	2018	2019	2018
Sabaijai Money Co., Ltd.	(3.93)	-	-	-
	(3.93)	-	-	-

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

12.3 Summarized financial information of joint venture

Financial information of the joint venture company is summarized below.

Company's name	Million Baht									
	Paid-up capital		Total assets		Total liabilities		Total revenues for the year		Loss for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Sabaijai Money Co., Ltd.	50.00	-	42.46	-	0.16	-	0.31	-	(7.70)	-

13. EQUIPMENT

This account consisted of :-

	Baht			
	Financial statements in which the equity method is applied/ Separate financial statements			
	As at January 1, 2019	Movements during the year		As at December 31, 2019
		Additions	Disposals	
Cost				
Computer and equipment	6,167,398	1,639,266	-	7,806,664
Office improvements	14,144,952	3,500	-	14,148,452
Furniture and office equipment	5,516,358	542,455	-	6,058,813
Vehicles	15,710,540	-	(4,267,540)	11,443,000
Total	41,539,248	2,185,221	(4,267,540)	39,456,929
Accumulated depreciations				
Computer and equipment	4,525,634	638,054	-	5,163,688
Office improvements	6,049,567	1,886,658	-	7,936,225
Furniture and office equipment	3,385,057	649,264	-	4,034,321
Vehicles	6,250,406	2,288,600	(4,267,536)	4,271,470
Total	20,210,664	5,462,576	(4,267,536)	21,405,704
Equipment - net	21,328,584			18,051,225

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

	Baht			
	Financial statements in which the equity method is applied/ Separate financial statements			
	As at January 1, 2018	Movements during the year		As at December 31, 2018
		Additions	Disposals	
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
Total	26,319,173	15,220,075	-	41,539,248
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
Total	16,528,951	3,681,813	-	20,210,664
Equipment - net	9,790,322			21,328,584

As at December 31, 2019 and 2018, the Company's equipment amounting to Baht 15.23 million and Baht 13.20 million, respectively, are fully depreciated but are still in use.

14. INTANGIBLE ASSETS

This account consisted of :-

	Baht			
	Financial statements in which the equity method is applied/ Separate financial statements			
	As at January 1, 2019	Movements during the year		As at December 31, 2019
		Additions	Disposals	
Cost				
Computer software	1,274,022	849,796	-	2,123,818
Computer software in progress	-	7,483,750	-	7,483,750
Total	1,274,022	8,333,546	-	9,607,568
Accumulated amortizations				
Computer software	404,055	267,293	-	671,348
Total	404,055	267,293	-	671,348
Intangible assets - net	869,967			8,936,220

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

	Baht			
	Financial statements in which the equity method is applied/ Separate financial statements			
	As at January 1, 2018	Movements during the year		As at December 31, 2018
		Additions	Disposals	
Cost				
Computer software	524,768	749,254	-	1,274,022
Total	524,768	749,254	-	1,274,022
Accumulated amortization				
Computer software	269,353	134,702	-	404,055
Total	269,353	134,702	-	404,055
Intangible assets - net	255,415			869,967

As at December 31, 2019 and 2018, the Company's intangible assets amounting to Baht 0.22 million and Baht 0.22 million, respectively, are fully amortized but are still in use.

15. DEFERRED TAX ASSETS

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

	Baht			
	Financial statements in which the equity method is applied			
	As at December 31, 2018	Revenue (expenses) during the year		As at December 31, 2019
		In profit or loss	In comprehensive income	
Deferred tax assets :				
Allowance for doubtful account	32,409,464	6,657,446	-	39,066,910
Share of loss from investment in joint venture	-	785,068	-	785,068
Employee benefit obligations	1,223,013	496,670	110,470	1,830,153
Unrecognized revenue	1,865,239	(84,505)	-	1,780,734
Total deferred tax assets	35,497,716	7,854,679	110,470	43,462,865

	Baht			
	Separate financial statements			
	As at December 31, 2018	Revenue (expenses) during the year		As at December 31, 2019
		In profit or loss	In comprehensive income	
Deferred tax assets :				
Allowance for doubtful account	32,409,464	6,657,446	-	39,066,910
Employee benefit obligations	1,223,013	496,670	110,470	1,830,153
Unrecognized revenue	1,865,239	(84,505)	-	1,780,734
Total deferred tax assets	35,497,716	7,069,611	110,470	42,677,797

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

Tax expenses for the years ended December 31, 2019 and 2018 were as follows:

	Baht	
	Financial statements in which the equity method is applied	
	2019	2018
Profit before income tax	66,185,632	68,801,641
Income tax rate	20%	20%
Income tax expenses as income tax rate	13,237,127	13,760,328
Non-deductible expenses by the Revenue Code	300,868	256,975
Double expenses by the Revenue Code	(432,958)	(103,680)
Income tax expense	13,105,037	13,913,623
The average effective tax rate	19.80%	20.23%

	Baht	
	Separate financial statements	
	2019	2018
Profit before income tax	70,110,975	68,801,641
Income tax rate	20%	20%
Income tax expenses as income tax rate	14,022,195	13,760,328
Non-deductible expenses by the Revenue Code	300,868	256,975
Double expenses by the Revenue Code	(432,958)	(103,680)
Income tax expense	13,890,105	13,913,623
The average effective tax rate	19.81%	20.23%

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

16. TRADE AND OTHER PAYABLES

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Trade payables	20,701,966	71,895,155
Other payables		
Accrued interest	16,928,409	11,993,040
Accrued expenses	1,692,088	5,636,637
Accrued withholding tax	1,003,037	657,251
Unearned interest	3,823,557	373,813
Others	7,126,731	6,353,315
Total other payables	30,573,822	25,014,056
Total trade and other payables	51,275,788	96,909,211

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

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Bank overdrafts	-	18,736,720
Short - term loan	-	200,000,000
	-	218,736,720

As at December 31, 2018, the Company had bank overdrafts of Baht 18.74 million. The interest rate is MOR and the Company had long-term loans with a local bank of Baht 200 million which issued the promissory note of maturity within 6 months. The interest rate is MLR-0.5% per annum, secured by transferring the rights on receivables under hire-purchase agreements with net book value of Baht 253.82 million. The Company had to comply with the conditions in the loan agreements.

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

18. SHORT-TERM LOAN FROM OTHER PESON

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
17.1 Loan	30,000,000	40,000,000
17.2 Bill of exchange	200,000,000	-
Less Discount of bill of exchange	(2,624,055)	-
Less Amortized costs relating to the bill of exchange	(801,370)	-
Bill of exchange - net	196,574,575	-
Total short-term loans from third parties	226,574,575	40,000,000

As at December 31, 2019 and 2018, the company had short-term loans from a person of Baht 30 million which the contract are unsubordinated, the maturity 183 days on June 14, 2020 carrying interest at 6.50 per annum and Baht 40 million which the contract are unsubordinated, the maturity 182 days on June 14, 2019, carrying interest at 5.00% per annum, respectively.

As at December 31, 2019, the Company issued unsecured bills of exchange of Baht 200 million, to private investors by a financial institution as the appointed representative of the Company, bearing fixed interest rate based on the interest rates in the future, the maturity for period of 170 - 266 days.

19. SHORT-TERM UNSECURED DEBENTURES

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Debentures #3/2018 (specific investors)	-	100,000,000
Debentures #5/2019 (specific investors)	100,000,000	-
Debentures #6/2019 (specific investors)	10,000,000	-
Debentures #7/2019 (specific investors)	60,000,000	
Short-term unsecured debentures, at face value	170,000,000	100,000,000
Less Amortized costs relating to issuance of debentures	-	-
Short-term unsecured debentures-net	170,000,000	100,000,000

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

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.

Debentures #5/2019 (specific investors)

As at July 4, 2019, 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, 2020, carrying interest at 5.50% per annum.

Debentures #6/2019 (specific investors)

As at August 9, 2019, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 6 months with credit line of Baht 10 million (10,000 units of Baht 1,000 per unit) maturity on February 9, 2020, carrying interest at 7.00% per annum.

Debentures #7/2019 (specific investors)

As at November 8, 2019, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 6 months with credit line of Baht 60 million (60,000 units of Baht 1,000 per unit) maturity on May 8, 2020, carrying interest at 6.00% per annum.

20. LONG-TERM SECURED AND UNSECURED DEBENTURES

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Debentures #2/2015	100,000,000	100,000,000
Debentures #1/2016	-	200,000,000
Debentures #1/2017 (specific investors)	-	60,000,000
Debentures #1/2017	-	354,500,000
Debentures #2/2017 (specific investors)	-	60,000,000
Debentures #1/2018	278,000,000	278,000,000
Debentures #2/2018	200,000,000	200,000,000

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Debentures #1/2019	300,000,000	-
Debentures #2/2019	420,500,000	-
Debentures #3/2019	399,000,000	-
Long-term unsecured debentures, at face value	1,697,500,000	1,252,500,000
Less Amortized costs relating to issuance of debentures	(15,147,145)	(2,816,544)
Total long-term secured and unsecured debentures-net	1,682,352,855	1,249,683,456
Less current portion of long-term unsecured debentures	(576,071,172)	(673,759,764)
Net	1,106,281,683	575,923,692

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 extra-ordinary 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 #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 November 26, 2020, carrying interest at 5.18% per annum, payment interest in every 3 months.

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

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.

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)

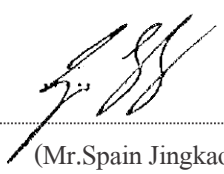
As at November 6, 2017, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 2 years with credit line of Baht 60 million (60,000 units of Baht 1,000 per unit) maturity on November 6, 2019 carrying interest at 6.00% per annum, payment interest in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

Debentures #1/2018

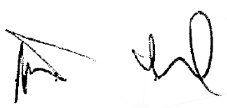
As at February 15, 2018, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 2 years with credit line of Baht 278.00 million (278,000 units of Baht 1,000 per unit) maturity on February 14, 2020 carrying interest at 6.00% per annum, payment interest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



Director (Mr.Spain Jingkaojai)



Director (Mr.Nattaphon Sarasas)

Debentures #1/2019

As at April 12, 2019, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 2 years with credit line of Baht 300.00 million (300,000 units of Baht 1,000 per unit) maturity on April 12, 2021 carrying interest at 7.00% per annum, payment interest in every 3 months.

Debentures #2/2019

As at August 2, 2019, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 2 years with credit line of Baht 420.50 million (420,500 units of Baht 1,000 per unit) maturity on August 2, 2021 carrying interest at 7.00% per annum, payment interest in every 3 months.

Debentures #3/2019

As at December 25, 2019, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 2 years with credit line of Baht 399.00 million (399,000 units of Baht 1,000 per unit) maturity on December 24, 2021 carrying interest at 7.00% per annum, payment interest in every 3 months.

Such debentures secured by transferring the rights on receivables under hire-purchase and personal loan receivables and corporation loan receivables with net book value of Baht 454. 86 million. The Company had to comply with the conditions in the business collateral agreement.

21. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Due within 1 year		
Minimum payments	1,990,920	1,990,920
Deferred interest	(185,323)	(268,134)
Present value of minimum payment	1,805,597	1,722,786
Due over 1 year not over 5 years		
Minimum payments	3,013,655	5,004,575
Deferred interest	(179,595)	(364,918)
Present value of minimum payment	2,834,060	4,639,657
Total present value of minimum payment	4,639,657	6,362,443
Net book value of vehicle under finance lease agreements	6,409,553	8,498,353

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

22. EMPLOYEE BENEFIT OBLIGATIONS

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Post-employment benefit plan		
Employee benefit obligations as at beginning of the year	6,115,064	4,615,471
Included in profit or loss :		
Current service cost recognition	2,592,723	1,478,844
Cost of interest	185,390	125,541
Included in other comprehensive income :		
Experience Adjustments	565,708	-
Change in Demographic assumptions	210,716	-
Change in financial assumptions	(224,075)	-
Benefit paid by the plan	(294,763)	(104,792)
Net employee benefit obligations as at the end of the year	9,150,763	6,115,064

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 or 20 years to receive severance payment not less than 400 days or 13.33 months of the latest salary.

Employee benefits expenses for the years ended December 31, 2019 and 2018 as shown in the statements of comprehensive income are as follows:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Selling expenses	219,194	150,105
Administrative expenses	2,558,919	1,454,280
Total employee benefits expenses	2,778,113	1,604,385
Current service cost recognition	2,592,723	1,478,844
Cost of interest	185,390	125,541
Total employee benefits expenses	2,778,113	1,604,385

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

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

	Percentage/Year	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Discount rate	2.80	2.72
Future salary increases	5.00 - 6.00	5.50
Employee turnover rate by age group (depend on range of age)	5.00 - 20.00	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, 2019 as follows:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	Increased	Decreased
Discount Rate (1.00 percent)	(652,137)	737,721
1year Mortality (1 year)	(34,990)	31,302
Salary Increase (1.00 percent)	857,430	(768,338)
Employee Turnover (10.00 percent) of assumed turnover	(433,523)	475,813

The actuarial assumption of discount rate is estimated from the weighted average of yield rate of government bonds as at March 29, 2019 that reflects the estimated timing of benefit payments.

In 2019, the obligation under the defined benefit plan is calculated by a qualified independent actuary instead of by the company's management. The effect resulted in actuarial losses arising from post-employment benefit in the amount of Baht 0.44 million (net from income tax), the Company are recognized in other comprehensive income.

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. When the labour law comes into force, the Company and its subsidiaries will recognize the increase in the employee benefit obligations of Baht 0.66 million, resulting in the decrease in profit of Baht 0.53 million.

23. 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, 2019 and 2018 are as follows :-

	Million Baht							
	Financial statements in which the equity method is applied/Separate financial statements							
	Hire - purchase		Personal loans		Corporation loans		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Income (expense) segment :								
Interest income	264.46	228.71	47.80	54.20	23.23	10.26	335.49	293.17
Penalty income	14.56	9.44	0.03	0.50	-	-	14.59	9.94
Other income	4.37	1.02	2.00	1.21	-	-	6.37	2.23
Allowance for doubtful accounts	(14.82)	(28.62)	(23.43)	(4.48)	0.27	(0.52)	(37.98)	(33.62)
Profit of segment	268.57	210.55	26.40	51.43	23.50	9.74	318.47	271.72
Income (expense) not segment :								
Other income							2.19	1.07
Selling expenses							(16.66)	(12.64)
Administrative expenses							(117.21)	(103.62)
Finance costs							(116.68)	(87.73)
Income tax expenses							(13.89)	(13.91)
Profit for the year							56.22	54.89

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

The Company's business activities are classified by product segment as at December 31, 2019 and 2018 are as follows :-

	Million Baht							
	Financial statements in which the equity method is applied							
	Hire - purchase		Personal loans		Corporation loans		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Asset Segment :								
Hire - purchase receivables	1,661.89	1,473.49	-	-	-	-	1,661.89	1,473.49
Personal loan receivables	-	-	346.27	332.41	-	-	346.27	332.41
Corporation loan receivables	-	-	-	-	267.42	128.20	267.42	128.20
Receivables under litigation enforcement process with collateral	47.92	17.07	-	-	-	-	47.92	17.07
Receivables under litigation enforcement process	0.95	1.48	-	-	19.09	-	20.05	1.48
Asset not segment :								
Investment in joint venture	-	-	-	-	-	-	21.57	-
Other asset	-	-	-	-	-	-	350.62	134.21
Total	1,710.76	1,492.04	346.27	332.41	286.51	128.20	2,715.74	2,086.86
Liabilities Segment :								
Trade and other payables	23.93	77.75	1.07	0.37	-	-	25.00	78.12
Other liabilities	14.43	8.97	-	-	-	-	14.43	8.97
Liabilities not segment :								
Trade and other payables	-	-	-	-	-	-	26.38	18.79
Bank overdrafts and short-term loan from financial institution	-	-	-	-	-	-	-	218.74
Short - term from other person	-	-	-	-	-	-	226.57	40.00
Short - term unsecured debenture	-	-	-	-	-	-	170.00	100.00
Long - term secured and unsecured debenture	-	-	-	-	-	-	1,682.35	1,249.68
Other liabilities	-	-	-	-	-	-	22.47	24.00
Total	38.36	86.72	1.07	0.37	-	-	2,167.10	1,738.30

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

	Million Baht							
	Separate financial statements							
	Hire - purchase		Personal loans		Corporation loans		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Asset Segment :								
Hire - purchase receivables	1,661.89	1,473.49	-	-	-	-	1,661.89	1,473.49
Personal loan receivables	-	-	346.27	332.41	-	-	346.27	332.41
Corporation loan receivables	-	-	-	-	267.42	128.20	267.42	128.20
Receivables under litigation enforcement process with collateral	47.92	17.07	-	-	-	-	47.92	17.07
Receivables under litigation enforcement process	0.95	1.48	-	-	19.09	-	20.05	1.48
Asset not segment :								
Investment in joint venture	-	-	-	-	-	-	25.50	-
Other asset	-	-	-	-	-	-	350.62	134.21
Total	1,710.76	1,492.04	346.27	332.41	286.51	128.20	2,719.67	2,086.86
Liabilities Segment :								
Trade and other payables	23.93	77.75	1.07	0.37	-	-	25.00	78.12
Other liabilities	14.43	8.97	-	-	-	-	14.43	8.97
Liabilities not segment :								
Trade and other payables	-	-	-	-	-	-	26.38	18.79
Bank overdrafts and short-term loan from financial institution	-	-	-	-	-	-	-	218.74
Short - term from other person	-	-	-	-	-	-	226.57	40.00
Short - term unsecured debenture	-	-	-	-	-	-	170.00	100.00
Long - term secured and unsecured debenture	-	-	-	-	-	-	1,682.35	1,249.68
Other liabilities	-	-	-	-	-	-	22.47	24.00
Total	38.36	86.72	1.07	0.37	-	-	2,167.10	1,738.30

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

24. SHARE 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.

And on February 22, 2019, the Company received for the capital increase in full amount and resulting in premium on common share amounted to Baht 149.23 million.

25. 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.

26. DIVIDEND PAYMENT

For the year 2019

At the ordinary shareholders' meeting No.1/2019 held on March 15, 2019, the shareholders unanimously approved to pay dividend from the Company's operation year 2018 to the shareholders at Baht 0.25 per share, in the amount of Baht 50.00 million. The dividend paid in the amount of Baht 20.00 million, appropriated for 200,000,000 shares of Baht 0.10 each, was paid on September 7, 2018 and the remaining in the amount of Baht 30.00 million, appropriated for 200,000,000 shares of Baht 0.15 each, was paid on April 12, 2019.

And at the Board of Directors' meeting No.4 /2019 held on August 9, 2019, it was unanimously approved to pay interim dividend from the Company's operation ending June 30, 2019 in the amount of Baht 21.00 million, appropriated for 300,000,000 shares of Baht 0.07 each. The dividends paid within September 6, 2019.

Total dividend payment in the year 2019 in the amount of Baht 51.00 million.

The Company has a legal reserve amounted to Baht 2.81 million.

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.

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

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.

27. EXPENSES BY NATURE

The Company has significant expenses by nature for the years ended December 31, 2019 and 2018, comprised of the following:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Management and employee compensation	77,060,367	71,268,343
Rental and service expenses	12,932,774	11,863,048
Sales promotion expenses	2,055,100	1,501,591
Depreciation and amortization	5,729,869	3,816,515
Allowance for doubtful account	37,986,635	33,611,656

28. FINANCIAL INSTRUMENTS

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

Credit Risk

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

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

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

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				
	Financial statements in which the equity method is applied/ Separate financial statements				
	2019				
	Fixed interest rates		Floating	Non-interest	
	Within 1 year	More than 1-5 years	interest rate	bearing	Total
Financial assets					
Cash and cash equivalents	-	-	28,237,230	225,934,434	254,171,664
Hire-purchase receivables	620,927,032	1,040,962,221		-	1,661,889,253
Personal loan receivables	183,367,727	162,897,843	-	-	346,265,570
Corporation loan receivables	154,864,650	112,553,024	-	-	267,417,674
Receivables under litigation enforcement process	-	-	-	20,046,118	20,046,118
Financial liabilities					
Short-term loans from other person	-	-	226,574,575	-	226,574,575
Short-term unsecured debentures	-	-	170,000,000	-	170,000,000
Long-term secured and unsecured debenture	576,071,172	1,106,281,683	-	-	1,682,352,855
Liabilities under financial lease agreements	1,805,597	2,834,060	-	-	4,639,657

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

	Baht				
	Financial statements in which the equity method is applied/ Separate financial statements				
	2018				
	Fixed interest rates		Floating	Non-interest	
	Within 1 year	More than 1-5 years	interest rate	bearing	Total
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 secured and 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

Fair value of financial instruments

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

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

- Cash and cash equivalents have fair values approximating their carrying values in the statements of financial position.
- For hire-purchase receivables, and Corporation loan receivables fair values are the carrying amount of hire-purchase receivables net of unearned income and allowance for doubtful accounts add value added tax due.
- For personal loan receivables, fair values are the carrying amount of personal loan receivables net of allowance for doubtful accounts.
- For 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.

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

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.

29. CREDIT LIMIT

As at December 31, 2019, 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 17).

30. COMMITMENT AND CONTINGENT LIABILITIES

30.1 Commitments for capital expenditure

As at December 31, 2019, the Company has commitments under agreements relating to design and computer program development to be paid under the outstanding agreement in the amount of Baht 4.63 million.

30.2 Contingent Liabilities

As at December 31, 2019, 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
	Financial statements in which the equity method is applied/ Separate financial statements
Due within 1 year	12.30
Due over 1 year but not exceeding 3 years	8.54
Total	20.84

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

31. 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.

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2019 and 2018 are as follows:

	Baht			
	Financial statements in which the equity method is applied/Separate financial statements			
	2019			
	Balance as at January 1, 2019	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2019
Bank overdrafts	18,736,720	(18,736,720)	-	-
Short-term loan from financial institutions	200,000,000	(200,000,000)	-	-
Short-term from other person	40,000,000	176,976,081	9,598,494	226,574,575
Short-term loan unsecured debenture	100,000,000	70,000,000	-	170,000,000
Long-term loan secured and unsecured debenture	1,249,683,456	427,709,916	4,959,483	1,682,352,855
Liabilities under a finance lease agreement	6,362,443	1,990,920	268,134	8,621,497
Total	1,614,782,619	457,940,197	14,826,111	2,087,548,927

	Baht			
	Financial statements in which the equity method is applied/Separate financial statements			
	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

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

Director (Mr.Spain Jingkaojai)

Director (Mr.Nattaphon Sarasas)

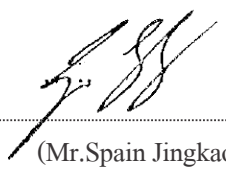
33. RECLASSIFICATION

The Company has reclassified some transactions in the financial statements for the year 2018 to comply with the presentation in the current year of financial statements that has no impact to profit (loss) or shareholders' equity as reported.

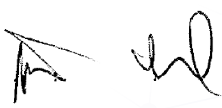
	Baht		
	Financial statements in which the equity method is applied/Separate financial statements		
	Before reclassification	Reclassification increase (decrease)	After reclassification
Statement of Financial Position			
Equipment	22,198,551	(869,967)	21,328,584
Intangible assets	-	869,967	869,967
Statements of Cash Flows			
Depreciations	5,729,869	(5,729,869)	-
Depreciations and amortization	-	5,729,869	5,729,869
Cash paid for purchase of fixed assets	(3,035,017)	3,035,017	-
Cash paid for purchase of fixed assets and intangible assets	-	(3,035,017)	(3,035,017)

34. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors on January 31, 2020.



(Mr.Spain Jingkaojai) Director



(Mr.Nattaphon Sarasas) Director

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