



G Capital Public Company Limited



ANNUAL REPORT 2020





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Vision

To become a leading financial services company providing hire purchase loans and personal loans with innovation, fairness and transparency. Focusing on the responsibility to stakeholders, environment and society for sustainable growth.

Mission

Commitment to provide differentiated loan services to meet customers' needs and support our business partners. Developing excellent service to maximize shareholders' satisfaction while being socially responsible, all these by a talented and united team.



Corporate Value

G

Good for Great

Work with honesty, good faith, and transparency under ethics and laws. Responsible for our speech and actions. Ready to support our team and colleagues to achieve our Company's goals sustainably.

C

Customer Focus

Strong determination, enthusiasm, and willingness to support both internal and external customers to overcome and achieve their objectives with genuine understanding on requirements and demands of our customers.

A

Agility

Open-minded, accept of changes and initiate new practical things.
Self-stimulation to create innovations for driving knowledge and developing new business operation methods.

P

Passion

Passionate in our works and pay attention to our colleagues. Self-confidence and humility. Strive to develop ourselves, our team, and our organization for sustainable growth and development.

Capital

สไมล์

จี แคปปิตอล



MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR FOR THE YEAR OF 2020



“

G Capital PCL., with more than 20,000 cases of customers in agricultural segment, has been directly affected by a decreasing of customers' income due to the economic disruption. To diminish the impacts on the customers, the Company has prescribed measures including a moratorium, monthly installment reduction and so on.

”

(Mr. Boonsak Chiempricha)
Chairman of the Board

(Mr. Spain Jingkaojai)
Managing Director

The year of 2020 is considered as a very difficult year for the business sector across almost all industries. The public health crisis caused by the Coronavirus (COVID-19) pandemic started at the end of 2019. and quickly and continuously spread globally seriously affecting the global economy , including Thailand.

The undertaking to manage and control the outbreak of COVID-19 in Thailand in 2020 was handled comparatively well. The series of government measures have reduced the sum of infected persons continually, until it had gone zero several months ago. Nevertheless, as for overview of the economy, the impacts from public health measures have affected on business sector directly. Numerous business enterprises were forced to close, due to unfavorable factors all around.

The National Economic and Social Development Council estimated that Thailand's economic expansion rate in 2020 had declined to its lowest point in 22 years to -6.1%. This differed from the expected growth level of +1.5 to +2.5%. The key factors impacting on the national economy came from several aspects of measures issued to control spreading of COVID-19, particularly for Thailand's tourism industry, which was severely impacted by the number of tourists greatly reduced, as well as by political problems during the past several months.

G Capital Public Company Limited, a provider of Financial loans for the agricultural sector, with a customer base of over 20,000 cases across the nation, has been directly affected by a decreasing of customers' income, due to the economic disruption from the lockdown measure preventing travelling during some periods of the year. However, in order to diminish the impacts on the customers, the Company has prescribed measures to mitigate the problems of installment repayments, including a moratorium according to government's measures, reduction of monthly installment payables and so on.

As for the annual performance of 2020, the Company had issued the loan amount of 996.80 million baht, with total revenue 330.11 million baht, which declined by 28.52 million baht from 2019, which is an equivalent to a revenue drop rate of 8%. The income from claims from Hire purchase contracts were the Company's primary revenue, equivalent to 70% of annual total revenue.

As for business operations in accordance with the governance plan for sustainable growth of the Company, the Board of Directors recognize the importance of corporate governance, to ensure that business operations can actively proceed under transparency, fairness, responsibility, protection of stakeholders' interests and society. The Company believes that management with integrity would lead to competitiveness. This is the foundation of sustainability and stable growth.

However, for the year of 2021, the Company has set the goal to expand Agricultural Hire purchase Loans, including New machines and Refinance, with sale development of repossessed machines in an effective way, focusing on extension of the platforms for customers to trade second-hand machines conveniently, quickly and transparently. The Company has also set plans to acquire business alliances to fortify the Company's strength.

Lastly, the Company would like to thank shareholders, investors, business partners, customers, and stakeholders in all sectors, who have relied on and supported the Company's operation in coordinating manners at all time, And thank all executives and employees who have been determined, dedicated, and cooperative in work operations with full engagement of strength and capability, in order to collaboratively provide sustainable and stable growth of the Company.

FINANCIAL INFORMATION HIGHLIGHTS

(Thousand Baht)	Financial statements in which the equity method is applied		
	2020	2019	2018
Assets			
Total assets	2,383,055	2,716,528	2,086,858
Liabilities and Shareholders' Equity			
Total liabilities	1,867,718	2,167,101	1,738,299
Total shareholders' equity	515,337	549,427	348,559
Operating Result			
Total revenues	330,110	358,632	306,401
Total expenses	168,770	171,844	149,871
Share of loss from investment in joint venture	12,181	3,925	-
Financial Cost	139,808	116,677	87,728
Income tax expense	5,450	13,105	13,914
Net Profit (loss)	3,900	53,081	54,888
Profitability Ratio			
Interest spread (%)	6.66%	9.63%	11.11%
Net profit margin (%)	1.18%	14.80%	17.91%
Return on equity (%)	0.73%	11.82%	16.14%
Book value per share (Baht/Share)	1.72	1.92	1.74
Earning per share (Baht/Share)	0.01	0.19	0.27
Dividend payout (Calculated from separate financial statements) (%)	93.61%	95.49%	91.09%
Dividend per share (Calculated from separate financial statements) (Baht/Share)	0.05	0.17	0.25
Efficiency Ratio			
Return on asset (%)	5.85%	7.61%	8.58%
Asset turnover (Times)	0.13	0.15	0.17
Current ratio (Times)	0.57	1.24	0.77
Financial Ratio			
Debt equity (Times)	3.62	3.94	4.99
Allowance for Doubtful Account to total receivables ratio %	1.91%	3.94%	4.37%
NPL to total lendings ratio %	0.95% ⁽¹⁾	6.10%	6.19%

Source : Financial Statement of G Capital Public Company Limited for the year 2018-2020 audited by the certified auditor.

Note: (1) According to the accounting guidelines of temporary relief measures for businesses that provide credit assistance measures to support borrowers from Covid-19 outbreak situation.

BOARD OF DIRECTORS



Mr. Boonsak Chiempricha

Independent Director /
Chairman of the
Board of Directors

Education:

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

Training Course:

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

Relationship:

- None -

Work Experience:

2015-Present	Independent Director and Chairman of the Board of Directors G Capital Public Company Limited
2018-Present	Director of Sub-Committee Audit and Assessment Public Sector Unit 4
2016-Present	Director and Chairman of Audit Committee Delta Electronics (Thailand) Public Company Limited.
2009-Present	Chairman of the Board of Directors Indara Insurance Public Company Limited



Mr. Yongyuth Tariyo

Independent Director /
Chairman of Executive
Committee

Education:

- MSc. In Management Information System,
DE PUAL University Chicago Illinois, U.S.A.
- BSc. In Information Science, Northeastern Illinois
University, 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)
 - Finance for Non-Finance Director (FND 5/2003)
- The Thai Bankers Association
 - Financial Executive (FIINEX 10/1997)
- Office of the Civil Service Commission (OCSC) and The
National Electronics and Computer Technology Center
(NECTEC)
 - Chief Information Officer (CIO 4/1996)

Relationship:

- None -

Work Experience:

2015-Present	Independent Director and Chairman of Executive Committee G Capital Public Company Limited
2006-Present	Independent Director G Capital Public Company Limited
2016-2018	Director Digital Port Asia Co., Ltd.
2009-2014	Chairman of the Board of Directors G Capital Public Company Limited

BOARD OF DIRECTORS



**Asst. Prof. Wipada
Tantiprabha**

Independent Director /
Chairman of Audit and
Corporate Governance
Committee

Education:

- Master of Business Administration, Thammasat University
- Master of Business Administration (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
 - Advanced Audit Committee Program (AACP 36/2020)
 - Anti-Corruption for Executive Program (ACEP 1/2015)
 - Audit Committee Program (ACP 12/2013)
 - Director Accreditation Program (DAP 97/2012)

Relationship:

- None -

Work Experience:

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



Mr. Prameson Pisitpan

Independent Director /
Chairman of Nomination and
Remuneration Committee /
Audit and 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:

2015-Present	Chairman of Nomination and Remuneration Committee G Capital Public Company Limited
2011-Present	Independent Director and Audit and Corporate Governance Committee Member G Capital Public Company Limited

BOARD OF DIRECTORS



**Dr. Chaiyong
Satjipanon**

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

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
 - Role of the Chairman Program (RCP 46/2020)
 - Advanced Audit Committee Program (AACP 33/2019)
 - Director Certification Program (DCP 212/2015)
 - Director Accreditation Program (DAP 112/2014)
 - Financial Statement for Director (FSD 32/2017)
 - Risk Management Program (RMP 6/2015)

Relationship:

- None -

Work Experience:

2015-Present Independent Director, Audit and Corporate
Governance Committee Member, Chairman
of Risk Management Committee and
Nomination and Remuneration Committee
Member
G Capital Public Company Limited

2017-Present Independent Director
Sino-Thai Engineering & Construction
Public Company Limited.



**Pol.Lt.Gen. Pongsiri
Suankaew**

Independent Director /
Audit and Corporate
Governance Committee
Member

Education:

- Doctor of Philosophy Program in Development Science
Ph.D. (Development Science)
Khon Kaen University
- Master of Arts (Social Sciences),
Khon Kaen University
- Bachelor of Law, Chulalongkorn University

Training Course:

- IOD Program, Thai Institute of Directors
 - Advanced Audit Committee Program (AACP 37/2020)
 - Director Accreditation Program (DAP 148/2018)

Relationship:

- None -

Work Experience:

2020-Present Independent Director and Audit and Corporate
Governance Committee Member
G Capital Public Company Limited

2019 Chairman of Corporate Governance Committee
G Capital Public Company Limited

2018-2019 Director
G Capital Public Company Limited

2016 General Staff Division, Provincial Police
Region 4

BOARD OF DIRECTORS



Mr. Nattaphon Sarasas

Director / Risk Management
Committee Member /
Nomination and
Remuneration Committee
Member

Education:

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

Training Course:

- IOD Program, Thai Institute of Directors
 - Board Matters and Trends (BMT 9/2020)
 - Director Accreditation Program (DAP 107/2014)

Relationship:

Older Brother of Mr. Asa Sarasas

Work Experience:

2016-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
2019	Corporate Governance Committee Member G Capital Public Company Limited



Mr. Asa Sarasas

Director

Education:

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

Training Course:

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

Relationship:

Younger Brother of Mr. Nattaphon Sarasas

Work Experience:

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

BOARD OF DIRECTORS



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

Mr. Supot Singhasaneh

Chairman of the Advisory for
the Board of Directors

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
Present	Chairman of Audit Committee, Social Security Office
Present	Audit Committee, Thammasat University
Present	Secretary of the Federation of Accounting Professions under the Royal Patronage

Mr. 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:

Father of Mr. Nattaphon Sarasas

Father of 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

CORPORATE SHAREHOLDINGS OF THE BOARD OF DIRECTORS

Director	Shareholdings		
	Director (Percent)	Underage children (Percent)	Spouse (Percent)
Mr. Boonsak Chiempricha	None	None	None
Mr. Yongyuth Tariyo	None	None	None
Asst. Prof. Wipada Tantiprabha	None	None	None
Mr. Prameson Pisitpan	None	None	None
Dr. Chaiyong Satjipanon	None	None	None
Pol.Lt.Gen. Pongsiri Suankaew	None	None	None
Mr. Nattaphon Sarasas	None	None	None
Mr. Asa Sarasas	None	None	1.00
Mr. Spain Jingkaojai	None	0.33	None

** Data as of 31st December 2020

MANAGEMENT TEAM



1. Mr. Spain Jingkaojai

Managing Director

2. Mr. Sutthi Sripratum

First Executive Vice President of Operation Function

3. Ms. Wirongrong Boonprateep

Executive Vice President of People & Corporate Strategy Function

4. Mr. Pharkphoom Dhirapatranon

Executive Vice President of Marketing Function

5. Mr. Chokchai Prasertchaiyaporn

Senior Vice President of Accounting and Finance Department



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 under supervision of the Bank of Thailand, and Nano Finance under supervision of the Bank of Thailand.
Authorized Capital :	150,000,000 Baht (as of 31 December 2020)
Paid-up Capital :	150,000,000 Baht (as of 31 December 2020)
No. of Listed Share :	300,000,000 Ordinary Shares
Par Value :	0.50 Baht
Website :	www.gcapital.co.th
Head Office :	161/1 SG Tower 2nd Floor, Soi Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Phone: 02-651-9995 Fax: 02-651-9553
Corporate Secretary :	Mr. Sutthi Sripratum 161/1 SG Tower 2nd Floor, Soi Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Phone: 02-651-9995 Ext. 4200 Fax: 02-651-9553 E-mail: sutthis@gcapital.co.th
Investor Relations :	Ms. Nuchanad Jirakiatmongkol Phone: 02-651-9995 Ext. 1600 Fax: 02-651-9553 E-mail: ir.gcap@gcapital.co.th
Securities Registrar :	Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building 14th Floor, Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Phone: 02-009-9999
Debenture Registrar & Paying Agent :	Bank of Ayudhya Public Company Limited 1222 Rama 3 Road, Bangphongphang, Yannawa, Bangkok 10120, Thailand Phone: 02-296-3582, 02-296-2000 Fax: 02-683-1298
Auditor :	Miss Nannaphat Wannasomboon CPA License No. 7793 Dharmniti Auditing Co.,Ltd 178 Dharmniti Building 6-7 th Floor, Soi Permsap (Prachachuen 20), Prachachuen Road, Bangsue, Bangkok, 10800, Thailand Phone: 02-596-0500 Ext. 327
Internal Audit :	Mr. Narongpoj Longchupol Internal Audit / Compliance G Capital Public Company Limited 161/1 SG Tower 2nd Floor, Soi Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Phone: 02-651-9995 Ext. 1700 Fax: 02-651-9553 E-mail: narongpoj@gcapital.co.th

Other Relevant Information

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

OVERALL BUSINESS OPERATIONS

G Capital Public Company Limited, was founded on August 18, 2004 by Songnam Company Limited, who had knowledge, experience, and expertise in the hire purchase business, in mutual cooperation with the Government Saving Bank, the State Bank that aimed at expanding loan services to customer bases in agricultural sector. The company was established and started hire purchase loan service for the agricultural machinery and registered as a private company on February 29, 2012. Subsequently the company had been listed on the Market for Alternative Investment on December 17, 2013. Currently, the Company has 150 million baht registered capital of 300,000,000 ordinary shares with a par value of 0.50 baht.

With the management's vision to serve financial needs of Thai farmers. To let them easier access to the sources of fund for buying high-tech agricultural machinery for higher crop harvesting efficiency, create their better life and sustainable income. The company's business had expanded rapidly and continuously get good feedback from our customers.

The company provides hire purchase loans for both new and used agricultural machinery such as Combine rice harvesting machine, Crawling rotavator, Farm tractor, Wooden loader, Sugar cane loader, etc. to general Thai farmers. Subsequently, the company has expanded and provided the multipurpose personal loan to our existing hire purchase customers who need additional loan for working capital, by considering from their repayment records..

With the objective to grow sustainable business, the company focuses on the financial products that fulfill the occupational purposes, to bring more revenue and improve quality of Life of Thai farmers. The company realizes the importance in selecting and designing the appropriate financial products to meet our customers' requirements because the company pursue the sustainability and Corporate Social Responsibilities concept following our motto, "Achieving Goal together". Whenever customers succeed in their careers, the company business will be successful and grow up sustainably.

The company had received Personal Loan under Supervision License and Nano Finance under Supervision license from the Ministry of Finance, with the objective to expand our loan service's coverage in personal loan sector, to meet unserved needs of our existing customers and to increase potential customer base to our portfolio.

In the year 2020, the company has adjusted its business strategies and operations to be align with the changing situation. By focusing on using technology in customers' credit analysis, whether their loan repayment capability, occupation and including their credit quality trend. By using historical data from more than 20,000 customers' database to support our credit quality assessment and alert us when there is any significant risk occur. This will enable the company to manage the customer groups that may lead to Non-performing Loan problem in the future.

MAJOR CHANGES AND MAJOR DEVELOPMENTS

Major Changes and major 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 Headquarter resides at SG Tower Building, 8th Floor, 161/1 Soi Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330.

June 2005

The Company had increased 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 shares were 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 be 25 percent of the paid-up capital, and Song Nam Company Limited held 75.00 percent of the paid-up capital.

October 2005

The Company had increased 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.

January 2006

The Company signed a memorandum of understanding for hire-purchase loan for combine Rice Harvester 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 as the first accident insurance coverage in Thailand by coordination with Dhipaya Insurance Public Company Limited. The Company had coordinated with Thai Agriculture Machinery Company Limited and Kasetphattana Industry Company Limited to developed vehicle ownership booklet for Combine Rice harvesters. As a document and proof of ownership in the property and to be used as the property in the hire purchasing of agricultural machinery.



● November 2012

The Government Savings Bank has sold all 10 percent shares they held 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.

● 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.

● November 2013

The Company has offered to sell 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 had been listed on mai stock market with the first trading day on December 17th, 2013.

● December 2013

The Company was publicly traded 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 Personal loan business to customers in occupations with good repayment records.

● October 2015

The company received Licenses to operate personal loans under supervision. and Nano Finance under supervision from the Ministry of Finance

● December 2015

The company started offering a personal loan under supervision.


● June 2017

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



AWARDS



Thailand Sustainability Investment (THSI)	Annual General Meeting (AGM)	Corporate Governance Report (CGR)	Collective Action Coalition Against Corruption (CAC)	Sustainability Disclosure Award (SDC)
SET	SET	IOD	IOD	Thaipat
				
The Stock Exchange of Thailand has selected the Company to be listed in the “Thailand Sustainability Investment 2020”	The company has been selected as an outstanding company, in Annual General Meeting arrangement quality, 99 / 100 Score of AGM Checklist 2020.	The company has been selected as an outstanding company, in the Corporate Governance aspects of the Thai listed company for the year 2020, it was rated at 5 stars.	The Company has been assessed and certified as a certified company of Thailand Private Sector Collective Action Coalition against Corruption (CAC).	The Company received “Sustainability Disclosure Acknowledgement” from The Sustainability Disclosure Award 2020 ceremony, organized by Thaipat Institute.

SCOPE OF OPERATIONS

Main Business of the Company divide into 5 categories as follows:



Sabaijai Farmer

Sabaijai farmer provides hire purchase financial service to various agricultural machineries such as Combine rice harvesting machine, Corn harvester (Kaset phattana), Tractor and peripherals (New Holland and Iseki), Wheel loaders (Champ), Crepe rubber rolling machine (Yipta), including other machineries for agricultural purpose. Our customers can utilize their agricultural machineries to increase the work efficiency and expand their business with





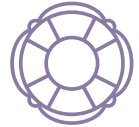
The company provides hire purchase loan services for both new and used machinery (refinancing). The loan can be used as their working capital, purchasing the spare parts, Maintenance of the agricultural machinery or being the down payment of buying new machinery.

The company also provides the unsecured loans exclusively for the existing customers with good repayment records for using as their 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 with the announcement of the Bank of Thailand. (The Company has obtained a personal loan business under the supervision of The Bank of Thailand by acquiring a license from the Ministry of Finance on 14th October 2015)



Sabaijai Andaman

The hire purchase loan service provides to individuals and companies who plan to purchase the Catamaran speed boats for using in their tourism businesses which operational areas coverage include Phuket, Krabi, Surat Thani and nearby provinces. The company has designed loans to serve the customers' needs which the customers can choose the "Season Payment" which is the appropriate repayment term that align with the tourism seasonality.



Sabaijai Business

Hire purchase / secured loan service i.e., mortgage, factoring, sell with the right of redemption, which provide loan for being working capital, expanding business, or enhancing business liquidity during the period that payment has not yet been received from trade receivable. The customers can use their collateral such as land, building, accommodation, condos, apartments, factories to mortgage / sell with right of redemption to redeemed for loan applications whereas the trade receivables invoice which has already been signed can apply for factoring loans to use as business working capital.

Sabaijai Employee (Welfare)

The unsecured loan services for company's employees/ agencies that have signed the Memorandum of Understanding (MOU) with G Capital PCL, which would serve the needs of employees who want to apply personal loan for daily consumption purpose. Since Sabaijai employee is the unsecured personal loan, the company has defined the credit policy with strict criteria. Only apply with the customers who have the career stability, specific place of residence, and trustful personal information. The company that the loan applicant work with, will deduct the installment from the applicants' salary and deliver to the company until the loan settlement is completed.



Sabaijai Talad (Market)

The unsecured loan services for merchants, and entrepreneurs in the leading Thailand fresh markets. The loan's objective is to serve needs in paying annual rental fee, expanding business and / or increasing the business liquidity. The target group of Sabaijai Talad are the merchants who have specific place of business, specific place of residence, trustful business / personal information and also supported information from the market owner (i.e Stall rental contract).



Note: The company has received a license of personal loan under the supervision of the Bank of Thailand from the Ministry of Finance on 14th October 2015.

REVENUE STRUCTURE

The Company's revenue structure can be categorized by product / service types as following:

Product / Service Type	2020		2019		2018	
	MB	%	MB	%	MB	%
Hire Purchase	241.93	73.29	264.46	73.74	228.71	74.64
Personal Loan and Nano Finance	68.93	20.88	71.03	19.81	64.45	21.03
Late Payment Fee	15.84	4.80	14.59	4.07	9.94	3.24
Others	3.41	1.03	8.55	2.38	3.30	1.09
Total	330.11	100.00	358.63	100.00	306.40	100.00

Note: Other revenues consist of promotion discount, lending fee, interest income and gain from disposal of assets.

Source of Funding

Sources of Corporate Funds can be listed as follows:

1. Loan from local Financial institutions.
2. Short-term debentures and / or Long-term debentures.
3. Shareholders' equity which consists of paid-up capital and retained earnings.

The company's policy is to manage the funding to be in line with the business operations. To make the company has adequate liquidity and keep the appropriate D/E ratio. By considering of the adequacy of funding, cost of fund, and the efficiency of cash flow management.

Source of Fund	31 December 2020		31 Dec 2019		31 Dec 2018	
	MB	%	MB	%	MB	%
Loans	1,635.71	75.5	2,078.92	79	1,608.42	82
Loans from Financial institutions	218.81	10.1	-	-	218.74	11
Short-term loans from other persons and companies	214.00	9.9	226.57	9	40.00	2
Long-term loans from other companies (due within one year)	7.14	0.3	-	-	-	-
Short-term unsecured Debentures	-	-	170.00	6	100.00	5
Long-term loans from other companies	9.80	0.5	-	-	-	-
Long-term secured / unsecured Debentures (due within one year)	1,112.09	51.3	576.07	22	673.76	35
Long-term secured / unsecured Debentures	73.33	3.4	1,106.28	42	575.92	29
Shareholders' Equity	531.44	24.5	552.57	21	348.56	18
Total funding	2,167.15	100.0	2,631.49	100	1,956.98	100

The company's policy is to source for funds that be conformed with the objective and timeline of spending. To make the company has adequate liquidity and keep the appropriate D/E ratio. I.e. Capital increase, or Loans / Borrowings that be in line with the company's loan tenure.

COMPETITION STRATEGY



1. Service Differentiation Strategy

The company has a policy to develop differentiation, diversification, and one-stop service strategy, to maintain the existing customers base and increase new potential customers as well as create loyalty in the company's products / services. The company has penetrated each potential segment by research for their financial demands, behavior and needs in using loan to design products that meet the customers' requirements, such as repayment term that match with farmer's harvest season and align with their income capability for installment payment.

2. Business Expansion Strategy

The company has a policy to increase number of business partners. In 2018, the company has signed contract to be the financial partner of 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.

Also, the company has expanded to personal loans with collateral for support business segment, such as mortgage, factoring, or sale with the right of redemptions, which customer can apply for funding to use as working capital or use in machinery maintenance for running business smoothly.

3. Promotion Strategy

The company has studied the behavior and demands of each customer segment for designing the sales promotion campaigns that really fit with them and focus on continuous running sales promotion activities with partners / dealers for strengthening the partnership. The company has analyzed the sales promotion campaign result and bring customers' feedback to improve and develop the better products / services.

The company has established a telemarketing team to offer sales promotion campaign with exclusive benefit for our existing customers who have a good repayment history, for repeating loans and maintain of the existing customer base.

4. Public Relation Strategy

For the public relation strategy in the year 2020, 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 individual support team categorized into 2 main groups which are:

LINE Official Account “Sabaijai Loan”

(Line ID. @sabaijai)

The PR channel to communicate news / movement of the company, the company's products / services and the sales promotion campaign to reach the existing customers, the potential customers and / or Public.



LINE Official Account “G Capital IR”

(Line ID. @irgcapital)

The PR channel to communicate news / movement of the company including Financial Statements, Operating performance to serve the specific target group such as Shareholders, Analysts, for those who interested in investing in GCAP stock and debenture. By which the Corporate Communications Department responsible for dissemination the overall press releases with accurate, complete, and up to date information, while also response and serve customer inquiries via several social network. The company has implemented the chat bot system to help answer customers' questions 24 hours a day. In addition, the company has improved the content format for effective communication.

5. Corporate Branding Strategy

Throughout the year 2020, the company continued to emphasize on building and maintaining the corporate image continuously by raising the brand “Sabaijai Loan” as the main branding. For easy marketing communication and better brand recognition in the customer mind, we have launched 5 sub-brands to reach target group in different segment as follows.



“Sabaijai Farmer”

Hire purchase loan for Combine rice harvesting machines, Tractors and Agricultural machinery. Target group are farmers and entrepreneurs in the agricultural sector.



“Sabaijai Employee”

Multipurpose personal loans which can be used to consolidate your debts or used to solve the loan shark issue. Target group is employees with regular income or fixed salary.



“Sabaijai Andaman”

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



“Sabaijai Business”

Personal loan with Collateral for business and entrepreneurs, using as an initial investment and working capital for business expansion with various loan types to serve the customers' need which including Mortgage, Factoring, and Sell with the right of Redemptions.



“Sabaijai Talad (Market)”

Personal loan for objectives of paying stall rental or being working capital to enhance business liquidity and multipurpose usages. Target group are merchants and entrepreneurs in the fresh market. Currently, the company has collaborated with 3 leading fresh markets, namely, Khlong Toei Market, Pattavikorn Market and Talat Thai Market.

In marketing communication, the company focused in presenting the specific brand values, in terms of being loan that creates comfortableness to customers. Various social media channels has applied to be communication channels with customer, such as LINE or Facebook that makes customers be able to contact the company including access PR news or marketing campaign detail quickly, 24 hours a day.

6. Customer Relationship Strategy

The company focus on building and maintaining good relationships with our customers, to meet the customers' expectation by using state-of-the-art IT and Communication technology as tools to understand customers' need. We have expanded more channels for receiving suggestion and complaints, as well as solving customers' problems. Customers can contact the company to notify their problems via the company regional staff, call Center, website, and via social media, i.e., Line, Facebook.

The company has created service differentiation to increase the company's competitiveness by using proactive marketing, which our marketing and sales team have visited the customer site for survey of their satisfaction and feedback. In terms of existing customers who have a good repayment record, the company has analyzed their data to create a specific marketing strategy to penetrate this target group. The strategy aims at creating customers' satisfaction which will help building the customer loyalty in the company's products and services, with the sustainable relationship, long term profitability and Win-Win benefits.

7. Partnership Strategy.

Collaboration with strong and potential business allies are another significant strategy to help cope with the rapid changes in today's era. Partners and allies, in addition to be business companions that helps develop financial products / services together, are also the companions to help developing the loan products to serve the needs of customers and keep up with the changing trend, which making company remain competitive.

The company therefore gives priority to build and maintain good relationships with partners and allies since they help in acknowledge the customers of the company's financial products and helps to provide advice and recommendation on loans / financial product selection.

In the past, the company has held many conferences for exchanging information with our business partners and also visit regional dealers to get the feedback and understand the problems for further improvement. Moreover, the company has joined various marketing activities of partners and allies to strengthen the relationships and create further business opportunities together.

Recently, with the severe competition from both directly and indirectly competitors, together with the development of communication technology that lower the barrier of entry into this business. Therefore, another factor to maintain the sustainably competitive advantage is having good business partners, which the company has continued looking for opportunities to increase and expand the services together.

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 of services with our business partners. The survey result has led to related improvement issue and create 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 support the society every time of disaster happens, including the COVID-19 outbreak situation which create major impact on the existing company's customers. The company then promptly launch debt suspension and debt restructuring program to relief the customers' suffering.

8. Staff retaining & developing Strategy

Currently, the business requires to develop new products or services into the market to make and to maintain sustainable profitability. Innovating new products and services is required for value-added and significant for business to grow up and maintain competitive. New technologies and innovations have been applied in data processing of several tasks in order to support working team to work faster, and be more efficient.

Using these innovation aimed at service improvement to serve needs and maximize the customers' satisfaction. Innovation as Line Chat Bot (GBOT) has launched to facilitate customer to access information easier. GBOT allow the company to inquire information and response customer 24 hours a day, helping customers solve basic problems with shorter waiting time. and open for business partners to check their customers' application status as well.

To comply the government policy which in line with the Sustainable Development principles, G Capital encourage farmers 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 Installation 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

Major risk factors of the company and risk management guidelines has been 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, 2020, the company has short-term loans from other persons totaling 214.00 million baht (representing 13.08 percent of total debt) while having debentures not yet redeemed totaling Baht 1,185.42 million (72% 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, 2020, the company has nonredeemed-debentures totaling Baht 1,185.42 million (represent 72% 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, 2020, 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 3.17 times.

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 debenture, therefore, it is risk from the non-conforming periods. This may cause the inconsistent cash inflows and outflows, which lead to low in liquidity.

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 has been 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 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) 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 2020, the company has net receivables that are overdue over 3 installments of the hire purchase contract in the amount of 15.25 million baht while the allowance for doubtful accounts is 3.33 million baht and there are net receivables overdue more than 3 Period of personal loans 5.07 million baht and has an allowance for doubtful accounts of 3.65 million baht. 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. Nowadays, 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

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, pandemic 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 times. 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 harvester'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.

5. Legal risks

5.1 Risk of Customer's Prosecution

Hire-Purchase business of agricultural machinery is one of the Company's key business. Though Hire-Purchase is subjected to be under the regulations of civil law, not being under any other authority's specified law, especially consumer protection law Re: Notification on Prescribing Hire-Purchase for Car and Motorcycle Business as Contract-Controlled. The Company realizes contract fairness deemed to be gained by the Company's customer of Hire Purchase Agreement, the Company has correlated with the regulations of consumer protection law and add them in agreement to get beneficial for debtors. And that causing the company to have more burdens by such agreement. In case if The Company failure such abiding may lead customers to prosecution on the Company. However, this has never happened. The Company has been caution and ultimate effort to abide by such Agreement, in order to maintain fairness of the contract, and to avoid customers prosecution.

Personal Loans Business under Supervision and Nano finance has been operated in conformity with laws and regulations of relevant authorities, especially with Announcements by Bank of Thailand. Including interest charge in accordance with legal rate for each type of loans. This is regarded as an issue of Service Fairness, Perceived Customer Value, and Satisfaction heightens. If the Company has been negligence is considered a breach of prescriptions Bank of Thailand, and that may lead to customer's prosecution. the Company has never been committed such breach. Thus, the Company has neither been subjected under customer's prosecution, nor complaint from Bank of Thailand.

5.2 Risk from Personal Data Protection Act 2019 (PDPA), B.E. 2562

The government's announcement of Personal Data Protection Act 2019 (PDPA) is a law impacting on the Company's operation, causing adjustment and development on customers data collection system and Maintain customers personal information in accordance with legal requirements. effective date on 27 May 2021. However, the Company has been pre-prepared for such operation. Including operational systems, documentation, and hire an experts consultant in adapting work processes to comply with the law.

6. Risk on Information Technology

6.1 Risk on Infrastructure and Corporate Supports

Data & computer security system has the objective to control unrelated persons from accessing, knowing, changing the data or the operation of computer system in irrelevant parts. The intrusion Detection and Prevention Systems has the objective to prevent persons, viruses, any treats from accessing, damaging data or operation of the computer system, including security of data, computer system, servers and networks. Thus, the IT section has systemic provision as follows.

- Data management
- User rights assignment
- Control on usage of usernames and passwords panel
- Security of server system
- Management and monitoring of Network system
- Prevention of viruses and hackers
- Control on operation and audit logs

Additionally, in emergency the Company's IT also have preparedness for Business Continuity Planning (BCP) in case of emergency when entry of the office is prohibited which includes preparation for equipment, telephones, venues.

6.2 Risk on Data and IT System

Business operation of financial institutions has fully embarked on digital age, using IT as a driver and infrastructure to enhance effectiveness in business procedures to support business strategies. Furthermore,

innovation development also helps reduce costs and increase potential on competitiveness, so that demands of customers and partners are to be responded quickly, conveniently through diversity of services.

Data is an essential part of IT system and regarded as one of the most valuable resources of the corporate. Thus, protection is crucial, and the Company essentially requires prevention and control measures on IT system usage for its security and reliability. The Company critically places importance on Data Privacy and Data Security simultaneously, since these 2 items are to protect and secure all relevant data. Thus, the Company requires systemic and continual risk management for IT, in accordance with standards and relevant laws, in order to prevent and cope with liable risks.

Since IT is a crucial infrastructure to support business procedures, risk management on data and IT is not only the responsibility of the IT section, but of all personnel in the Company. To realize this, personnel have seen provided with guidelines to manage the risk comprehensively on both strategically and operationally. Therefore, the Company's policies are implemented under supervision and management of data and IT resources on personnel, procedures and IT usage under appropriate risk management, being sufficient to handle degrees of risks defined in risk management policies and plans. This starts from establishment of committees and executives who place importance on pushing and enhancing risk management on data and IT, creation of corporate's cultures and collective behaviors of all-around risk awareness, building good governance with appropriate structures, roles and responsibilities as per principle of check and balance, clear segregation of duties/responsibilities in work operation, risk management, supervision on observance of law and rules, monitoring on IT, sufficient knowledge and expertise of personnel, as well as continual enhancement of knowledge and understanding on usage of data and IT system for personnel.

Without sufficient control and management of IT, there is risk which may lead to vulnerable system's security, systems accuracy, and availability in service provision, causing risk on reliability, reputation, image, compliance with relevant law and rules.

INNOVATION



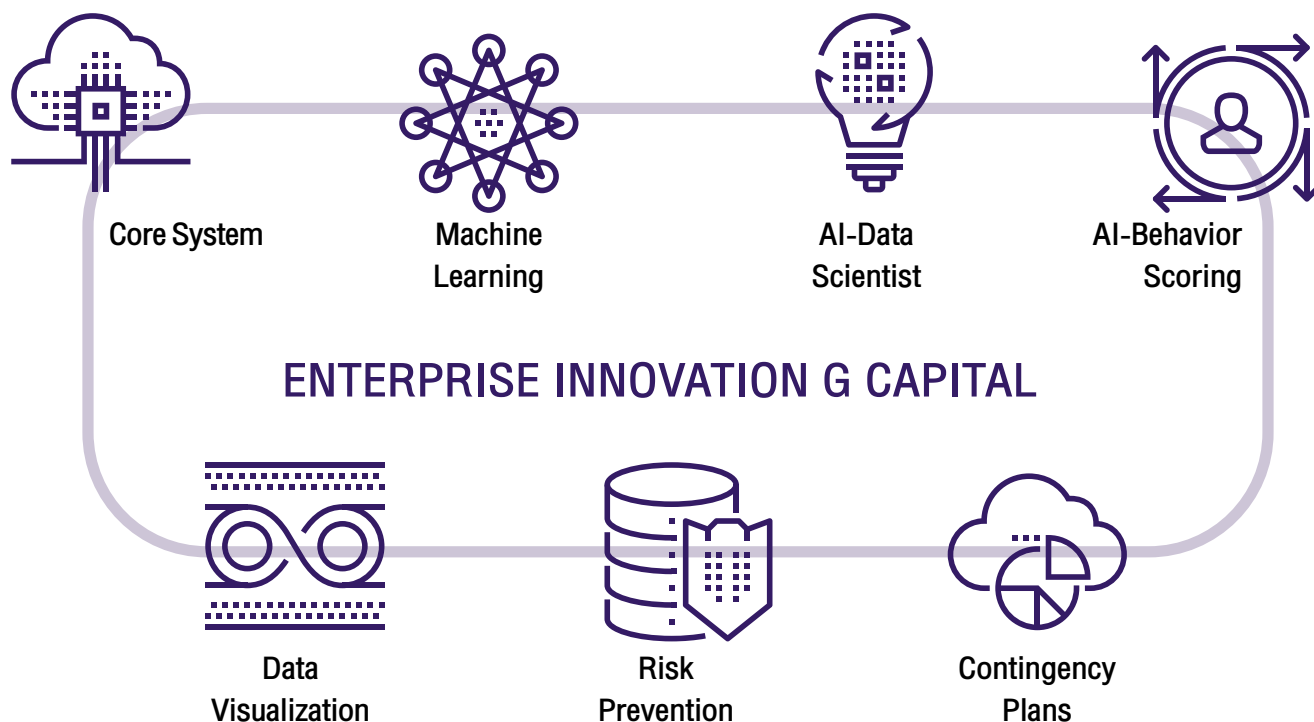
G Capital places importance on using IT management for continual innovation development, in order to increase competitiveness through increasing of operational effectiveness, as well as to enhance customers and partners services by increasing of convenience and promptness and diversity.

At present, the Company does not only conduct technology development, but also reengineering simultaneously, in order to create changes leading to operational cost reduction and profit increasing in long term of business operation. In 2020, G Capital had mainly created innovations, especially in IT information as follows.

1. Improve and develop core systems, 90% of which is progressed and in final phase of usability tests prior to production, as per the plan of this February 2021.

2. To increase communication channels by increasing capability of “Sabaijai Linebot”, adopting Machine Learning to help provide information services and answer the enquiries of customers and partners around the clock. Additionally, more channels for invoicing and debt repayments are also provided to reduce complaints on such.

3. To adopt AI: Application Scoring Model — A Score on the reviews of Hire Purchase loans, in order to forecast the risk of NPL occurrence prior to credit issuance. Data Scientist shall take the data from application for Hire Purchase Loan, debt repayment behaviors and other data to develop models using AI. This makes credit review findings consistent to the policy of corporate credit reviews, so that, increasing capability of risk management. At present, in addition to implementation of AI on credit review with main leasing products, G Capital also takes it to set



the appropriate credit policy, while the model is still being continually developed.

4. To adopt AI for enhancement of efficient debt tracking and bill collecting. Data Scientist develops the model by taking the data from debt repayment behaviors in the past (Behavior Scoring Model — B Score) to forecast NPL occurrence and applies this B-Score to plan and prioritize debt tracking, in order to increase effectiveness in management of credit portfolio and credit quality.

5. To take the whole data of portfolio for strategic analysis, providing data visualization for the executives to use as a tool for planning and making decision, as well as to continually push forward increasing of agencies' operational effectiveness, in comprehensiveness of seeking and keeping customers, marketing, credit reviews, debt tracking and finance, in order to establish of the Company.

6. To increase standard and risk prevention on data and IT system, including data protection in accordance with Personal Data Protection Act (PDPA)

7. To provide contingency plans and infrastructures on IT and network to be prompt and accommodate business operation in all circumstances with no interruption. At present, all G Capital's personnel are capable of performing from outside via highly secured channels.

Nevertheless, the Company still strives to establish a stable and sustainable growth of the Company, enhance capability, and increase potentials and effectiveness of personnel through establishment of Corporate's Data Driven Culture, using the data to understand customers' desires, so that capable of responding to customers, as well as using data to create novel innovation and using new technologies in seeking "chances" and extending business operation, including using data to increase competitiveness, in order to correspond to future economic, social and environmental changes.

SHAREHOLDER STRUCTURE AND DIVIDEND PAYMENT POLICY



List of the first 10 major G Capital Public Company Limited shareholders as of December 31st, 2020 by Thailand Securities Depository Company Limited (“TSD”) are as follows:

Rank	Major Shareholders	No. of Shares	% Shares
1	Song Nam Company Limited	60,000,000	20.00
2	Mr. Thaweechat Chulangkul	19,091,500	6.36
3	Mr. Pornchai Charumethee	11,500,153	3.83
4	Mr. Chinavais Sarasas	10,021,187	3.34
5	Mr. Waykin Utatham	5,591,000	1.86
6	Mr. Thawee Kositjiranun	4,395,900	1.47
7	Mr. Natee Rongkarattanakul	4,200,000	1.40
8	Mr. Phariya Khuncharoensuk	4,035,300	1.35
9	Mr. Somsak Laosujaritkul	4,000,000	1.33
10	Mr. Pollapat Junvimaloung	3,430,000	1.14
	Total of 10 major shareholders	126,265,040	42.09
11	Others	173,734,960	57.91
	Total	300,000,000	100.00

Source: List of major shareholders as of December 31st, 2020 prepared by Thailand Securities Depository Co., Ltd.

Dividend Payment 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 all reserves according to the law and company's policy. The dividend payment should have no significant impact on the normal operations of the Company. The payment of dividends may subject to change based on the results of operations, financial position, liquidity, expansion plan, necessity / 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 deem appropriate, and such action should result in the maximum benefit of shareholders.

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)

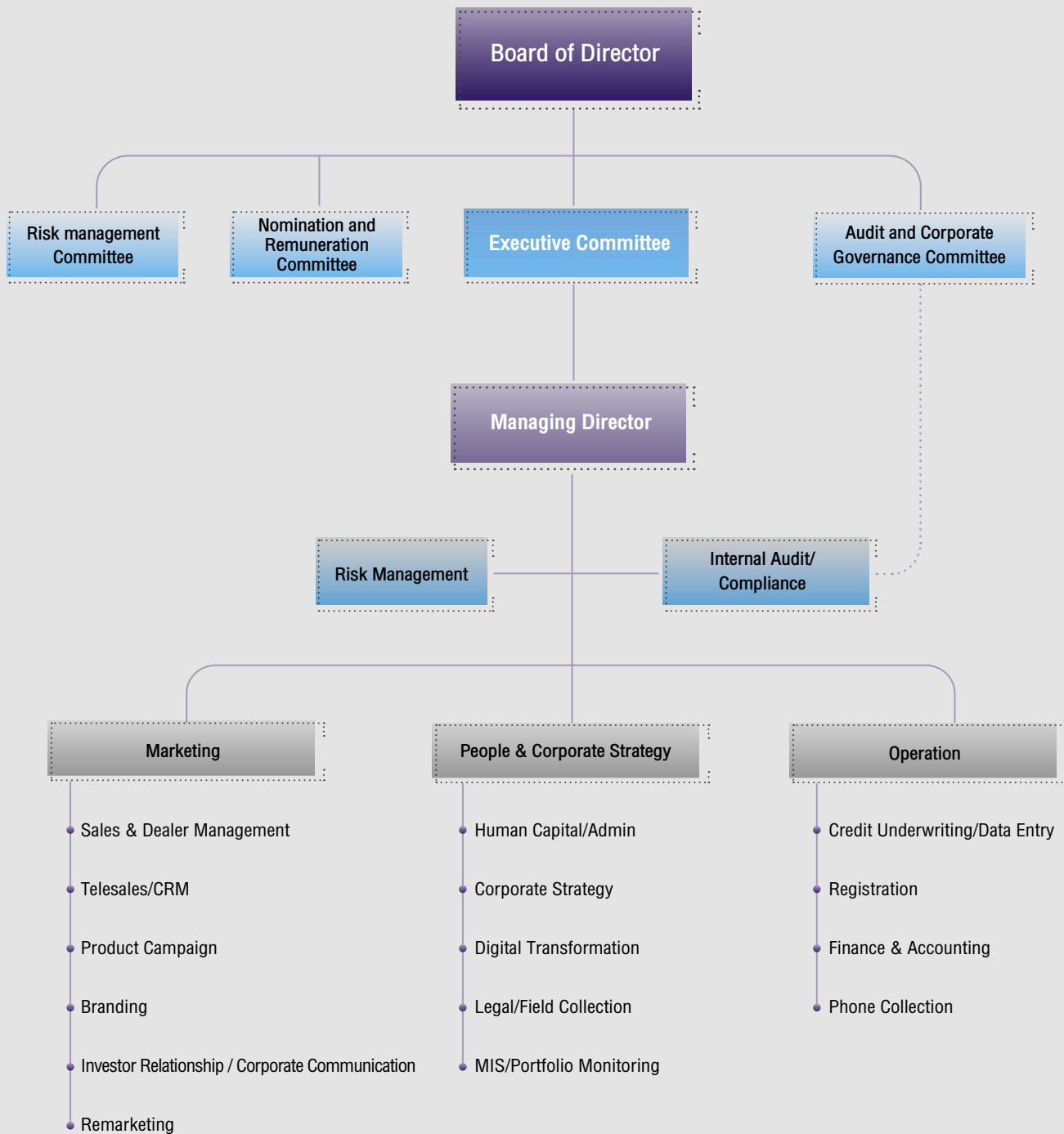
From Covid-19 outbreak situation during year 2020 caused company unable to arrange the Annual General Shareholder's Meeting in the proper timeline. Thus, on Mar 23rd, 2020, the Board of Directors meeting has passed the resolution that authorized company to pay cash dividends for the year 2019 to its shareholders at Baht 0.17 per share, that equivalent to 95.49 percent of the net profit, the details are as follows.

(Remark: In the situation that company unable to arrange the Annual General Shareholder's Meeting properly, the Board of Directors Meeting have the authorize to consider and pass the dividend payout resolution and inform the company shareholders in the next Annual General Shareholder's Meeting)

The interim dividend at Baht 0.07 per share, for the Company's performance from 1st January-30th June 2019 paid to shareholders on September 6, 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)

The yearend dividend at Baht 0.10 per share, for the Company's performance from 1st July-31st December 2019 paid to shareholders on April 7, 2020 (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)

COMPANY STRUCTURE



MANAGEMENT STRUCTURE



Management structure of the company has consisted of 5 committees as follow:

1. The Board of Directors
2. Audit and Corporate Governance Committee
3. Nomination and Remuneration Committee
4. Risk Management Committee
5. Executives 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. (6 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 its parent company, subsidiaries, associated entities, major shareholder or controlling person of the Company and not being or having been a shareholder or a controlling person of any person who have business relationship with the Company, parent companies, subsidiaries, associated entities, legal entities who are major shareholders or controlling person of the Company. Unless it is clear from the manner for not less than two years before the appointment. The definition of business relationship shall include item under the Notification of the Capital Market Supervisory Board Tor Jor 28/2008 regarding the application for the sale of new shares.

5. The independent Directors is not or has not been an auditor of the Company, parent companies, subsidiaries, associated entities, legal entity who is a major shareholder or controlling person of the Company and is not a major shareholder, controlling authority or partners of the audit

firm which is the auditor of the Company, parent companies, subsidiaries, associated entities, legal entity as a major shareholder or authorized under the Company's control, unless it is clear from the manner for not less than two years before the appointment.

6. The independent Directors is not or has not been a provider of any professional such as legal advisor, financial advisor, property appraiser, etc., which has more than 2 million baht per year from the company, parent company, subsidiary, associated entities, legal entity as a major shareholder nor a controlling person or partner of the professional service provider unless it is clear from the manner for not less than two years before the appointment.

7. The independent Directors is not or has not been a director appointed as representative of the Directors of the Company, major shareholders or shareholders who are related to the major shareholders of the Company.

8. The independent Directors do not operate a business with the same nature and in competition to the business of the Company or its subsidiaries or not be a significant partner in a Partnership Company or be an executive director, employee, staff, advisor who receives a regular salary or hold 1 percent of the total shares with voting rights of another company with the same nature of the Company and is a competitor of the Company or its subsidiaries.

9. The independent Directors have no 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 31st December 2020, 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 Chairman of Executive Committee
3. Asst. Prof. Wipada Tantiprabha	Independent Director and Chairman of the Audit and Corporate Governance Committee
4. Mr. Premson Pisitpan	Independent Director, Chairman of Nomination and Remuneration Committee, Audit and Corporate Governance Committee
5. Dr. Chaoyong Satjipanon	Independent Director, Chairman of Risk Management Committee, Audit and Corporate Governance Committee and Nomination and Remuneration Committee
6. Mr. Nattaphon Sarasas	Director, Nomination and Remuneration Committee, Risk Management Committee
7. Mr. Asa Sarasas	Director
8. Pol.Lt.Gen. Pongsiri Suankaew	Independent Director and Audit and Corporate Governance Committee
9. Mr. Spain Jingkaojai	Director and Secretary of the Board of Directors

Remark: Mr. Sutthi Sripratum as the Company Secretary

Authorized Signatory

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

Scope of duties and responsibilities of the Board of Directors

1. To have authorities, 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 follow 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 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 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 regarding the minimum quorum at the point the board will vote in a meeting, there must be at least half (1/2) of the directors in present.

Audit and Corporate Governance Committee

The entire Board of Audit and Corporate Governance committee is composed of four 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 31st December 2020, The Audit and Corporate Governance Committee consists of 4 members.

First-Last Name	Position
1. Asst. Prof. Wipada Tantiprabha ^{1/}	Independent Director and Chairman of Audit and Corporate Governance Committee
2. Mr. Premeson Pisitpan	Independent Director and Audit and Corporate Governance Committee
3. Dr. Chaiyong Satjipanon	Independent Director and Audit and Corporate Governance Committee
4. Pol.Lt.Gen. Pongsiri Suankaew ^{2/}	Independent Director and Audit and Corporate Governance Committee

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

^{2/} Pol.Lt.Gen. Pongsiri Suankaew has been appointed by The Board of Directors to be an Audit Committee on Jan 31st, 2020.

Mr. Narongpoj Longchupol is Audit and Corporate Governance Committee Secretary

Composition and qualifications of the Audit and Corporate Governance Committee

1. The Audit and Corporate Governance Committee must be an independent director.
2. The Audit and Corporate Governance Committee must be appointed by the Board of Directors with majority vote.
3. The Chairman of the Audit and Corporate Governance Committee is appointed by The Board of Directors with majority votes.
4. The secretary of the Audit and Corporate Governance 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 and Corporate Governance Committee (Audit)

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 and Corporate Governance Committee report to disclose in the company's Annual Report, which must be signed by the chairman of the Audit and Corporate Governance 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.

Scope of duties and responsibilities of the Audit and Corporate Governance Committee (Corporate Governance)

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 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 Audit and 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.

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 31st December 2020, 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. Chaoyong Satjipanon ^{2/}	Independent Director and Nomination and Remuneration Committee
3. Mr. Nattapon Sarasas	Director and Nomination and Remuneration Committee

Remark: ^{1/} Mr. Prameson Pisitpan and ^{2/} Mr. Chaoyong Satjipanon are Independent Directors

Ms. Wirongrong Boonprateep 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, assessment criteria and determination of the compensation value. Both salary and other benefits paid to the Board of Directors, Managing Director and Top executives (C Executive Level)

Risk Management Committee

The Risk Management Committee members consist of Directors / Executives who was appointed by the Board of Directors (Chairman of Risk Management Committee, Risk Management Committee, Managing director, Deputy managing director, Assistant Managing director, and representatives of the parties.)

As of 31st December 2020, Risk Management Committee consists of 5 members.

First-Last Name	Position
1. Dr. Chaibong Satjipanon	Independent Director and Chairman of Risk Management Committee
2. Mr. Nattapon Sarasas	Director and Risk Management Committee
3. Mr. Spain Jingkaojai	Managing Director
4. Mr. Sutthi Sripratum	First Executive Vice President / Operation
5. Mr. Chokchai Prasertchaiyaporn	Senior Vice President of Accounting and Finance

Mr. Chokchai Prasertchaiyaporn 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 of Directors / Executives who was appointed by the Board of Directors. The Executive committee comprises of Chairman of Executive Committee, Managing Director, Deputy Managing Director, Assistant managing director, Vice president, manager, and representatives of the parties.

As of 31st December 2020, the Executive Committee consists of 6 members.

First-Last Name	Position	Role&Responsibilities
1. Mr. Yongyuth Tariyo	Chairman of Executive Committee	Director assigned by Board of Directors
2. Mr. Spain Jingkaojai	Committee	Managing Director
3. Mr. Sutthi Sripratum	Committee	First Executive Vice President / Operation
4. Ms. Wirongrong Boonprateep	Committee	Executive Vice President / People & Corporate Strategy
5. Mr. Pharkphoom Dhirapatranon	Committee	Executive Vice President / Marketing
6. Mr. Asa Sarasas	Committee	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.

Scope of the loan approval

The Board of Directors meeting no. 7/2016 on 27th December 2016 have resolution for scope of loans approval in this below.

Loan Type	Credit Team / Managing Director	Credit Committee	Executive Committee	Board of Directors
Hire-Purchase (New)	Not exceed 2 MB (Small Machine)	Not exceed 6 MB (Small Machine)	Not exceed 12 MB (Small Machine)	More than 12 MB (Small Machine)
	Not exceed 3 MB (Big Machine)	Not exceed 10 MB (Big Machine)	Not exceed 20 MB (Big Machine)	More than 20 MB (Big Machine)
Hire-Purchase (Used)	Not exceed 1 MB	Not exceed 3 MB	Not exceed 6 MB	More than 6 MB
Secured Loan (Collateral)	Not exceed 1 MB	Not exceed 10 MB	Not exceed 20 MB	More than 20 MB
Unsecured Loan	Not exceed 0.3 MB (Credit team)	Not exceed 1 MB	Not exceed 3 MB	More than 3 MB
	Not exceed 0.5 MB (Managing Director)			

Remark : For Credit approval of each committee, require the majority vote for final resolution.

Management Team

As of 31st December 2020, Management Team consists of 5 members as follows:

Fist Name – Last Name	Position
1. Mr.Spain Jingkaojai	Managing Director
2. Mr. Sutthi Sripratum	First Executive Vice President / Operation
3. Miss. Wirongrong Boonprateep	Executive Vice President / People & Corporate Strategy
4. Mr. Pharkphoom Dhirapatranon	Executive Vice President / Marketing
5. Mr. Chokchai Prasertchaiyaporn	Senior Vice President of Accounting and Finance

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 Executive Committee, the Audit and Corporate Governance 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 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 regarding the minimum quorum at the point the board will vote in a meeting, there must be at least half (1/2) 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 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.

4. The Company Secretary will record the issues in the meeting 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 confidential.

The attendance details of each Director for 2020 are summarized as follows:

First-Last Name	Meeting attendance (Times)						AGM
	BODS	Audit Committee	Executive Committee	Risk Management	Nomination & Remuneration	Corporate Governance	
1. Mr. Boonsak Chiempricha	10/10	-	-	-	-	-	1/1
2. Mr. Yongyuth Tariyo	10/10	-	11/11	-	-	-	1/1
3. Asst. Prof. Wipada Tantiprabha	9/10	6/6	-	-	-	-	1/1
4. Mr. Prameson Pisitpan	10/10	6/6	-	-	5/5	3/3	1/1
5. Mr. Chaoyong Satjipanon	10/10	6/6	-	4/4	5/5	-	1/1
6. Pol.Lt.Gen. Pongsiri Suankaew ^{1/}	10/10	5/6	-	-	-	3/3	1/1
7. Mr. Nattaphon Sarasas	10/10	-	-	4/4	5/5	3/3	1/1
8. Mr. Asa Sarasas	9/10	-	-	-	-	-	0/1
9. Mr. Spain Jingkaojai	10/10	-	-	-	-	-	1/1

Remark: The meeting of the Board of Directors on December 22, 2020, without the executive directors attending this meeting

^{1/} Pol.Lt.Gen. Pongsiri Suankaew has been appointed by The Board of Directors to be an Independent Director and Audit Committee on Jan 31st, 2020.

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 2020 Annual General Meeting of Shareholders, held on August 4, 2020 passed a resolution that the remuneration of the Board of Directors and Sub-Committee in 2020 is an amount not exceeding Baht 5,600,000 per year. The remunerations were classified by meeting.

Meeting Allowance

Position	Meeting Allowance (per meeting)
Chairman of the Board of Directors	25,000 Baht
Directors	15,000 Baht
Chairman of the Audit Committee	25,000 Baht
Audit Committee	15,000 Baht
Chairman of the Executive Committee	15,000 Baht
Chairman of Nomination and Remuneration Committee	15,000 Baht
Nomination and Remuneration Committee	10,000 Baht
Chairman of the Risk Management Committee	15,000 Baht
Risk Management Committee	10,000 Baht
Chairman of Corporate Governance Committee	15,000 Baht
Corporate Governance Committee	10,000 Baht

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 directors has resolution appointed the chairman of the Board of directors allocate a remuneration to each director's duties, responsibilities and qualifications. The remuneration of each Director as of December 31st, 2020 compared to the year 2019 was as follows:

Director	Meeting Allowance for the Board of Directors and Sub-Committee							Total (Baht)
	BODs	Audit Committee	Executive Committee	Risk Management Committee	Nomination and Remuneration	Corporate Governance	Compensation 2020	
1. Mr. Boonsak Chiempricha	200,000	-	-	-	-	-	-	200,000
2. Mr. Yongyuth Tariyo	120,000	-	165,000	-	-	-	-	285,000
3. Asst. Prof. Wipada Tantiprabha	105,000	150,000	-	-	-	-	-	255,000
4. Mr. Prameson Pisitpan	120,000	90,000	-	-	60,000	30,000	-	300,000
5. Mr. Chaiyong Satjipanon	120,000	90,000	-	60,000	40,000	-	-	310,000
6. Pol.Lt.Gen. Pongsiri Suankaew ^{1/}	120,000	75,000	-	-	-	45,000	-	240,000
7. Mr. Nattaphon Sarasas	120,000	-	-	40,000	40,000	30,000	-	230,000
8. Mr. Asa Sarasas	105,000	-	-	-	-	-	-	105,000
9. Mr. Spain Jingkaojai	120,000	-	-	-	-	-	-	120,000

Remark : ^{1/} Pol.Lt.Gen. Pongsiri Suankaew has been appointed by The Board of Directors to be an Independent Director and Audit Committee on Jan 31st, 2020.

The remuneration of each Director as of December 31st, 2019 was as follows:

Director	Meeting Allowance for the Board of Directors and Sub-Committee							Total (Baht)
	BODs	Audit Committee	Executive Committee	Risk Management	Nomination and 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 Tantiprabha	105,000	150,000	-	-	-	-	173,694.92	428,694.92
4. Mr. Prameson Pisitpan	120,000	90,000	-	-	45,000	50,000	173,694.92	478,694.92
5. Mr. Chaiyong Satjipanon	120,000	90,000	-	90,000	30,000	-	173,694.92	503,694.92
6. Pol.Lt.Gen. Pongsiri Suankaew ^{1/}	120,000	-	-	-	-	75,000	171,694.92	366,694.92
7. Mr. Nattaphon Sarasas	120,000	-	-	60,000	30,000	50,000	171,694.92	431,694.92
8. Mr. Asa Sarasas	90,000	-	-	-	-	-	154,745.76	244,745.76
9. Mr. Spain Jingkaojai	105,000	-	-	-	-	-	171,694.92	276,694.92

Remark: * Corporate Governance Committee has been appointed by the Board of Directors on March 15th, 2019.

Other Remuneration

The company had the company cars for Chairman of the Board of Director and Chairman of the Executive Committee.

Executive Remuneration

In 2020 and 2019, the company paid remuneration to company executives amounting to 37.09 million baht and 35.09 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 to maximize the company's benefits and the overall shareholders.

The company has 6 independent directors which are more than half of the Board of Directors to balance the voting rights. The Audit and Corporate Governance committees consisting of 4 independent directors,

representing 44.44 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 have been cascaded to department levels within the company.

Terms of committee

According to the Public Company Act B.E. 1992, 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 must 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 Top Executive Development

The Company encourages directors and top executives to join seminar courses useful for their functioning, as well as to regularly meet directors and top executive of other organizations for idea exchange.

In 2020, the directors and executives had attended various seminar courses as follows.

- Asst. Prof. Wipada Tantiprabha: Advanced Audit Committee Program (AACP) held by Thai Institute of Directors (IOD), during 4-25 February 2020 (every Tuesday)
- Pol.Lt.Gen. Pongsiri Suankaew: Advanced Audit Committee Program (AACP) held by Thai Institute of Directors (IOD), during 21 August-11 September 2020 (every Friday)
- Dr. Chaiyong Satjipanon; Role of the Chairman Program (RCP) held by Thai Institute of Directors (IOD), during 2-3 September 2020
- Mr. Nattaphon Sarasas Board Matters and Trends (BMT) course held by Thai Institute of Directors (IOD), during 25-26 November 2020

Personnel

Human resource management is regarded as the key for driving the organization. This starts from labor force planning and allocation, personnel recruitment, implementation of performance measurement system for the employees to set clear and measurable work target affecting performance measurement, salary adjustment, and other special remunerations. The Personnel development Framework includes plans for annual training consistent to the Company's direction, development plans suitable to the various levels of personnel and training to increase personnel skills and knowledge. Potential. Human resource development is crucial to ensure the effective progress of the organization that is derived from the potential of its employees. Therefore, human resource development is a crucial mission.

The Company has developed a Data Analytics program to help analyze and suggest the design of staff welfare activities to, build the happiness and well-being of its employees (Happy 8).

Happy Body: Welfare for health care expenses of 2,000 baht/person; Fitness member fee, eyeglasses cost, spa/massage fee

Happy Brain: Occupational training courses, support on KPI fulfillment of individual division, student loan

Happy Family: Family welfare adjustment, support on Work from Home

Happy Growth: Establishment of Career Plan together with the employees and Department Heads, including concrete consultation for the employees to understand self-development methods and get promoted on work positions in the future.

Happy Heart: Establishment of Evaluation Form 360 to be taken into consideration of promotion/allocation, to get the managements who are good at work and good with man.

Happy Money: Analysis on salary range and working years in individual position, and advice for the employees liable to salary at ceiling level, multipurpose loan increasing, increasing of welfare for team management, consultation on saving.

Happy Relax: Increasing right for birthday anniversary leave and vacation under working system of Flexible Hours.

Happy Society: Encouragement on participation of Corporate Social Responsibility (CSR), in order to create self-esteem and organizational pride, and for positive relationship between agencies, for example, CSR activities with business partners, campaign of water/electricity/paper saving, waste separation, and reducing plastics consumption.



Number of Personnel

Number of the Company's employees in separate divisions, of as of 31 December 2019 and 2020, detailed below.

No.	Department	2019 Employees	2020 Employees
1	Managing Director	1	1
2	Marketing	1	1
3	Product campaign	1	1
4	Sale & Distribution Executives	23	11
5	Corporate Image /Corporate communication & Investor relations	2	1
6	Tele sale & Customer Relations	3	3
7	People & Corporate Strategy	1	1
8	Corporate Strategy	4	3
9	Human Resources & Administration	12	11
10	Digital Management	5	3
11	Law and field debt collection	2	12
12	Data administration	1	1
13	Operation	1	1
14	Credit analysis /input credentials data	8	7
15	Contracts and archives	6	4
16	Accounting and Finance	9	7
17	Phone collection	10	13
18	Internal audit / Compliance	2	2
Total		92	83

Labor Disputes

-None

Employees' Remuneration & Welfares

The Board has prescribed the policies and guidelines for employees' remuneration & welfares as follows.

In addition to employees' remuneration, welfares are also provided for employees' morale and happiness to work with the organization, as well as to partially reduce the burden of living expenses.

- Special leave — Birthday anniversary leave, leave for Dharma practices (introspection, meditation practices or mind refinement, regardless of any religion)

- Bonus

- Subvention for special cases — monetary gift for childbirth / wedding, financial aids for accidents/disasters/ death of family's members (spouse, children, parents)

- Subvention for offsite work operation - allowances for transportation, meal, accommodation, and other related expenses; for costs of fuel / phone calls/ car insurance/ entertainment / team management

- Provident Fund - the Company contributes 3-7% of employee's basic salary.

- Multipurpose/Student Loans

- Medical Check-up, Group Health Insurance - annual check-up, financial aids for medical treatment

Monetary Remuneration

As of 31 December 2020 and 31 December 2019, the company had paid remuneration to the employees (excluding the Executives) with the amount of 34.01 and 31.06 million baht respectively, in forms of salary, bonus, provident fund contribution, welfare, and overtime pay.

Other Remuneration

-None-

Policy of Personnel Development

The Company gives opportunities and places importance on the development of employees' skills, knowledge, and capabilities continually and thoroughly. Succession planning for all key positions are ensured through Individual Development Plans, in order to allow the employees to plan their career paths and identify the skills requiring annual development in person. It also allows for mentoring and additional suggestions from superiors to support career advancement and personal performance, as well as to clearly determine the benefits from potential

staff development programs and promote the employees' advancement (Development KPI). Moreover, the Human Resource division takes the data from employee's individual development plan to analyze both the necessity and desire for training to increase an employee's potential and skills as is deemed appropriate, including hard skill, soft/ leadership skill, and future skill, such as knowledge on new programs and software, and so on. Then, all data shall be taken further into potential development projects and employee's annual training plans.

The Company also prescribes assessments to monitor progression of employee development, and performance assessment Monthly reports are produced for management on the benefits to the Company and the employees. There reports include utilizing the budget as planned, satisfaction on training course's such as useful and applicable training content, skillful lecturers with experiences and capability on creating atmosphere of learning and understanding, and so on, to make personnel development utterly efficient and effective for employees and corporate.

Audit Fee

Fee for financial statement review and audit

During 2018-2020, the Company had paid Dharmniti Auditing Company Limited, the Company's auditor, for the following fees.

Particulars of Financial statement Audit	2018	2019	2020
Financial statement review fee for 3 quarters	345,000	360,000	390,000
Annual financial statement audit fee	355,000	410,000	460,000
Fees for other services	None	None	None
Total audit fee	700,000	770,000	850,000

The company does not have any subsidiary company.

CORPORATE GOVERNANCE



Corporate Governance Policy

G Capital Public Company Limited is committed to conducting business for stable and sustainable growth, through creation of incremental value for shareholders and shared values for stakeholders in all sectors. 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 established Corporate Governance Policy, A code of Ethics in Business for directors, executives and employees to be an operational or practice guideline for all stakeholders sectors. 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, 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 believe that Corporate Governance policy, a code of ethics in business are important factors for stable and sustainable growth as a leading company. The participation in economic, social, and environmental development also creates the good image and reliability of the company for shareholders, investors, as well as stockholders of all sections, in both present and future.

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:

1. Rights of Shareholders

Board of Directors realize importance of shareholders' rights, with responsibility on careful and deliberate management under consideration of shareholders' rights and equality by keeping ultimate interests of shareholders as a key, of which basic rights are listed below.

- Right to buy or sell shares.
- Right to attend the Meeting of Shareholders
- Right to have a proxy to attend the meeting and vote on behalf

- Right to propose additional agenda items
- Right to receive dividend
- Right to nominate persons to be directors
- Right to vote for election or to remove a director individually

individually

- Right to vote for appointment and prescribe audit fee

- Right to vote in the Company's agenda
- Right to share opinion, enquire in shareholder assembly, and to submit enquiries in advance

- Right to receive new and the Company's information sufficiently in time manner.

- Right to have full convenience in attending the meeting and vote

Organizing Meeting of Shareholders

The Company's Board of Directors was about to held Annual General Meeting of Shareholders within 4 months from the end date of the Company's accounting period. But, due to COVID-19 epidemic situation, the Company has postponed the meeting until such situation is under control. In 2020, the Meeting are held on Tuesday, August 4th, 2020 at 14.30 hr. The at Aster Room, 14th Floor, The St. Regis Bangkok, Rajdamri Road, Patumwan District, Bangkok. The meeting invitation letters had been issued with determined date, time, place, agenda and suggestions with proper details and reasons, clearly defining that it is to be acknowledged, approved or considered as it might be, including the comments from Board Directors, then, sent for acknowledgement of shareholders and registrar, with Power of Attorney enclosed for the shareholders incapable of attending in person. The letter was sent through registered mail no less than 14 days prior to the meeting date. The advertisement to inform appointment of the

meeting was no less than 3 days prior to the meeting date, in accordance with Articles of Association or as required by laws.

The Company had prepared for correct and suitable proceeding of the meeting, with the Company's reception staff, document inspectors, stamp duty, to facilitate the shareholders who gives/serve as a proxy. Snack service was also available for the shareholders while waiting. Registration and voting via Barcode system was available to be conducted in advance for 2 hours prior to commencement of the meeting. The ballots were completely provided in accordance with the agenda.

The Company's Board of Directors, Management team, company secretary, auditors, independent lawyers had participated the Meeting to answer the shareholders' enquiries, with Chairman of the Board acting as Chairman of the Meeting. Prior to commencement of the meeting, the Company's secretary was assigned by the Chairman to declare number of the shareholders attending in person and by proxy, and inform shareholders of their right as per Articles, conducting a meeting, agenda and voting methods using separate ballots for individual agenda. Voting result announcement was done after votes counting under observation of the shareholders' representative invited by Chairman of the Meeting.

The Chairman had conducted the Meeting according to the agenda clarified to shareholders in a timely manner, all shareholders could take their right to keep their interests, including to comment, enquire, discuss, and so on. The Company had placed importance on question and answered in transparent and straight forward manner, with written record of such, including voting result of individual agenda as agree, disagree, and abstain.



The Company notified the resolution of shareholders' meeting to Stock Exchange of Thailand and meeting minutes is provided for all meetings of shareholders with correct and complete content including the particulars of directors, independent directors, management team, secretary, auditors, independent lawyers participating the meeting, announcement of voting results of all agendas, enquiries & answers, and significant comments, for the shareholders to verify. The Company had notified meeting minutes to Stock Exchange of Thailand within 14 days from such meeting date and had submitted annual report with a copy of Financial Position Statement audited by the auditors and approved by the shareholders, with copy of shareholders' meeting minutes related to approval of Financial Position Statement, profit allocation and dividend payment to registrar of public company. And the Company also gets the minutes of Shareholders' General Meeting published on the Company's website.

In 2020, the Company was evaluated by Quality Assessment Program on Annual General Meeting (AGM) of Thai Investors Association, for holding Shareholders' General Meeting of the year 2020 at score of 99/100 %, in criterion of "Excellent".

2. Equitable treatment of shareholders

Board of Directors recognize and place importance on equal and fair treatment of all shareholders, including minority (free float), majority, foreigner shareholders, and institutional investors. Minority shareholders shall be protected from being taken advantage, either directly or indirectly.

The Company was held Annual General Meeting of Shareholders on Tuesday, August 4th, 2020 at 14.30 hr., at Aster Room, 14th Floor, The St. Regis Bangkok, Rajdamri Road, Patumwan District, Bangkok. The meeting invitation letters were sent to individual shareholders, along with meeting documentation correctly, completely and in time. The Company had enclosed Proxy Form A and Form B in accordance with the announcement of the Department of Business Development, Ministry of Commerce on the requirement of Proxy Form (5th Edition) B.E. 2550 (2007), while Proxy Form C is published on the Company's website for foreign investors who appoints custodian in Thailand as stock keeper and depository. These 2 Proxy forms are in

general form and particular form that shareholders can determine direction of voting. Shareholders may authorize a person or an independent director determined by the Company. The Proxy form with no duty stamp from shareholder shall be taken care by the Company to put the duty stamp on.

The Annual General Meeting of Shareholders for 2020 had been participated by 8 persons from total 9 persons of directors and Audit Committees, including Chairman of the Board, Chairman of Executive Committee, Chairman of the Audit Committee, Audit Committee, independent directors, executives, and the Company's secretary, as well as the Company's auditors and Independent lawyer.

The Chairman assigned the Company's secretary to declare number of the shareholders attending in person and by proxy, and inform shareholders of their right as per Articles, conducting a meeting, agenda and voting methods using separate ballots for individual agenda, and announcement of voting results, in conformity with Articles of Association prescribing that one share is one vote, and voting is to be done openly, with the ballots provided by the Company in all agendas. For agenda on Appointment of the Directors, shareholders shall take the right to appoint individually.

The Company had strictly observed meeting regulations, and no additional agenda raised in the meeting. The Chairman had regulated the meeting and allowed shareholders to comment and enquire sufficiently and appropriately before voting in such agenda. After that, ballots were distributed to shareholders for voting. Then, the votes were counted and announced under supervision of shareholders' representative to verify correctness openly. The ballots were kept by the Company as the evidence. The minutes is recorded in writing for voting amount of agree, disagree and abstain, as well as video record of the meeting as Facebook Live.

The Company reported this meeting to Stock Exchange of Thailand and disseminated Minutes of the Meeting through the Company's website within 14 days from meeting date for inspection of the shareholders.

Board of Directors had prescribed the measures of Insider Trading by related persons, including directors, executives, employees, and staff, as well as spouses and underage children of such persons. The penalty for

disclosure of the Company's data or taking it for personal interests has been determined according to the policy on prevention of inside information usage. The Company's directors and executives have been informed of responsibility on securities holding report of directors and executives, and their spouses and underaged children, as well as reporting changes in security holding to Securities and Exchange Commission, in conformity with Section 59, and The Penalty Clauses according to Securities and Exchange Act B.E. 2535 (1992).

3. Consideration on Stakeholders' Roles

Board of Directors recognizes treating rights of stakeholders in all sectors, including internal stakeholders such as the Company's personnel, and external stakeholders like partners, competitors, creditors, government and other related agencies, regardless of the rights defined by laws or mutual agreement, as well as shared responsibilities on economy, society and environment, in order to stably and sustainably create competitiveness, good business operation, good relationship and collaboration between the Company and stakeholders.

Employees: The Company treats and places importance on all employees equally and fairly, promotes and supports development and training in various courses continually and consistently. The rewards are considered properly according to knowledge and capability of the employee, and in conformity with the Company's business operation in short and long terms, provided with welfares on annual medical check-up, group insurance, provident fund, student loan, emergency loan, along with cultivating consciousness on maintenance of the environment and surroundings at workplace in consideration of life quality and safety of the employees.

Shareholders: The Company places importance on treating all shareholders equally and fairly under the policy and guidelines to allow shareholders to access necessary information correctly, appropriately and in time.

Customers: The Company places importance on treating all customers with transparency, fairness and verifiability, and responsibility, focusing on the services quickly responding on time to customers' desires with quality, standard, and convenience. The Company intends

to monitor customers closely, and provides equitable and fair assistances, aiming to ultimate satisfaction of customers.

Partners: The Company places importance on treating all the Company's partners fairly through the policy on clear and concrete selecting and screening, focusing on existing agreements under regular communication and idea exchanges on operations between the Company and partners, in order to keep relationship and improvement on work operations to achieve the mutual objectives and goals.

Creditors: The Company places importance on treating all the Company's creditors fairly, be responsible to all, especially on compliance with terms and conditions in strict and timely manner, without any incidents of breach to the creditors at all.

Competitors: The Company places importance on treating all competitors with the operation under the rules of healthy competition, practicing in conformity with relevant laws and regulation, not ruining the competitors' reputation, not seeking the competitors' trade secret in dishonest and unappropriated manners, and never commit violation on the other's copy right and intellectual properties.

Society, community and environment: The Company focuses on operations with responsibility on society, community and environment, in compliance to relevant laws and regulation, with ethics and morality, transparency, fairness, equality, and not taking advantage on society, community, environment and stakeholders, with no illegal conducts. To do so, the Company keeps continual communication and training for personnel development, in order to provide knowledge and understanding on social responsibility, and to cultivate environmental consciousness into the same direction.

Whistleblowing of wrongdoing

The Company has been approved by Thailand's Private Sector Collective Action Coalition Against Corruption, through the policy of anti-corruption, prohibiting bribery and corruption in all forms, either directly or indirectly. The Company determines to have regular assessment of fraud risk, as well as supervision, monitoring, and reporting to Audit Committee about performances on anti-fraud and corruptions. Any violations supporting, assisting or cooperating to frauds and corruptions shall be condemned in accordance with the Company's regulations.

The Company has arranged measures and channels for complaints, comments, and whistleblowing for wrongdoings of stakeholders in all sectors as listed below.

Letter: The Audit and Corporate Governance Committee

G Capital Public Company Limited
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Fax : 02-651-9553

Website : www.gcapital.co.th

Email : auditcommittee@gcapital.co.th

The employees may submit complaints and suggestions directly to Board of Directors and the Executives via the Company's email system.

The Company shall provide fair treatment, and protection to whistleblowers of wrongdoing, maintaining confidentiality of persons involving investigation on such fraud and corruption.

However, the Company has never received any complaint or whistleblowing of any wrongdoing within the past year.

Channels of direct contact to Audit Committee/Board of Directors

Stakeholders may contact to Audit Committee/Board of Directors directly via the email: auditcommittee@gcapital.co.th. The Company has determined the policy to protect whistleblowers and maintaining confidentiality of the data by taking data into verification process, and further seeking for the solution.

Investor relations

The Company's Investor Relations department is delegated for responsibility on investor relations to communicate and disclose the data correctly, completely and in time to investors, analysts, mass media, and other stakeholders equally and fairly, through various media including published documents, newspapers, radio, television, meetings and making statements, including dissemination through websites and emails, and so on.

Investor relations: Ms. Nuchanad Jirakiatmongkol
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The Company encourages Investor Relations officers to attend useful seminar courses regularly. In 2020, Investor Relations officers had attended such courses held by Investor Relations Development work, Section of Governance Development for Capital Market, The Stock Exchange of Thailand, and participated in other relevant works as follows.

- Readiness course: Sustainability Assessment of 2020
- Corporate Sustainability Strategy Course 4
- Smart Disclosure Program (SDP) 3/2020
- Analyst Meeting 2020

Investor relations Activities

• Activity of listed companies meeting investors: "Opportunity Day" held by The Stock Exchange of Thailand, with objectives to clarify data of the Company's business operations to securities analysts, investors, mass media, and interested persons. This activity is always held after announcements of financial statement in every quarters. The Company has regularly participated this activity to disclose the data available for shareholders and investors on www.gcapital.co.th, and on website of The Stock Exchange of Thailand.

• Activity of visiting operations of listed companies: "Company Visit" held by the Company, with the objective to clarify data of the Company's business operations to securities analysts, investors, mass media, and interested persons. This also allowed members of Thai Value Investor to acknowledge of the data on the Company's management and operation, establishing healthy relationship between the managements and the participants, as well as the confidence, conviction, impression and pride on being a shareholder of the Company, leading to expansion of shareholder and investor base in the future.

- Activity of data dissemination via other channels:

The Company has disseminated data of the Company's introduction, past performances, and media interviews during the periods of news spreading affecting the Company, to get shareholders, investors, and interested persons informed of the Company's information continually.

4. Data Disclosure and Transparency

Board of Directors places importance on disclosing the data correctly, completely, sufficiently and in time. This includes reporting financial and general data in conformity with guidelines of SEC and stock market, as well as crucial data affecting the Company's stock prices, thus affecting decisions of investors and the Company's stakeholders. To provide equal data to all, the Company has disseminated the Company's information to shareholders and public through channels and media of the stock market and the Company's website at www.gcapital.co.th.

Board of Directors is aware of responsibility and strictly determine to maintain the practices in conformity with laws, regulations and orders related to data disclosure and transparency as follows.

- The Company disseminates the data in accordance with the specified criteria through the channels of stock market, Annual Disclosure Form (Form 56-1), and annual report (Form 56-2), along with dissemination of such data through the Company's website, with regular updating.

- The Board reports results of conforming with Corporate Governance Policy via Annual Disclosure Form (Form 56-1), and annual report (Form 56-2)

- The Board arranges the report of its responsibilities on financial report, along with auditor's report, and report on Corporate governance of Audit and Corporate Governance Committee in annual report (Form 56-2)

- Through Annual Disclosure Form (Form 56-1), and annual report (Form 56-2), the Board discloses names and duties of committee and sub-committee, number of meetings, number of times individual committee annually participating the meeting.

- To comply with Notification of the Capital Market Supervisory Board on conditional rules and disclosing methods of the data on financial position and the Company's performances on the followings; (1) Policies and business overview (2) Nature of business (3) Risk factors (4) Operating assets (5) Legal dispute (6) General and other

important data (7) Data of securities and shareholders (8) Management structure (9) Corporate governance (10) Social responsibility (11) Internal control and risk management (12) Connected transactions (13) Critical financial data (14) Management Discussion and Analysis (MD&A)

- The Board and executives report asset holding and changes of asset holding pursuant to criteria of Office of the Securities and Exchange Commission.

- The first 4 directors and executives from managing director have duties to provide the report on own stake and stakes of related persons to the Company's Chairman of the Board of Directors and Chairman of the Audit and Corporate Governance Committee, including data disclosure to all committees, in compliance with The Securities and Exchange Act B.E. 2551 (2008)

- The Board arranges maintaining of internal control system comprehensive in all aspects including finance, work practices, work operation in accordance with related laws, regulations and orders, under check and balance mechanism effective enough to protect and supervise shareholders' investment funds and the Company's assets at all times. The Board also prescribes the practices in writing, hires independent internal auditor reporting directly to the Audit Committee, responsible for performances of all agencies in compliance with set regulations

- The Board provides risk management system related to all aspects, comprehensive on risk factors related to visions, goals, business strategies, financial management, work operation, fraud & corruption, and other work operation, considering opportunity and severity of the impacts, determining measures of prevention & mitigation, supervision, and monitoring. Risk Management Committee is responsible for risk assessment and presenting risk management plan to Board of Directors.

- The Company assigns the Investor Relations department to perform the duty and responsibility on investment relations, in order to communicate with the outsiders including shareholders, institutional investors, general investors, analysts, related government sectors as follows.

- To disclose crucial information to people
- To disseminate information to people thoroughly
- To clarify the rumors and news
- Unreasonable promotional disclosure

- Securities trading of the listed company using internal data correctly, sufficiently, equally, transparently and fairly.

- Execution when listed company's securities trading shifted from normal condition of the market

- In addition, the Company has prescribed the authorities including Chairman of the Board or Managing Director, to provide such data.

- The Company has prescribed the authorities as contact persons for coordination on disclosure with the stock market as follows.

- Event-based disclosures including acquisition or disposition of assets, Related Parties Transaction: RPT, schedule for shareholders meeting, change of directors and auditors, head office relocation, minutes of shareholders meeting, investment project and dividend payment/suspension by Managing Director

- Information disclosure based on accounting period, including annual financial statements and quarterly financial statements, Annual Disclosure Form (Form 56-1), Annual Report (Form 56-2) by Managing Director

- Provision of general information on organization administration to mass media by Managing Director

- Contact persons to coordinate with other relevant agencies as listed below.

- Thailand Securities Depository Company Limited: company secretary and The Compliance Bureau (TCB)

- Office of the Securities and Exchange Commission: company secretary and The Compliance Bureau (TCB)

5. Responsibilities of the Board

Board of Directors recognizes importance of its roles on policy formulation and direction of the Company's operations, monitoring the management's work and accountability of Board of Directors towards the Company and shareholders. Board of Directors possesses leadership, visions, knowledge, abilities and appropriate experiences, integrity, and independence on making decision for ultimate benefit of the Company and shareholders in overall.

The Company has 6 independent directors, over half of total number of the directors, to balance voting, with 4 independent directors to act as Audit and Corporate Governance Committee, being equivalent to 66.67% of total number of the directors. At present, the Company totally has 9 directors, including 8 non-executive directors

equivalent to 88.89% of total number of the directors, and 1 executive director, the Managing Director, equivalent to 11.11%. The Company has appointed directors to prevent sole decision of any person or group, in order to have effective administration and to create Balance mechanism. In addition, the Company has clear management structure as declared in the article of Management Structure composed of clear separation on chain of command, decentralization of administration and making decision to various sections within the Company as appropriate.

The Company's management structure including Board of Directors and 5 sets of subcommittees as listed below.

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

(Remark: The particulars of individual set of the committees are declared in the article of Management Structure)

Director Tenure

The Company has prescribed the Company's director tenure in compliance with Public Limited Companies Act, B.E. 2535 (1992) as directors and independent directors shall have tenure of 3 years, whereas the director retired by rotation may be elected and return to the position.

Committee Meeting

Board of Directors regularly holds the meetings to acknowledge operation results at least every 3 months, perhaps, with extraordinary meeting when necessary. In the meeting, the Chairman of the Board acting as Chairman of the meeting shall provide opportunity for all directors to express the idea freely. In some agendas, top executives or independent experts may join the meeting to clarify useful particulars, as a relevant person, and to acknowledge the policy directly, so that to put it in practice effectively. For voting, Board of Directors shall hold a majority of votes, when one director holds one vote. The stakeholder director shall not attend the meeting and/or abstain from such agenda. For equal votes, the Chairman of the meeting shall cast another vote as decisive vote.

The directors shall participate the meeting at all times, the exception must be informed to the Company's secretary in advance. Meeting attending times of individual director shall be provided as a part of annual report. The Company's secretary shall arrange annual schedule of the meeting, to get all directors acknowledged in advance. The Company's secretary shall send Meeting Invitation Letter to all directors to confirm the schedule with time, venue and agendas in advance for at least 7 days and the Company's secretary shall collect meeting's documentation from managing team to submit to Board of the Directors in advance. Such documentation shall be sufficient for Board of the Directors to make decision and discretion independently. The secretary of Board of Directors shall be minute taker who provide meeting minutes with complete content to be submitted to Chairman of the Board for signature of approval, then to be systemically and confidentially stored for convenient search.

For meetings of Board of Directors, the quorum must compose of no less than half of directors from total number of directors.

(Remark: Meeting Summaries of individual set of Board of Directors are declared in the Article of Management Structure)

Data reporting

1. The Board of Directors is responsible on provision of financial reporting and general information for shareholders and general investors in factual, transparent and verifiable manners, with reasonable explanation on policies, operation results, future trend, as well as achievement and obstruction of the enterprise.

2. The Board of Directors understands and support the practices in accordance with standards for professional Practice of the auditors.

3. The Board of Directors has provided the report defining responsibilities of Board of Directors on provision and disclosure of the enterprise's financial report in Annual Report, along with Financial Statements and auditors' report comprehensive on the following.

- Legal requirements for the Board of Directors to provide Financial Statements to declare factual and reasonable financial position and operation results of the past year.

- Responsibility of the Board of Directors on provision of correct and complete accounting information sufficient to maintain the Company's assets, and to acknowledge the problems, obstructions, and to prevent corruptions or wrong operations.

- Confirmation that the Company has observed Generally accepted accounting principles (GAAP), adopting appropriate accounting policy with regular practices, and has deliberately considered reasonableness when providing the Company's Statement of Financial Position.

Directorship in other companies

The Board of Directors realizes the importance of performing as directors and top executives of the Company, deliberately considering taking position of the director in various companies. In order to be certain that the directors are spending sufficient time to perform duties in the Company, established the policy to define number of other companies the directors and Managing Director may take position as a director, in order to conform with good practices according to principles of corporate governance of regulatory agencies such as The Stock Exchange of Thailand, as follows.

- Directorship of the directors in other companies should not exceed 5 companies.

- Directorship of the Managing Director in other companies is suggested by Board of Directors as to be compliance with Public Limited Companies Act, B.E. 2535 (1992), as well as announcement, regulations or rules of related regulatory agencies.

Risk Management

Board of Directors has arranged Risk Management Committee for consideration and proposal of policies, plans, performances on risk management to Board of Directors, with assessment and analysis of internal and external factors liable to affect the Company's business operation significantly in time of need, such as financial risk, operational risk, marketing and competition risks, strategic risk, government risk, risk from receivable management, risk from property management, risk from depending on factors, and so on, in order to define the measures and plans on risk management and reduction, risk monitoring, as well as to assign the relevant agencies

to monitor and report such risk regularly, for prevention of future damage of the Company, and to keep such risk in suitable and acceptable degree.

Assessment on Performance of the Committee

The Company arranges assessments on performance of Board of Directors, subcommittees and individuals at least once a year. This is to acknowledge the problems and obstructions in the past year, and to increase effectiveness and efficiency of the Board, as well as to create and improve relationship between the Board and the Management, including guidelines of improvement according to principles of good corporate governance, using sample of Board Self-Assessment Form of The Stock Exchange of Thailand, with evaluation topics including Structure of the Board of Directors, Diversity of directors, Selection of Directors and Appointment of Sub-Committee, Director Knowledge Development, Preparation before a Meeting, Suitability of the Meeting, Functioning of Meeting's Chairman, Operation Results, Policies, Administration, Observation of the Laws, Corporate Governance, Business Ethics, Internal Control System, Risk Management, Performance of the Sub-Committees, and so on. Additionally, the Company has arranged opinion evaluation of Committee towards the Company, in order to survey satisfaction on performing duty of the Board. The scores are to be taken into data analysis, with the result informed to the Boards for further operation of the management.

Succession Plan of Director and Managing Director

The Company has plans to nominate directors and Managing Director appropriately and transparently, to assure professional nomination of director and Managing Director according to nomination process considering both outsiders and insiders. Nomination and Remuneration Committee is assigned to conduct such task under required criteria and methods, along with Executive Development Program and consideration on work succession plans, to make sure that the Company has the executives possessed of knowledge and capabilities to succeed the key position in the future.

Orientation of New Director

- This orientation is to be conducted in order to acknowledge the new director on business overview, shareholders' structure, various sets of committees, corporate structure, financial position and guidelines of practices as director of listed company in The Stock Exchange of Thailand, as well as relevant laws. The new director is to be handed over with important documents such as the Company's data, good governance policy, business ethics and code of conduct, Public Limited Companies Act, B.E. 2535 (1992), Securities and Exchange Act (4th Edition) B.E.2551(2008), summary of the guidelines for connected transaction of listed company, and so on.

- The new director must undergo training and acquire certificate of Director's Accreditation Program (DAP) from Thai Institute of Directors (IOD) within 6 months from appointment date.

Director and Top Executive Development

The Company encourages the directors and top executives to join the seminar courses useful for their functioning, as well as to regularly meet directors and top executive of other organizations for idea exchange.

In 2020, the directors and executives had attended various seminar courses as follows.

- Asst. Prof. Wipada Tantiprabha: Advanced Audit Committee Program (AACP) held by Thai Institute of Directors (IOD), during 4-25 February 2020 (every Tuesday)

- Pol.Lt.Gen. Pongsiri Suankaew: Advanced Audit Committee Program (AACP) held by Thai Institute of Directors (IOD), during 21 August - 11 September 2020 (every Friday)

- Dr. Chaiyong Satjipanon; Role of the Chairman Program (RCP) held by Thai Institute of Directors (IOD), during 2-3 September 2020

- Mr. Nattaphon Sarasas Board Matters and Trends (BMT) course held by Thai Institute of Directors (IOD), during 25-26 November 2020

In addition, the Company's top executives also participated in seminar activities for idea exchanges on knowledge related to administration, operation, and performed as guest speakers in various seminars of other agencies.

In 2020, the Company has conducted Sustainability Report 2020 in separate copy from Annual Report, in order to disclose the policy and operation on corporate social responsibility and the Company's sustainable development, along with contribution in developments of economy, society, environment and corporate governance, via www.gcapital.co.th

Code of Conduct and Business Ethics

The Company has prescribed guidelines of practices on Code of Conduct for the Management and employees, to have all relevant persons abide by when performing duties with honesty, integrity and uprightness to the Company, stakeholders in all sectors, including supervision and monitoring for regular compliance of such practice guidelines.

Besides the announcement and communication for acknowledgement and compliance of all employees, the Company has also arranged evaluation on knowledge and understanding of such practice.

Internal Control

Board of Directors has established internal control system comprehensive on financial, operational executions, in accordance with relevant laws, regulations, Operation manual, under sufficiently effective inspection and balance mechanism, including prescription of written authorization, by the Company's Compliance Section to supervise, inspect and review to get the operations in compliance with laws and regulations of relevant agencies, and directly report to Managing Director. Internal Audit section has also been provided to report directly to Good Corporate Governance and Audit Committee.

Related Parties Transaction (RPT) or Acquisition or Disposition of the Company's Assets

In case that the Company and subsidiary (the company directly or indirectly holding over 50% of Paid-up capital) related parties transaction acquisition or disposition of the Company's crucial assets according to the guidelines of The Stock Exchange of Thailand. The Company must comply with the requirements of The Stock Exchange of Thailand on such matter. To conduct such transaction, the Company requires at least 3 of 4 from total votes of shareholders attending the meeting and entitle of voting, except shareholders with stake.

Conflict of Interest

Board of Directors has prescribed prevention policy on Conflict of Interest based on the principles that any decision in business operation must be done for ultimate interests the Company, whereas conflict of interest is to be avoided. Related parties or stakeholders of such transaction in consideration must inform the Company of own relations or stakes against such transaction, and must not participate in decision making, and also having no authority to approve such transaction.

Any transaction incurring conflict of interest, being not conform with normal business operation, or not pursuant to common trade conditions, must be considered appropriately by Audit and Corporate Governance Committee, and then proposed for approval in the meeting of Board of Directors, or shareholders (Depending on the case). The Company must comply with guidelines of Office of the Securities and Exchange Commission and The Stock Exchange of Thailand, with disclosure in the Notes to Financial Statements, Annual Report (Form 56-2), and Annual Registration Statement (Form 56-1) as well.

Prevention of Use of Inside Information by the Executives

The Company has policies and methods to supervise the directors and the executives on use of non-disclosed inside information to seek for personal benefits, including securities trading as follows.

- Provide knowledge for directors and executives on the duty on securities holding report of their own, their spouses and underaged children, to Securities and Exchange Commission and The Stock Exchange of Thailand according to Section 59 and The Penalty Clauses in Section 275 of Securities and Exchange Act B.E. 2535 (1992).

- The Company determines that the directors and executives report the changes in security holding to Securities and Exchange Commission, in conformity with Section 59 of Securities and Exchange Act B.E. 2535 (1992) within 3 days from date of changes. The copy of this report is to be submitted to the Company on the same date that the report is submitted to Securities and Exchange Commission.

- The Company determines that the directors, the executives and relevant operators acknowledged of inside information substantially affect the changes of share prices must suspend the Company's securities trading for 1 month prior to public disclosure of such inside information or Financial Statement, and wait for 24 hours afterward, and must not disclose such substantial information to other persons.

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 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 to be consistent with changes of business, regulations and rules of related laws.

Code 2: 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.

Code 3: Reinforcing Effective Board of Directors

The structure of the Board of Directors and Sub-Committees is established, consists of Audit and Corporate Governance Committee, Risk Management Committee, 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.

Code 4: Top Management 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 / top 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.

Code 5: 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.

Code 6: 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 and Corporate Governance 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 and Corporate Governance 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 connected 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 and Corporate Governance 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.

Code 7: 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 Investor Relations Department 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 and Corporate Governance 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.

Code 8: 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.



CORPORATE SOCIAL RESPONSIBILITY



In addition to the improvement of the company's work processes to meet its customers' needs. The Company also considers its practices with responsibility towards society and stakeholders in various sectors. The Company has designed many loan products which offer fair interests and are suitable with paying back ability of the customers. The Company design the new loan products to serve target customers that need loans but cannot apply for loan from financial institutions, thus need to depending on loan shark business with high-rate interest and creating issue of compounding debt in the long run. "Sabaijai Talad" loan is

designed to meet the requirement of the merchant / entrepreneur whose businesses are in the fresh market with no fixed income, making it difficult to apply for loan from financial institutions. And when they need working capital or big lump sum to pay for the stall rental annual fee, they need to depend on loan shark. The Company thus provide this opportunity for loan applying with a transparent, fair, and verifiable system with the interests regulated by the Bank of Thailand. "Sabaijai Employee" is a personal loan targeting at the employees in various companies. A lot of them have debts and have been blacklisted by the credit



bureau, making them unable to apply for the system loan so they depend on the loan shark for the loan with high interest rate. “Sabaijai Employee” has clear criteria in considering the credit limit and the ability for the customers to pay back. This helps increasing their opportunity in applying system loan.

During 17-18 December 2020, the Company’s management and employees has done the company CSR project “JaiSabai by Sabaijai Loan” in Phitsanulok and Phetchaboon provinces. The CSR activities including Sponsor a Meal, Provide PC computers, sports equipment and stationeries for students (kindergarten to elementary level) In these 3 schools: 1. Wat Mem-Suwanaram School (Thachang, Phrom Phiram, Phitsanulok), 2. Ban Pong-Tabaek School (Phutthabat, Chon Daen, Phetchaboon) and 3. Ban Takut-Chan School (Tha Kham, Chon Daen, Phetchaboon) to support the children from Thai farmers’ families to have a better quality of life and grow up potentially. The Company will continuously run this project and expand for more coverage in the coming years.

The Company has a separated sustainability report 2020, from Annual report to disclose the corporate social responsibility policy and Company’s sustainable development plan integrating social, economic and environmental objectives.

The Company has prepared the Annual report and the Sustainability Report for the year 2020 for distribution to the shareholders who attend the 2021 Annual General Meeting of Shareholders and disclose via the website of the company at www.gcapital.co.th



ANTI-CORRUPTION



Our staffs attend
Anti - Corruption Seminar
and Activities

G Capital Public Company Limited is committed to conduct its business with integrity, ethics and corporate social responsibility and treat all stakeholders with the good Corporate Governance practices. The Company has officially campaigned against the corruption in the organization, to let our team 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. To make decisions and business operation that may be at risk of corruption has been carefully considered, the company has regulated and implemented the Anti-Corruption guidelines in written with clarification and communication of 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.



GCAP has been a certified
member with the renewal
certification for another
3 years from 26 Feb 2019

STOP
CORRUPTION



GCAP join the Anti-Corruption day 2020 (Virtual Collaboration)

On September 15th, 2020, G Capital Public Company Limited has joined the Anti-Corruption Day 2020 (Virtual Collaboration) under the concept of “Catch cheating, Just easy, At your fingertips”. To stimulate the unification of Thai people in all sectors to sacrifices and cooperates as a volunteer to fight with fraud and corruption. This will be a social force that rejects all forms of corruption. This year, The Private Sector Collective Action against Corruption (CAC) and partners, has organized the Anti-Corruption day 2020 in the format of Virtual Collaboration as the result of the epidemic situation of the COVID-19 virus in Thailand.

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 from 26 February 2019.

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



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) and using Anti-Corruption Policy under the criteria of Collective Action Coalition Against Corruption (CAC) as guideline.

The Audit and Corporate Governance Committee has reviewed internal control system regularly as well as considering the audit results of internal Control department under the Audit and Corporate Governance Committee with company authorized auditor's opinion and report to Board of Directors at least once a year. The consideration on the above-mentioned factors together with existing internal control system and operation practicing, the Board of Directors agrees with the Audit and Corporate Governance 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 and Corporate Governance Committee and Board of Directors have never been reported on any significant losses occurs from 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 66.66% 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 and Corporate Governance Committee, not depending to the management team. The Board of Directors and Executives realized that all employees are the 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. From COVID-19 outbreak situation in Year 2020, the company has adopted and applied BCP in all working processes. And the result showed that its scope can cover and control overall business operation completely.

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 and Corporate Governance Committee reviews the connected 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 connected transactions whereas Finance and Accounting Department is responsible for reporting the connected transactions to the Audit and Corporate Governance Committee quarterly.

Information & Communication

The company operates by the efficient Information Technology System with correctness, completeness and timely manner, 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 communication channels between Management level to employees including email, LINE, and PR News on the company Bulletin board, for knowledge sharing and information exchanging among employees. The company arrange Town Hall to provide 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 required to report directly to Managing Director via email, LINE or telephone. Another important channel is mailing directly to the Audit and Corporate Governance 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 or e-mail to auditcommittee@gcapital.co.th. The company implements, the complaint person protection policy, not to disclose the identity of such complainer.



The Audit and Corporate Governance Committee visit the customer site for customers' satisfaction survey

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 and Corporate Governance Committee and Board of Directors within specific period. Board of Directors has assigned Audit and Corporate Governance 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 and Corporate Governance Committee approval quarterly and annually. There is no significant fraud issues or incident found. In the 2020.

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.



The Audit and Corporate Governance Committee visit the customer site for customers' satisfaction survey

Internal Audit

Internal Audit department is directly report to Audit and Corporate Governance 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 and Corporate Governance 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 and Corporate Governance Committee's charter provides both of guidelines and code of conducts to internal audit and be reviewed annually. Audit and Corporate Governance 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 and Corporate Governance Committee and Internal Audit department 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 Audit and Corporate Governance Committee director 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.

CONNECTED TRANSACTIONS



The Company has related party transactions with connected persons. By the transactions are the company generally operation. For approval procedure of connected transactions, the company has an appropriate policy to operate the business following to the industry and referring to the market price and market conditions. If there is not a general trade or not following to the general trading conditions, must be always proposed to the Board of Directors for approval. The directors who have interests with related parties that may have conflicts of interests in the transactions will not be able to vote for the matter and must report to the Board of Directors for acknowledgement, whereas transaction must be highly beneficial to the company.

In considering connected transaction, the Audit and Corporate Governance Committee must attend the meeting for review of necessity and appropriateness by considering the prices, compensation rate of each transaction. Except, for general connected transactions in trading operation that following to the general trading conditions, Executive Committee, Chairman of Executive Committee or Top Management can approve a transaction within the determined scope of approval. In case that the Audit and Corporate Governance Committee is unskilled on connected

transactions. The company will provide the specialist such as the company's auditor or independent expert to give an opinion on that connected transaction. The Audit and Corporate Governance Committee's or specialist's suggestion will be taken into decision making of the Board of Directors or shareholders, as the case maybe.

In addition, the Company will disclose the connected transactions in the Note to financial statement audited by the Company's auditor. In operating connected transactions must strictly conform with Securities and Exchange Law, Rules, Announcement, Orders or regulations of Securities and Exchange Commission and/or The Stock Exchange of Thailand regarding entry of Related-Parties Transactions, acquisition, or disposal of the Company's assets, including following with the disclosure requirements, connected transactions and acquisition or disposition of important assets of the Company.

For the future connected transactions that may happened, the Company has a procedure for approval to any transactions by accordance with the above measures. The Company has policies to operate of general trading business, referring to market price and to appropriate market price and conditions, In order to obtain maximum benefit to the Company.

Details of Connected Transactions

By resolution of the Board of Directors no.3/2021, on 28th February 2021, the Independent Audit and Corporate Governance Committee have attended the meeting to review connected transactions, for the year ended on 31 December 2020 and 31 December 2019, and suggested that connected transactions were necessary for general business. The conditions of connected transactions with related parties in the during period depend on market prices, contractual prices and agreed prices, which are reasonable and according to general business operations with the details below.

Related parties	Nature of Transaction	Value of Connected transaction for the period ended on		Reason & Necessity
		31 Dec 2020	31 Dec 2019	
General Outsourcing Co., Ltd. Committee is related person.	Customer referral fee	15,833	316,455	The transaction is based on the general trading business, and supportive to the Company's maximum benefit. Such transaction has defined the conditions with concern of market prices. It had been considered by Audit and Corporate Governance Committee, and already approved by the Board of Directors.
	Payroll service fee	370,770	364,890	The transaction is based on the general trading business, and supportive to the Company's maximum benefit. Such transaction has defined the conditions with concern of market prices. It had been considered by Audit and Corporate Governance Committee, and already approved by the Board of Directors.
Samlom Company Limited Committee is related person.	Interest	224,877	-	The transaction is based on the general trading business, in accordance with criteria of the Company's loan consideration. It had been considered by Audit and Corporate Governance Committee, and already approved by the Board of Directors.
	Loan Debtor • with real estate mortgaged as collateral	19,224,877	-	The transaction is based on the general trading business, in accordance with criteria of the Company's loan consideration. It had been considered by Audit and Corporate Governance Committee, and already approved by the Board of Directors.
Samlom Capital Company Limited Committee is related person.	Interest	36,690	-	The transaction is based on the general trading business, in accordance with criteria of the Company's loan consideration. It had been considered by Audit and Corporate Governance Committee, and already approved by the Board of Directors.
	Loan Debtor • with real estate mortgaged as collateral	3,136,690	-	The transaction is based on the general trading business, in accordance with criteria of the Company's loan consideration. It had been considered by Audit and Corporate Governance Committee, and already approved by the Board of Directors.

Related parties	Nature of Transaction	Value of Connected transaction for the period ended on		Reason & Necessity
		31 Dec 2020	31 Dec 2019	
Director	Interest (Rate: 8.50% and 13.50% per year)	1,165,832	1,172,246	The transaction is based on the general trading business, in accordance with criteria of the Company's loan consideration. It had been considered by Audit and Corporate Governance Committee, and already approved by the Board of Directors.
	Interest Expenses (Rate: 7% per year)	74,795	452,425	The transaction is based on the general trading business, and supportive to the Company's maximum benefit. Such transaction has defined the conditions with concern of market prices. It had been considered by Audit and Corporate Governance Committee, and already approved by the Board of Directors.
	Personal loan debtor • No collateral • with real estate mortgaged as collateral	774,941 6,360,977	836,621 21,135,070	The transaction is based on the general trading business, in accordance with criteria of the Company's loan consideration. It had been considered by Audit and Corporate Governance Committee, and already approved by the Board of Directors.
	Employee loan debtor Short-term Unsecured Debenture Accrued interest	292,718 - -	450,009 10,000,000 278,082	The transaction is based on the general trading business, and supportive to the Company's maximum benefit. Such transaction has defined the conditions with concern of market prices. It had been considered by Audit and Corporate Governance Committee, and already approved by the Board of Directors.
Shareholder	Interest Expenses (Rate: 8.25% and 5-10% per year)	10,681,596	10,433,014	The transaction is based on the general trading business, and supportive to the Company's maximum benefit. Such transaction has defined the conditions with concern of market prices. It had been considered by Audit and Corporate Governance Committee, and already approved by the Board of Directors.
	Short-term Unsecured Debenture	-	160,000,000	The transaction is based on the general trading business, and supportive to the Company's maximum benefit. Such transaction has defined the conditions with concern of market prices. It had been considered by Audit and Corporate Governance Committee, and already approved by the Board of Directors.
	Promissory Note Accrued interest	160,000,000 1,722,329	- 3,260,000	The transaction is based on the general trading business, and supportive to the Company's maximum benefit. Such transaction has defined the conditions with concern of market prices. It had been considered by Audit and Corporate Governance Committee, and already approved by the Board of Directors.
Joint venture	Interest Expenses (Rate: 5.25 - 6.25% and 6% per year)	348,500	162,740	The transaction is based on the general trading business, and supportive to the Company's maximum benefit. Such transaction has defined the conditions with concern of market prices. It had been considered by Audit and Corporate Governance Committee, and already approved by the Board of Directors.

Reasonability of Connected Transactions

According to the Committee's resolution no. 3/2021, on 28th February 2021, with the Audit and Corporate Governance Committee attending the meeting, has giving a suggestion that the connected transactions are necessary for general business operation. The conditions of connected transactions reasonably based on market prices and agreed prices, according to general business operation.

Measures or Procedures for Approval of Connected Transactions

To prevent transactions with conflict of interest, any connected transactions between the Company and person or enterprise, which may have conflict of interest, in contrast with general trading of business, or against general trading conditions should be proposed to Board of Directors' meeting for approval at all times. Related directors, persons, and enterprises liable to have conflict or being stakeholder of such transaction, should not be entitled to vote in such matter. Such transaction must be highly beneficial to the Company. The Audit and Corporate Governance Committee must attend the meeting to give opinion on such connected transactions, Except, for connected transactions between the Company or related company as a transaction for general trading operation, or based on general trading conditions, Top management may approve such transaction within the determined scope of approval. Such connected transactions must strictly conform with Securities and Exchange Law, rules, announcement, orders, or regulations of Securities and Exchange Commission, and/or The Stock Exchange of Thailand regarding entry of Related-Party Transactions, or acquisition or disposal of the Company's assets.

Policies or Trends of Future Connected Transactions

As for future connected transactions, the Company's procedure for approval is to follow the measures mentioned above, to obtain maximum benefit to the Company. The Company has policies to carry on as per nature of general trading business, referring to appropriate market price and conditions. The Company's Audit and Corporate Governance Committee and / or independent directors are responsible to make the future connected transactions to conform with Securities and Exchange law, rules, announcement, orders, or regulations of Stock Market, as well as requirements for disclosure of information on related-party transactions, and acquisition or disposal of the Company's assets.

If the Company has connected transactions liable to future conflicts, the Audit and Corporate Governance Committee should suggest appropriateness of such transactions. If the Audit and Corporate Governance Committee is unskilled on such connected transactions, the specialist, such as the Company's auditor or independent expert, must be provided. Suggestions of Audit and Corporate Governance Committee should be taken into decision making of the Board of Directors, or shareholders, as the case may be. Such connected transaction must be disclosed in the Note to financial statement.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Statement

1) The Company's auditor

Year	Independent Auditor Name	Certified Public Accountant's Number	Independent Auditor's Company
2020	Ms. Nannaphat Wannasomboon	7793	Dharmniti Auditing Co.,Ltd.
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.

2) Summary of auditor report

The auditor report for the financial statements in 2016-2020 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 7th 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 31st December 2020, Sabaijai Money Company Limited has not fully operated. According to the economic slowdown and the outbreak of COVID-19. Therefore, the company analyzed the operating results from the separate financial statements of the year 2020 compared to the separate financial statements of 2019

Company's performances

There are 5 main business categories which are 1) Sabaijai Farmer 2) Sabaijai Andaman 3) Sabaijai Business 4) Sabaijai Employees and 5) Sabaijai Talad. The hire purchase, our main business, support both new and used agricultural machinery such as combines rice harvester, corn hasvestor, tractor, tractor, wheel loader, sugar cane loader, grain dryer and crepe rubber rolling machine.

In 2020, the Company has continued its focus on its specialized hire purchase business for agricultural machinery especially for combine rice harvester. 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 loan and nano financing license under supervision from the Ministry of Finance since October 14th, 2015, while it started providing personal loans and nano financing in December 2015 and March 2016, respectively.

In December 2020, the company has signed the mou with Nim See Seng group, in order to set up a joint venture company (JV) to operate hire-purchase business in agricultural and Logistic industry.

Loan Booking

	2015	2016	2017	2018	2019	2020
Total New Loan Booking (million baht)	270	355	1,120	1,180	1,290	997
Percentage Growth	(37%)	31%	215%	5%	9%	(23%)

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.

In the year 2020, the company had total loans of 997 million baht, compared to the total loan amount in the year 2019. A decrease of 23% from the last year due to the economic slowdown and the outbreak of COVID-19.

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 2020 and 2019 at 330.11 million baht and 358.63 million baht, which was decreased by 28.52 million baht or 8% according to the economic slowdown and the outbreak of COVID-19.

The income from the right under the hire purchase contract still be the Company's main revenue source which was equivalent to 73% and 74% of total revenues in 2020 and 2019 respectively. In additional, the company also had loan interest income (combined personal and corporate) in 2020 and 2019 amount of 68.93, and 71.02 million baht respectively, which was decreased by 2.09 million baht, equivalent to 3%.

Expenses

The expense consists of cost of sales, administrative expenses and allowance for doubtful accounts, details as followed:

Selling Expense

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

The selling expense in 2020 and 2019 were 8.91 million baht and 16.66 million baht, was decreased by 7.75 million baht, equivalent to 3% and 5% of total revenues respectively.

Administrative Expenses

The administrative expense consists of personnel costs, including salaries, bonuses, rents and service charge, consultancy, depreciation, utilities, gasoline, fee, and etc.

The administrative expenses in 2020 were 127.67 million baht, equivalent to 39% of total revenues, was increased from 2019 by 10.47 million baht, equivalent to 9%.

Financial cost

The financial costs of the company in 2020 and 2019 equal to 139.80 and 116.67 million baht respectively, was increased by 23.13 million baht, equivalent to 20%. The outstanding loan as at 31 December 2019 was 2,078.92 million baht, increased by 29% comparing to year 2018, and expecting interest expense to be paid throughout the year 2020.

Profit

Net profit of the company in 2020 and 2019, the company had a net profit of 16.86 and 56.22 million baht, was decreased by 39.34 million baht, equivalent to 70%. The changed was affected by a decreasing of income amount 28.52 million baht and an increasing of expenses: selling and administrative expense 2.72 million baht and financial cost 23.13 million baht. While the allowance for expected credit losses of hire-purchase and loan receivables decreases 5.80 million baht.

Earnings per Stock (EPS)

In 2020 and 2019 the company has earnings per share of THB 0.06 and THB 0.20 per share respectively.

STATEMENT OF FINANCIAL POSITION

Assets

Assets of the Company consist of:

1) Current assets include cash and cash equivalents, current portion of lease receivables due within one year, receivables during the legal proceedings with collateral and other receivables.

2) Other current assets include accounts receivable under hire purchase and personal loan receivables due more than one year, receivable during the legal action, deferred tax assets and other non-current assets

Total assets of the Company at the end of 2020 was 2,399.16 million baht, decreasing from the total assets in 2019 by 320.50 million baht or 12%. The significant change included a decrease in hire purchase receivables by 72.09 million baht or 4%, a decrease in loan receivables by 103.87 million baht or 17%, and cash and cash equivalents decreased by 216.75 million baht or 85%.

Hire-Purchase Receivables

At the end of 2020 and 2019, the Company had accounts receivable under hire purchase contract at 1,589.79 million baht and 1,661.89 million baht respectively, representing total assets at 66% and 61% respectively. The 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.

Loan Receivables (combined personal and corporate)

In 2020 and 2019, the Company had loans receivable at 509.81 million baht and 613.68 million baht respectively, decreasing by 103.87 million baht or 17%. The loan receivables are value of the loan contract plus accrued interest minus allowance for doubtful accounts.

Quality of Accounts Receivables

The Company has the policy of setting provision for doubtful accounts (the allowance for expected credit losses) as following;

Applicable from January 1, 2020

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

Loan receivables - net are presented at the contract value plus accrued interest income and less allowance for expected credit losses.

The Company recognizes expected credit losses of hire purchase and loans receivables under the General Approach. The Company has categorized credit risk of hire purchase and loan receivables into 3 groups as follows:

Group 1 : Hire purchase and loan receivables with no significant increase in credit risk (Performing). The Company recognizes expected credit losses at the amount equal to the expected credit losses in the next 12 months. The Company will use the probability of default which correspond with remaining terms for hire purchase and loan receivables with a remaining maturity of less than 12 months.

Group 2: Hire purchase and loan receivables with significant increase in credit risk (Under-Performing). The Company recognizes expected credit losses at the amount equal to the lifetime expected credit losses of hire purchase and loan receivables.

Group 3: Hire purchase and loan receivables with credit - impaired (Non-Performing). The Company recognizes expected credit losses at the amount equal to the lifetime expected credit losses of hire purchase and loan receivables.

Applicable prior to January 1, 2020

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 classification of the hire-purchase contracts receivable and policy allowance for doubtful accounts are as follows:

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:	
Over 0.5 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

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 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 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 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 - 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

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 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

Table: Aging of accounts receivables under hire purchase contracts

Type of Accounts Receivables	For the year ended					
	2020		2019		2018	
	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)
Normal (Performing)	1,416.70	87	1,154.88	67	1,106.32	72
Overdue						
More than 1 - 3 installment (Under-Performing)	184.84	11	491.08	29	360.80	23
More than 3 installments (Non-Performing)	15.25	2	75.62	4	75.18	5
Total	1,616.79	100	1,721.58	100	1,542.30	100
Less : provision for doubtful accounts	(27.00)	(2)	(59.69)	(3)	(68.81)	(4)
Net Accounts Receivable under Hire - purchase contracts	1,589.79	98	1,661.89	97	1,473.49	96

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

In year 2020, The ratio of overdue receivable in doubtful loss (more than 3 installments) is 2 percent of total debtors and the ratio for performing receivable is 87 percent of total debtors. Improved portfolio quality due to the company has adjusted the management process for tracking and collecting debts more efficiently. Moreover, Accounting guideline on temporary relief measures for the entities that provide assistance to the debtors affected by the situation affecting the Thai economy. In the classification of debtors, the Company had classified the performing receivables and non-performing receivables that had

assisted to meet the scope and requirements specified in this guideline.

Loan Receivables

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.

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

Table: Aging of accounts receivables under loan contracts.

Type of Accounts Receivables	For the year ended					
	2020		2019		2018	
	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Percent)
Normal (Performing)	461.59	88	502.03	78	365.26	76
Overdue						
More than 1 - 3 installment (Under-Performing)	56.99	11	76.34	12	64.90	14
More than 3 installments (Non-Performing)	5.07	1	68.94	11	50.04	10
Total	523.65	100	647.31	100	480.20	100
Less : provision for doubtful accounts	(13.85)	(3)	(33.64)	(5)	(19.60)	(4)
Net Accounts Receivables under personal contracts	509.80	97	613.67	95	460.60	96

Account Receivables under litigation enforcement process with Collateral (Properties foreclosed)

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 2020 and 2019, receivables during legal proceedings secured net worth 96.79 million baht and 47.92 million baht or equivalent to 4.1% and 1.8% 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 2020 and 2019, the values of other Account Receivables were 20.92 million baht and 23.00 million baht, 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 2020 and 2019, receivables during the legal action were worth 21.63 million baht and 20.05 million baht, 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 2020 and 2019, the equipment value was 5.15 million baht and 18.05 million baht. Due to the Company had adopted TFRS 16 since January 1, 2020. It effected by the lease agreement was classify to Right-of-use assets

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 is 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 2020 and 2019, the deferred tax assets were 30.55 million baht and 42.67 million baht respectively. The decrease in deferred tax assets was a result of the cumulative effect of the changes in accounting policies due to the adoption of new financial reporting standards.

Liabilities

Total liabilities in 2020 and 2019 was 1,867.72 million baht and 2,167.10 million baht, respectively. In 2020, total liabilities decreased from 2019 by 299.38 million baht, representing 13% due to the repayment long-term and short-term debenture by 666.93 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 year end 2020 and 2019 trade payables and other payables amounted to 179.43 million baht and 51.27 million baht, respectively.

Sources of funds of the Company are as follows:

Source of funds	For the year ended					
	2020		2019		2018	
	Value (Million Bath)	Ratio (Percent)	Value (Million Bath)	Ratio (Million Bath)	Value (Percent)	Ratio (Million Bath)
Loans	1,635.71	75.5	2,078.92	79	1,608.42	82
Bank overdrafts and short-term loans from financial institutions	218.81	10.1	-	-	218.74	11
Other short-term loans.	214.00	9.9	226.57	9	40.00	2
Current portion of long-term loans from other company	7.14	0.3	-	-	-	-
Short-term unsecured debentures	-	-	170.00	6	100.00	5
Long-term loans from other company	9.80	0.5	-	-	-	-
Long-term unsecured debenture from financial institutions (more than 1 year)	1,112.09	51.3	576.07	22	673.76	35
Long-term unsecured debentures	73.33	3.4	1,106.28	42	575.92	29
Shareholder's equity	531.44	24.5	552.57	21	348.56	18
Total	2,167.15	100.0	2,631.49	100	1,956.98	100

Shareholders' Equity

The Shareholders' Equity of the Company as of 31st December 2020 and 2019 were 531.44 million baht and 552.56 million baht, decreasing by 21.12 million baht from paying dividends of 30 million baht and increase in the comprehensive income for the year 16.85 million baht and decreasing from of the changes in accounting policies due to the adoption of new financial reporting standards amount of 7.97 million baht

Audit Fee

In the fiscal year 2020 and 2019 , the Company paid Audit fee to Dharmniti Auditing Co., Ltd. in the amount of 850,000 baht and 770,000 baht respectively with non-another audit fee.

Liquidity analysis

unit : million baht

Items	2020	2019	2018
Cash flows received (used) from operating activities	287.71	(342.57)	(423.19)
Cash flows received (used) from investing activities	(6.43)	(34.85)	(11.54)
Cash flows received (used) from financing activities	(498.03)	602.45	413.87
Net cash increase (decrease)	(216.75)	225.04	(20.86)

In the year 2020, the company had net cash flow decrease from 2019 equal to 216.75 million baht due to 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 2020 and 2019 were 3.62 times and 3.92 times, respectively.

Financial statements in which the equity method is applied.

On February 7th, 2562, the company has a joint venture agreement with Chinese company. The company holds a joint venture in the amount of 5,100,000 shares, amounting to 25.50 million baht, representing 51 percent. The conditions of the agreement were given the right to vote on decisions about things that affect significantly on 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. Classified to joint venture Therefore considered as investment in a joint venture

As at December 31, 2020 and 2019 the statements of investment using the equity method the company therefore has a share of loss from investment in joint venture equal to 12.18 million baht and 3.92 million baht respectively 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 9.39 million baht and 21.58 million baht in the statement of financial position respectively.

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 2020. 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 and Corporate Governance Committee comprising of 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 and Corporate Governance Committee of such issue shown in the Audit and Corporate Governance Committee Report in the Annual Report.

The financial statements have been audited by a certified auditor from Dharmniti Auditing Company Limited which conducts the audit in accordance with auditing standards. And the financial statement shall comply with

ethical requirements. The certified auditor has planned and performed 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 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 of Directors believe that the Company has good internal control system that is adequate and appropriate. Reasonably confident that the financial statements of the Company for the year ended 31 December 2020 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 The Board of Directors

RISK MANAGEMENT COMMITTEE REPORT 2020

Dear Shareholders,

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

In the year 2020, the Risk Management Committee has held 4 meeting to monitoring of risk management. in summary, as follows:

1. Risk Assessment and the impact on business operations.
2. Assess the risk levels that have significant impacts on the Company.
3. Define the risk management plan and measures.

4. Propose a risk management plan.
5. Supervises, monitor and evaluate the risk management plan to be effective.
6. Report on risk management to the Board of Directors.
7. Report of risk management to the Board of Directors.

The company by the Risk Management Committee has continued monitoring and following up of the risk management listed above. To ensure that company has adequate and effective risk management, risk control and closely monitoring risk management plan. This will result in the Company, can operate continuously, and achieve the organization's business goals, 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 2020

Nomination and Remuneration Committee consists of 3 members as follows.

1. Mr. Prameson Pisitpan as Chairman of Nomination and Remuneration Committee.
2. Dr. Chaiyong Satjipanon as Nomination and Remuneration Committee Member
3. Mr. Nattaphon Sarasas as Nomination and Remuneration Committee Member
4. Ms. Wirongrong Boonprateep as Secretary of the Nomination and Remuneration Committee

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

In 2020, the Nomination and Remuneration Committee held 5 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, experiences, and expertise in the business, can operate in accordance with the plans and goals.

Prepare a Succession Plan for the position of top Executives (Managing Director and Chief Executive Level)

Consider the criteria for evaluating the performance of the Directors. Managing Director and top Executive (Chief Executive Level) to propose to the Board of Directors.

Develop the knowledge and skill of the Board of Directors by considering the courses, the costs and the appropriate director list who will attend those courses in the year 2020.

Remuneration : Consider remuneration for the Board of Directors, Sub Committee and 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 AND CORPORATE GOVERNANCE COMMITTEE FOR THE YEAR 2020

The Audit and Corporate Governance Committee of G Capital Public Company Limited is currently comprised of independent directors who align with the 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 4 members as follows:

1. Asst. Prof. Wipada Tantiprabha as Chairman of Audit and Corporate Governance Committee
2. Dr. Chaibong Satjipanon as Audit and Corporate Governance Committee Member
3. Mr. Prameson Pisitpan as Audit and Corporate Governance Committee Member
4. Mr. Narongpoj Longchupol as Secretary of the Audit and Corporate Governance Committee

In 2020, the Audit and Corporate Governance Committee has fulfilled its mission as assigned by the Board of Directors and the Charter of the Audit and Corporate Governance Committee. The Audit and Corporate Governance Committee has 6 meetings with top Executives, Auditors and internal auditors. The matters that the Audit and Corporate Governance Committee has considered and operated can be summarized as follows:

1. Reviewing the financial statements on quarterly and yearly basis

Audit and Corporate Governance 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 and Corporate Governance 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 that effect on the financial statements to ensure the preparation

of financial statements complies with legal requirements, financial reporting standard and the general accounting principles. The Audit and Corporate Governance 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 and Corporate Governance Committee conduct a review of risk management and internal control systems to ensure the company's operations to be effective and efficient 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 and Corporate Government 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 and Corporate Governance Committee Charter

Audit and Corporate Governance Committee review the Audit and Corporate Governance Committee Charter of the company, to consider, to improve, and to amend regarding to the qualifications, roles, duties, and the authorization of the Audit and Corporate Governance 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 connected transaction or transactions with conflicts of interest.

Audit and Corporate Governance Committee consider and provide the opinion on the connected transaction or transactions that may have conflicts of interest with the company, considering the connected 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 of the Audit and Corporate Governance Committee Meeting Minutes

Audit and Corporate Governance Committee prepare the Audit and Corporate Governance Committee Meeting's minutes 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 and Corporate Governance Committee and regulations of the Stock Exchange of Thailand (SET).

7. Compliance with the law on securities and stock exchange

Audit and Corporate Governance 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 and Corporate Governance 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 and Corporate Governance 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 and Corporate Governance Committee considered the performance of the auditor, Ms. Nannaphat Wannasomboon, 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 2020 Annual General Meeting of Shareholders has approved the appointment of Miss Nannaphat Wannasomboon, Auditor, License No. 7793 and / or Mrs. Sulalit Ardsawang, Auditor, License No. 7517 and / or Mr. Peeradech Phongsathiensak, Auditor, License No. 4752 and / or other assigned Auditors from Dharmniti Auditing Company Limited, to be the company's auditor.

9. Anti-Corruption

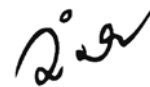
The Board of Directors and executives are aware of the fraud and corruption problem, therefore, establishing the committee to work against corruption and consider the plan, the system, monitor the implementation of anti-corruption both inside and outside the organization. The company communicate to employees 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 and Corporate Governance Committee

Audit and Corporate Governance Committee organize the committee self-assessment with the result "Excellent". This demonstrate the Audit and Corporate Governance Committee has performed all duties and operations as be assigned by Board of Directors and in line with best practices. Audit and Corporate Governance 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 and Corporate Governance Committee charter. The Audit and Corporate Governance Committee has the opinion that the company's financial report has been prepared correctly 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 and fully responsible to the economy, society and environment, ensured that 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 and Corporate
Governance Committee

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements, in which the equity method is applied of G CAPITAL Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2020, 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. I have also audited the separate financial statements of G CAPITAL Public Company Limited for the same period.

In my opinion, the financial statements, in which the equity method is applied present fairly, in all material respects, the financial position of G CAPITAL Public Company Limited as at December 31, 2020, its financial performance and its cash flows for the year then ended and the separate financial statements of G CAPITAL Public Company Limited 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

The key audit matters are various matters that are the most significant in accordance with my professional judgment in the audit of the financial statements for the current period. I have considered these matters in the context of the overall audit of the financial statements and in my opinion. However, I do not express a separate opinion on these matters.

Allowance for expected credit losses on hire purchase and loan receivables

As at December 31, 2020, the Company divided loan receivables into 2 groups: hire purchase receivables and loan receivables, totaling Baht 2,099.60 million (or 88.11 percent of total assets). The Company had adopted Thai Financial Standard No. 9, Financial Instruments, from January 1, 2020 and had applied the General Approach in calculating expected credit losses. This was based on historical data to develop a model for forecasting the probability of default of receivables and determining the expected recoverable of each group of receivables. It was the process involving uncertainty as it relied on many assumptions and factors such as car model, down payment, receivable's financial position, receivable's ability to repay debt. In addition, the assumptions used in the calculations contain both quantitative and qualitative data. This may result in a significant difference in the expected credit loss allowance that depended on the quality of each receivable's information.

I obtained an understanding, assessing the design and effectiveness of control systems relevant to the credit review process and calculating the expected credit loss allowance including the test of the reasonableness of the classification basis in the preparation of the Company's expert's report by randomly tested the accuracy of individual receivable reports classified by the overdue period, which was processed from the information technology system and checking the accuracy of calculation of the expected credit loss of the liabilities and considering the adequacy of the relevant information disclosures in the financial statements.

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

February 28, 2021

G CAPITAL PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

ASSETS

		Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Notes	2020	2019	2020	2019
Current assets					
Cash and cash equivalents	6	37,419,401	254,171,664	37,419,401	254,171,664
Current portion of hire-purchase receivables	7	545,356,506	620,927,032	545,356,506	620,927,032
Current portion of loans receivables	5, 8	290,947,935	338,232,377	290,947,935	338,232,377
Properties foreclosed	9	96,791,910	47,920,633	96,791,910	47,920,633
Receivables from sale of legal receivable claims	8, 11	6,251,948	-	6,251,948	-
Other current receivables	5, 10	20,922,342	23,001,187	20,922,342	23,001,187
Total current assets		997,690,042	1,284,252,893	997,690,042	1,284,252,893
Non-current assets					
Hire-purchase receivables	7	1,044,434,064	1,040,962,221	1,044,434,064	1,040,962,221
Loan receivables	5, 8	218,861,917	275,450,867	218,861,917	275,450,867
Receivables under litigation enforcement process	11	21,636,611	20,046,118	21,636,611	20,046,118
Investments in joint venture	12	9,393,629	21,574,657	25,500,000	25,500,000
Equipment	13	5,159,227	18,051,225	5,159,227	18,051,225
Right-of-use assets	14	33,715,238	-	33,715,238	-
Intangible assets	15	11,177,046	8,936,220	11,177,046	8,936,220
Deferred tax assets	16	30,556,081	43,462,865	30,556,081	42,677,797
Current income taxes asset		5,412,958	-	5,412,958	-
Other non-current assets		5,018,656	3,791,786	5,018,656	3,791,786
Total non-current assets		1,385,365,427	1,432,275,959	1,401,471,798	1,435,416,234
Total assets		2,383,055,469	2,716,528,852	2,399,161,840	2,719,669,127

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

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

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

G CAPITAL PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Notes	2020	2019	2020	2019
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	17	218,810,800	-	218,810,800	-
Trade and other current payables	5, 18	179,434,868	51,275,788	179,434,868	51,275,788
Short-term loans from other personal	5, 19	214,000,000	226,574,575	214,000,000	226,574,575
Current portion of long-term loans from other company	20	7,139,763	-	7,139,763	-
Short-term secured and unsecured debentures	5, 21	-	170,000,000	-	170,000,000
Current portion of long-term secured and unsecured debentures	22	1,112,093,658	576,071,172	1,112,093,658	576,071,172
Current portion of finance lease liabilities	23	-	1,805,597	-	1,805,597
Current portion of lease liabilities	23	6,700,038	-	6,700,038	-
Accrued income tax		-	8,681,919	-	8,681,919
Total current liabilities		1,738,179,127	1,034,409,051	1,738,179,127	1,034,409,051
Non-current liabilities					
Long-term loans from other company	20	9,804,274	-	9,804,274	-
Long-term secured and unsecured debentures	22	73,329,438	1,106,281,683	73,329,438	1,106,281,683
Finance lease liabilities	23	-	2,834,060	-	2,834,060
Lease liabilities	23	19,310,347	-	19,310,347	-
Employee benefit obligations	24	9,669,232	9,150,763	9,669,232	9,150,763
Other non-current liabilities		17,425,986	14,426,326	17,425,986	14,426,326
Total non-current liabilities		129,539,277	1,132,692,832	129,539,277	1,132,692,832
Total liabilities		1,867,718,404	2,167,101,883	1,867,718,404	2,167,101,883

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

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

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

G CAPITAL PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Notes	2020	2019	2020	2019
Shareholders' equity					
Share capital					
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	150,000,000	150,000,000
Premium on common shares		255,179,704	255,179,704	255,179,704	255,179,704
Retained earnings					
Appropriated to legal reserve	27	13,654,389	12,811,044	13,654,389	12,811,044
Unappropriated		96,502,972	131,436,221	112,609,343	134,576,496
Total shareholders' equity		515,337,065	549,426,969	531,443,436	552,567,244
Total liabilities and shareholders' equity		2,383,055,469	2,716,528,852	2,399,161,840	2,719,669,127

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

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

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

G CAPITAL PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED DECEMBER 31, 2020

		Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Notes	2020	2019	2020	2019
Revenues					
Income from hire-purchase contracts		241,926,073	264,460,447	241,926,073	264,460,447
Interest income - loans	5	68,934,923	71,027,131	68,934,923	71,027,131
Income from penalty on hire-purchase contracts		15,694,386	14,333,594	15,694,386	14,333,594
Income from penalty on loans		145,991	258,744	145,991	258,744
Other incomes		3,409,621	8,551,640	3,409,621	8,551,640
Total revenues		330,110,994	358,631,556	330,110,994	358,631,556
Expenses					
Selling expenses		8,910,025	16,659,429	8,910,025	16,659,429
Administrative expenses		127,673,406	117,197,467	127,673,406	117,197,467
Expected credit losses of hire purchase		7,830,497	14,822,048	7,830,497	14,822,048
Expected credit losses of loans		24,356,769	23,164,587	24,356,769	23,164,587
Total expenses		168,770,697	171,843,531	168,770,697	171,843,531
Profit (loss) from operating activities		161,340,297	186,788,025	161,340,297	186,788,025
Finance costs		(139,808,010)	(116,677,050)	(139,808,010)	(116,677,050)
Share of gain (loss) from investments in joint venture	12	(12,181,028)	(3,925,343)	-	-
Profit (loss) before (income) tax expenses		9,351,259	66,185,632	21,532,287	70,110,975
Income tax (expenses)	16	(5,450,443)	(13,105,037)	(4,665,375)	(13,890,105)
Profit (loss) for the year		3,900,816	53,080,595	16,866,912	56,220,870
Other comprehensive income :					
Items that will not be reclassified to profit or loss					
Actuarial loss arising from post-employment benefit, net of income tax	24	(17,109)	(441,879)	(17,109)	(441,879)
Total comprehensive income (loss) for the year		3,883,707	52,638,716	16,849,803	55,778,991
Earnings (loss) per share					
Basic earnings (loss) per share (Baht)		0.01	0.19	0.06	0.20
Weighted average number of issued and paid-up common shares (shares)		300,000,000	285,753,425	300,000,000	285,753,425

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

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

Notes to the 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, 2020

Baht						
Financial statements in which the equity method is applied						
		Share capital	Premium on	Retained earnings		Total
		issued and	common shares	Appropriated	Unappropriated	
	Notes	paid-up		to legal reserve		
Beginning balance as at January 1, 2019		100,000,000	105,950,000	10,000,000	132,608,519	348,558,519
Increase capital	26	50,000,000	149,229,704	-	-	199,229,704
Legal reserve	27, 28	-	-	2,811,044	(2,811,044)	-
Dividend	28	-	-	-	(50,999,970)	(50,999,970)
Total comprehensive income (loss) for the year		-	-	-	52,638,716	52,638,716
Ending balance as at December 31, 2019, (as reported)		150,000,000	255,179,704	12,811,044	131,436,221	549,426,969
The cumulative effect of the changes in accounting policies due to the adoption of new financial reporting standards	4	-	-	-	(7,973,661)	(7,973,661)
Balance as at January 1, 2020, (as adjusted)		150,000,000	255,179,704	12,811,044	123,462,560	541,453,308
Legal reserve	27, 28	-	-	843,345	(843,345)	-
Dividend	28	-	-	-	(29,999,950)	(29,999,950)
Total comprehensive income (loss) for the year		-	-	-	3,883,707	3,883,707
Ending balance as at December 31, 2020		150,000,000	255,179,704	13,654,389	96,502,972	515,337,065

		Baht				
		Separate financial statements				
		Share capital	Premium on	Retained earnings		Total
		issued and	common shares	Appropriated	Unappropriated	
Notes		paid-up		to legal reserve		
Beginning balance as at January 1, 2019		100,000,000	105,950,000	10,000,000	132,608,519	348,558,519
Increase capital	26	50,000,000	149,229,704	-	-	199,229,704
Legal reserve	27, 28	-	-	2,811,044	(2,811,044)	-
Dividend	28	-	-	-	(50,999,970)	(50,999,970)
Total comprehensive income (loss) for the year		-	-	-	55,778,991	55,778,991
Ending balance as at December 31, 2019, (as reported)		150,000,000	255,179,704	12,811,044	134,576,496	552,567,244
The cumulative effect of the changes in accounting policies due to the adoption of new financial reporting standards	4	-	-	-	(7,973,661)	(7,973,661)
Balance as at January 1, 2020, (as adjusted)		150,000,000	255,179,704	12,811,044	126,602,835	544,593,583
Legal reserve	27, 28	-	-	843,345	(843,345)	-
Dividend	28	-	-	-	(29,999,950)	(29,999,950)
Total comprehensive income (loss) for the year		-	-	-	16,849,803	16,849,803
Ending balance as at December 31, 2020		150,000,000	255,179,704	13,654,389	112,609,343	531,443,436

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

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

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

G CAPITAL PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) for the year	3,900,816	53,080,595	16,866,912	56,220,870
Adjustment to reconcile profit (loss) for the year to net cash provided by (used in) operating activities:				
Gain on sale of fixed assets	-	(1,168,219)	-	(1,168,219)
Depreciation and amortization	11,036,485	5,729,869	11,036,485	5,729,869
Loss on written-off equipment	817,628	-	817,628	-
Doubtful debts	-	37,986,635	-	37,986,635
Expected credit losses of hire - purchase	7,830,497	-	7,830,497	-
Expected credit losses of loans	24,356,769	-	24,356,769	-
Expected credit losses of other assets	(34,435)	-	(34,435)	-
Difference from rental deduction	68,495	-	68,495	-
Reversal of sale of receivables	(174,807)	-	(174,807)	-
Reversal of loss from properties foreclosed	(681,148)	-	(681,148)	-
Reversal of receivables according to the court judgment	(3,491,347)	-	(3,491,347)	-
Reversal of doubtful debt of hire-purchase receivables	-	(33,830,125)	-	(33,830,125)
Reversal of expected credit losses in other current receivables	(2,013,703)	-	(2,013,703)	-
Share of loss from investments in joint venture	12,181,028	3,925,343	-	-
Employee benefits expenses	2,352,807	2,592,723	2,352,807	2,592,723
Finance costs	139,808,010	116,677,050	139,808,010	116,677,050
(Income) tax expenses	5,450,443	13,105,037	4,665,375	13,890,105
Profit from operation before changing in operating assets and liabilities	201,407,538	198,098,908	201,407,538	198,098,908
(Increase) decrease in operating assets				
Hire-purchase receivables	42,545,917	(179,505,535)	42,545,917	(179,505,535)
Loan receivables	94,641,872	(172,015,488)	94,641,872	(172,015,488)
Properties foreclosed	(38,921,595)	(38,355,248)	(38,921,595)	(38,355,248)
Receivable from sale of legal receivable claims	(6,251,948)	(5,181,660)	(6,251,948)	(5,181,660)
Other current receivables	1,975,310	20,552,824	1,975,310	20,552,824
Other non-current assets	1,396,130	44,001	1,396,130	44,001

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

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

Notes to the 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, 2020

	Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	2020	2019	2020	2019
Increase (decrease) in operating liabilities				
Trade and other current payables	131,731,037	(50,568,792)	131,731,037	(50,568,792)
Other non-current liabilities	2,999,660	5,457,594	2,999,660	5,457,594
Cash received (paid) from operating activities	431,523,921	(221,473,396)	431,523,921	(221,473,396)
Cash paid for employee benefit	(2,105,800)	(294,763)	(2,105,800)	(294,763)
Cash paid for finance costs	(128,652,373)	(96,998,313)	(128,652,373)	(96,998,313)
Cash paid for income tax	(13,052,102)	(23,801,811)	(13,052,102)	(23,801,811)
Net cash provided by (used in) operating activities	287,713,646	(342,568,283)	287,713,646	(342,568,283)
<u>Cash flows from investing activities:</u>				
Cash paid for investments in joint venture	-	(25,500,000)	-	(25,500,000)
Cash paid for purchase of fixed assets and intangible assets	(6,430,643)	(10,518,768)	(6,430,643)	(10,518,768)
Cash received from sales of fixed assets	-	1,168,224	-	1,168,224
Net cash provided by (used in) investing activities	(6,430,643)	(34,850,544)	(6,430,643)	(34,850,544)
<u>Cash flows from financing activities</u>				
Increase (decrease) in bank overdrafts	18,810,800	(18,736,720)	18,810,800	(18,736,720)
Cash received from short-term loans from financial institutions	200,000,000	550,000,000	200,000,000	550,000,000
Cash paid for short-term loans from financial institutions	-	(750,000,000)	-	(750,000,000)
Cash received from long-term loan from other company	20,000,000	-	20,000,000	-
Cash paid for guarantee from long-term loan from other company	(4,000,000)	-	(4,000,000)	-
Cash paid for long-term loan from other company	(3,055,963)	-	(3,055,963)	-
Cash received from short-term loan from other person	250,500,000	516,976,081	250,500,000	516,976,081
Cash paid for short-term loans from other person	(266,500,000)	(340,000,000)	(266,500,000)	(340,000,000)
Cash received from issuing short-term secured and unsecured debentures	9,800,000	463,000,000	9,800,000	463,000,000
Cash paid for short-term secured and unsecured debentures	(180,000,000)	(393,000,000)	(180,000,000)	(393,000,000)
Cash received from issuing long-term secured and unsecured debentures	70,218,150	1,102,209,916	70,218,150	1,102,209,916
Cash paid for long-term secured and unsecured debentures	(578,000,000)	(674,500,000)	(578,000,000)	(674,500,000)

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

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

Notes to the 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, 2020

	Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	2020	2019	2020	2019
Cash paid for finance lease liabilities	-	(1,722,786)	-	(1,722,786)
Cash paid for lease liabilities	(5,808,303)	-	(5,808,303)	-
Cash received from ordinary share capital	-	199,229,704	-	199,229,704
Cash paid for dividend	(29,999,950)	(50,999,970)	(29,999,950)	(50,999,970)
Net cash provided by (used in) financing activities	(498,035,266)	602,456,225	(498,035,266)	602,456,225
Net increase (decrease) in cash and cash equivalents	(216,752,263)	225,037,398	(216,752,263)	225,037,398
Cash and cash equivalents, beginning of the year	254,171,664	29,134,266	254,171,664	29,134,266
Cash and cash equivalents, end of the year	37,419,401	254,171,664	37,419,401	254,171,664

Supplemental cash flow information

Non-cash transactions:

Acquisition of right-of-use assets under lease contracts	(24,467,117)	-	(24,467,117)	-
Lease liabilities	24,467,117	-	24,467,117	-

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

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

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

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

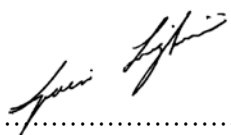
The financial statements have been prepared in accordance with the accounting standards prescribed by the Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with Thai Financial Reporting Standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public company limited, issued under the Accounting Act B.E.2543.

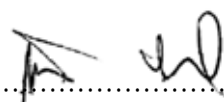
The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

2.2 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised and new financial reporting standards, interpretations and the accounting guidance, 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.


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


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

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:

Financial Reporting Standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TRFIC 16 Hedges of a Net Investment in a Foreign Operation

TRFIC 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 (General approach), 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.

The Company has adopted TFRS related to financial instruments the first-time in its financial statements by applying modified retrospective approach of adoption of which the cumulative effect as an adjustment to the retained earnings as at January 1, 2020 and the comparative information was not restated. The cumulative effect of the change is described in Note 4 to financial statements.

TFRS 16 Leases

TFRS 16 Leases 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.

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.

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

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

The Company had adopted TFRS 16, which the Company recognized the cumulative effects of the initial application of this financial reporting standard without restated the previous year's financial statements presented for comparative. However, the Company had chosen to comply with this financial reporting standard with the lease that was previously classified as operating lease by recognizing the liabilities under the lease as at January 1, 2020 with the present value of the remaining lease payment and discounted by the interest rate of the additional borrowing of the Company as at the initial application date. It was recognized the contractual use rights in the amount of liabilities under lease agreements adjusted by the amount of the prepaid or accrued lease payments which were related to the lease agreement recognized in the statement of financial position before the date of application of this financial reporting standard.

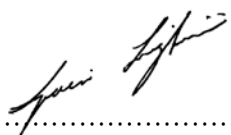
The effect of the change in accounting policy is stated in Note 4 to financial statements.

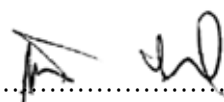
Accounting guideline on temporary relief measures for the entities that provide assistance to the debtors affected by the situation affecting the Thai economy

The Federation of Accounting Professions had announced the accounting guideline regarding temporary relief measures for the entities that provide assistance to debtors affected by the situation affecting the Thai economy. The objective is to be a temporary relief measure for the entities that provide assistance to debtors affected by the situation affecting the Thai economy only. This accounting guideline is to provide an alternative to all entities that provide assistance to debtors in accordance with the measures to assist debtors in accordance with the guidelines in the circular letter of Bank of Thailand No. BOT For Nor Sor (23) Vor 276/2020 regarding the guidelines in providing assistance to debtors affected by the situation affecting the Thai economy dated February 28, 2020 and the circular letter of Bank of Thailand circular BOT For Nor Sor (01) Vor 380/2020 regarding the measures to provide additional assistance to debtors during the pandemic of COVID-19 dated March 26, 2020 or other measures as prescribed by the Bank of Thailand which is the minimum measure to assist the debtors such as relief in classifying the debtors, reduce the minimum payment rate, suspension of principal and interest payment and consider to reduce interest as appropriate for each debtor etc. The entities that provide assistance to debtors in accordance with the Bank of Thailand's measures and choose to comply with this accounting guideline must comply with all temporary relief measures specified in this accounting guideline.

Such accounting guideline was announced in the Government Gazette on April 22, 2020 and is effective for the preparation of financial statements with the reporting period ending between January 1, 2020 to December 31, 2021.

In addition, as at June 19, 2020, BOT had issued the circular letter of the BOT No.BOT.RPD.(01) C.648/2563 regarding "Measures to provide additional assistance to small-sized debtors during the COVID-19 situation".


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


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

The Company had chosen to follow the guidelines to assist debtors affected by the situation affecting the Thai economy according to the two circular letters of the Bank of Thailand, as follows:

- On March 17, 2020, the Company issued measures to assist debtors affected by the situation that directly and indirectly affected the Thai economy which still had the potential to conduct business or be able to pay off debt in the future.
- In the classification of debtors, the Company had classified the performing receivables and non-performing receivables that had assisted to meet the scope and requirements specified in this guideline.
- To measure the value of credit losses that were expected to incur by the general approach, the entities will weight of information about the COVID-19 situation to be less than the data which reflect the ability of the debtor repayment from past experience.

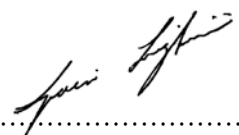
From the uncertainty of the COVID-19 pandemic situation, the Company had opted to comply with temporary relief measures in such matter. As a result, the Company had recognized the allowance for credit loss that was expected to occur lower than the fact. Then the Company overstated the hire purchase and loan receivables - net and the profit for the year 2020. Such measure will expire on December 31, 2021. If the COVID-19 pandemic situation is still not resolved, it may affect the loan receivable's ability to pay the installments and become non-performing liabilities. As a result, the Company had to recognize the expected credit loss in the year at the end of the enforcement of relief measures.

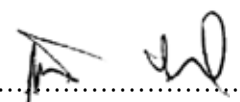
Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 to December 31, 2020.

The Company chose to follow the guideline in lease agreement amendment in accordance with the financial reporting standards No.16 lease agreement. In the case that the Company as the lessee (lessee) receives the rent reduction following the lease agreement from the lessor due to COVID-19, the lessee can choose not to use such rent reduction as change of lease agreement. When the Company chose such alternative, it has to comply with all agreements that receive rent reduction. When the lessee obtains the rent reduction confirmation in writing, the liabilities will be


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gradually reduced in accordance with the lease agreement due in each period by the proportion of rent reduction obtained throughout the period of rent reduction by the former calculated amount and period of rent reduction as well as reversing depreciation from right-of-use assets and interest from liabilities under the lease agreement that is still recognized in each period by the proportion of rent reduction. The difference arising will be recorded in profit or loss. It requires the lessee to adjust the value of liabilities under the lease agreement without adjusting the value of right-of-use assets and revalue the value of liabilities under the agreement again.

2.3 Financial reporting standards that become effective in the future

During the year, the Federation of Accounting Professions issued a notification of the Federation of Accounting Professions and published in the Government Gazette for the conceptual framework of financial reporting (new) and several revised financial reporting standards from the year 2019 by becomes effective for the accounting period beginning on or after January 1, 2021 onwards. Which such adjustments are improve/revise principles the financial reporting is as follows:

Adjustment is reference to the conceptual framework in the financial reporting standards

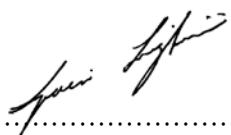
Several financial reporting standards are reference to “IASB’s Framework for the Preparation and Presentation of Financial Statements.” The adjustment of reference project on the conceptual framework in the financial reporting standards has updated reference or partial reference adjustment and other to describe clearly whether each document is reference to “the conceptual framework” of which year.

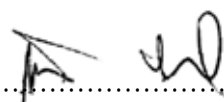
Conceptual Framework for Financial Reporting

The conceptual framework for financial reporting consisted of revised definitions of assets and liabilities. Criteria for recognition assets and liabilities in the financial statements. It also includes the following new principles and guidance:

1. Measurement, including factors that must be considered in selecting the valuation criteria
2. Presentation and disclosure which includes when the income and expenses are classified into other comprehensive income.
3. Reporting entities
4. When the assets and liabilities derecognition from the financial statements

In addition, this Conceptual Framework for Financial Reporting clearly clarifies management’s stewardship of the entity’s economic resources, prudence, and measurement uncertainty of financial information.


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Definition of Business

Business definition revised in the financial reporting standard No. 3 “Business Combination” describes more clearly on definition of business. The objective is for the business to establish that such transaction has to be recorded as “business combination” or “purchase of assets” or not. Adjustments are as follows:

1. Describe clearly on the consideration of “business”, activity group and acquired assets must include input data factor, key process that at least combined will significantly generate outputs.
2. Eliminate the assessment that the market partner can substitute input factor or missing process and generate further outputs from the standards.
3. Add practice guide and example to support understanding and help the company assess whether the key process is acquired.
4. Narrow down the definition of business and definition of outputs by placing interest in the product and service provided to the customer and eliminate the reference on ability to reduce cost from the standards.
5. Add the intention test as an alternative which allows to make assessment easily whether the activity group and acquired assets are business or not.

Definition of significance

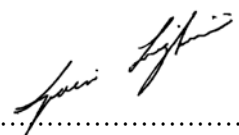
The definition of significance resulted in revising the accounting standard No. 1 “Presentation of Financial Statements, Presentation of Financial Statements and Accounting Standards No.8 - Accounting Policy, Change of Accounting Estimates and Error and the revision that resulted in other financial reporting standards.

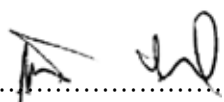
The adjustment creates better understanding of the definition of significance by

1. For the definition to follow the same direction of the financial reporting standards and conceptual framework to avoid the confusion that may arise from the definition difference.
2. Include the requirements together of the accounting standard No.1 “Presentation of financial statements” in the definition for it to become clearer and describe how the materiality can be clearly applied.
3. Applying existing practice guidance of the definition of the materiality in the same place as the definition.

Reform of swap interest rate

The reform of swap interest rate resulted in the adjustment of the financial reporting standards No. 9 financial instruments and financial reporting standards No.7 financial instrument disclosure. Such adjustment has changed the hedge accounting requirements, especially to reduce the impact arising from the uncertainty as a result of the swap interest rate reform such as interbank offer rates-IBORs. In addition, the adjustment requires the business to provide additional information to investors regarding the relation of hedging directly impacted from any uncertainties.


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The management of the Company is in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

2.4 Thai Financial Reporting Standard No.16 “Leases”

The Federation of Accounting Professions has revised TFRS 16 lease agreements and published in the Government Gazette on January 27, 2021 with the following revisions.

1. The Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

2. Added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted.

The management of the Company is in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues recognition

Income from hire-purchase contracts and interest income - loans

The Company recognizes income from hire purchase and loans on an accrual basis, using the effective interest rate method over the term of the agreement.

When the hire purchase and loan contracts become credit-impaired subsequent to initial recognition, income from hire purchase and loan are calculated by applying the effective interest rate method to the net carrying amount (gross amount after allowance for expected credit losses). If the contract is no longer credit-impaired, then the calculation of income from hire purchase and loan reverts to the gross basis.

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

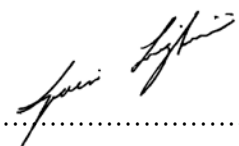
Other income such as interest income, discount from sale of asset under hire-purchase contract and discount from insurance agent are recognized in accordance with the accrual basis.

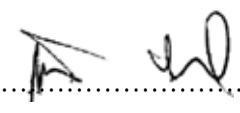
3.2 Expenses recognition

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.


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3.4 Hire-purchase and loans receivables/Expected credit losses

Applicable from January 1, 2020

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

Loan receivables - net are presented at the contract value plus accrued interest income and less allowance for expected credit losses.

The Company recognizes expected credit losses of hire purchase and loans receivables under the General Approach. The Company changes in credit risk of hire purchase and loan receivables in 3 groups as follows:

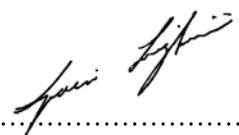
- Group 1 : Hire purchase and loan receivables with no significant increase in credit risk (Performing). The Company recognizes expected credit losses at the amount equal to the expected credit losses in the next 12 months. The Company will use the probability of default which correspond with remaining terms for hire purchase and loan receivables with a remaining maturity of less than 12 months.
- Group 2: Hire purchase and loan receivables with significant increase in credit risk (Under-Performing). The Company recognizes expected credit losses at the amount equal to the lifetime expected credit losses of hire purchase and loan receivables.
- Group 3: Hire purchase and loan receivables with credit - impaired (Non-Performing). The Company recognizes expected credit losses at the amount equal to the lifetime expected credit losses of hire purchase and loan receivables.

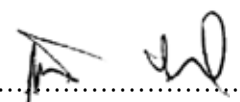
At every reporting date, the Company assesses whether the credit risk of hire purchase and loan receivables has increased significantly since the date of initial recognition by comparing the risk of contract default that is expected to occur throughout the expected life at the report date and credit risk at the date of initial recognition. The Company uses internal quantitative and qualitative factors, and forecasted information as a basis to evaluate decrease on credit quality of hire purchase and loan receivables such as:

- Overdue status, i.e. past due more than 90 days or 3 installments
- Monitoring period of debt repayment situations for debt restructuring agreements
- Receivables in the high-risk group and management give special caution

The Company assesses whether the credit risk has increased significantly from the date of initial recognition, an individual basis or a collective basis.

Hire purchase and loan receivables are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of hire purchase and loan contracts. Evidence that hire purchase and loan receivables are credit-impaired included overdue more than 90 days or having an indication of significant financial difficulty of the borrowers such as breach of contract, bankruptcy status, legal status, vehicle seizure status before overdue more than 90 days or credit - impaired debt restructuring.


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Hire purchase and loan receivables with new terms and conditions because of significant financial difficulty of the borrowers, are considered financial assets with significant increase in credit risk or credit-impaired unless there is evidence to state that the risk of not receiving the contractual cash flows significantly decreased and no other indicators of impairment. The Company considers historical loss experiences and adjusts current observable data.

In addition, the Company uses supportable and reasonable forecasted future macroeconomic data included the use of appropriate discretion in estimating the expected credit loss. The Company considers adjustment of forecasted future economic events and weighted probability in each situation to calculate the expected credit loss at least once a year.

In the subsequent period, if credit quality of hire purchase and loan receivables improves and it can be assessed that credit risk has not increased significantly since the date of initial recognition, as was assessed in the previous period. The Company will change the recognition of lifetime expected credit losses to recognized expected credit losses that are expected to occur in the next 12 months or remaining periods of less than 12 months.

Increase (decrease) in an allowance for expected credit losses is recognized as expenses during the period in profit or loss in the statements of comprehensive income.

The Company has a policy to write-off receivables when there is no realistic prospect of recovery.

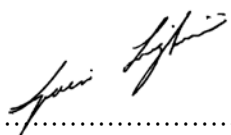
Applicable prior to January 1, 2020

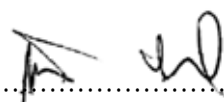
Hire-purchase receivables and allowance for doubtful accounts

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 classification of the hire-purchase contracts receivable and policy allowance for doubtful accounts are as follows:

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:	
Over 0.5 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

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..........Director
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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 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 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 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 - 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

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 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

3.5 Properties foreclosed

Properties foreclosed consisting of immovable and movable assets are stated at the lower of cost or net realizable value less estimated selling expenses of the acquisition assets. Where the carrying value of properties foreclosed incurred impairment, the Group will recognize the provision for impairment of properties foreclosed in total.

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(Mr.Nattaphon Sarasas) Director

3.6 Investments 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.

3.7 Equipment and depreciation

Equipment is stated at cost less accumulated depreciation, and allowance on impairment (if any)

Depreciation is calculated by straight-line method over the estimated useful lives of the assets, as follows:

	<u>Useful lives</u>
Computer and equipment	5 Years
Office improvements	5 Years
Furniture and office equipment	5 Years
Vehicles	5 Years

An item of property, equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognized.

3.8 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.

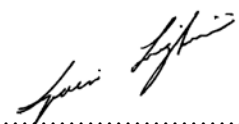
A summary of the intangible assets with finite useful lives is as follows:

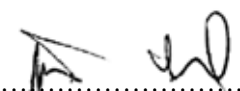
	<u>Useful lives</u>
Computer software	5 years

3.9 Leases

Applicable prior to January 1, 2020

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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The Company assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases at the date of initial application (as at January 1, 2020) together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

Right-of-use assets-as a lessee

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

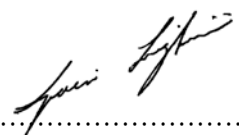
The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

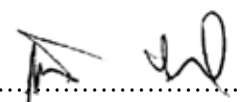
Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company payments of penalties for terminating the lease, if the lease term reflects the Company is exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.


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Short-term leases and leases of low-value assets

The Company apply the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

Applicable prior to January 1, 2020

Long-term leases

Leases of equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognized as an expense in profit or loss on a straight line basis over the lease term.

3.10 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

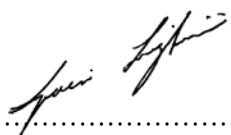
The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality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

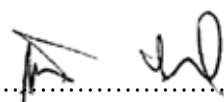
Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income.

3.11 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.


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3.12 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

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

Deferred tax

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

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

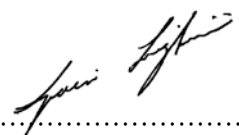
Deferred tax assets and liabilities are measured at the tax rates that the Company expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting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

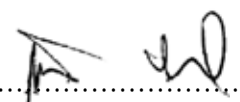
At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

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

3.13 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measure fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.


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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categorize of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determine whether transfers are necessary between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

3.14 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.

3.15 Financial instruments

Applicable from January 1, 2020

At initial recognition, the Company measures a financial assets and financial liabilities at its fair value. Financial assets and financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets and financial liabilities. Financial assets and financial liabilities at fair value through profit or loss, transaction costs are expensed in profit or loss.

Classification and measurement of financial assets

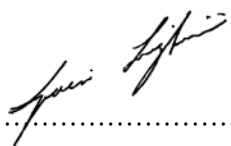
The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

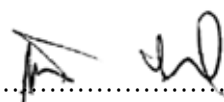
The Company classify its financial asset as to be subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

At initial recognition, the Company measures a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets.


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


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

There are three measurement categories into which the Company classifies its debt instruments:

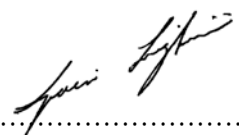
- Amortized cost: A financial assets will be measured at amortized cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss.
- FVOCI: A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss.

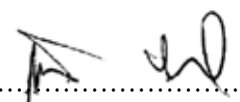
Dividends from such investments continue to be recognized in profit or loss when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Classification and measurement of financial liabilities

Financial liabilities measured subsequently at amortized cost. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.


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


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

Recognition and derecognition

The Company shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets.

Impairment of financial assets

The Company recognized an allowance for expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit losses.

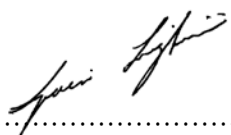
3.16 Significant accounting judgements and estimates

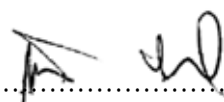
The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

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

Allowance for expected credit losses of hire-purchase and loan receivables

The management is required to use judgement in estimation in determining the allowance for expected credit losses of hire-purchase receivables and loan receivables and accrued interest receivables. The calculation of allowance for expected credit losses of the Company is based on the criteria of assessing if there has been a significant increase in credit risk and net collateral value, the development of complex expected credit losses model with a series of underlying assumptions. The estimation has various relevant factors; therefore, the actual results may differ from estimates.


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


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

Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Depreciation of equipment and right-of-use assets and amortisation of intangible assets

In determining depreciation of equipment and right-of-use assets and amortisation of intangible assets, the management is required to make estimates of the useful lives and residual values (if any) and to review useful lives and residual values when there are any changes.

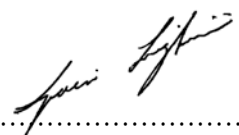
In addition, the equipment, right-of-use assets and intangibles assets are subject to impairment if there is an indication they may be impaired, and impairment losses are recorded in the period when it is determined that their recoverable amount is lower than the carrying amount. The impairment require management to make judgments regarding future market conditions and future revenues and expenses relevant to the assets to the review.

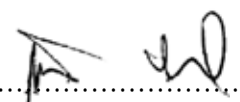
Deferred tax assets

Deferred tax assets are recognized for temporary difference arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the end of reporting period when it is highly probable that the Company will generate sufficient taxable profits from their future operations to utilise these deferred tax assets. If management need to estimate the amounts of the deferred tax assets that the Company should recognize, they take into account the amount of taxable profit expected in each future period.

Post-employment benefits under defined benefit plans

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality tables for the country. Actual post-retirement costs may ultimately

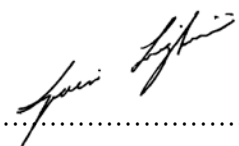

.....Director
(Mr.Spain Jingkaojai)

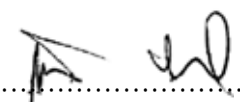

.....Director
(Mr.Nattaphon Sarasas)

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

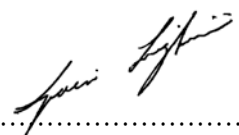
As described in Note 2.2 to the financial statements, during the current year, the Company has adopted TFRS 9 and TFRS 16 using the modified retrospective method of adoption. The cumulative effect of the changes in accounting policies such financial reporting standards is recognized. Therefore, the comparative information was not restated. The changes in accounting policies due to the adoption of above financial reporting standards, are summarized below.

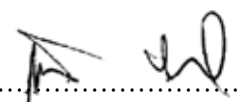
	Baht			
	Financial statements in which the equity method is applied			
	As at December 31, 2019	The impacts of TFRS 9	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position				
Current assets				
Cash and cash equivalents	254,171,664	(49,161)	-	254,122,503
Current portion of hire-purchase receivables	620,927,032	(5,772,296)	-	615,154,736
Current portion of loan receivables	338,232,377	1,234,522	-	339,466,899
Receivables under litigation enforcement process				
with collateral	47,920,633	2,659,224	-	50,579,857
Other current receivables	23,001,187	(2,017,532)	-	20,983,655
Total current assets	1,284,252,893	(3,945,243)	-	1,280,307,650
Non-current assets				
Hire-purchase receivables	1,040,962,221	(1,796,508)	-	1,039,165,713
Loan receivables	275,450,867	678,659	-	276,129,526
Receivables under litigation enforcement process	20,046,118	3,507,273	-	23,553,391
Equipment	18,051,225	-	(11,063,601)	6,987,624
Right-of-use assets	-	-	36,907,718	36,907,718
Deferred tax assets	43,462,865	(6,417,842)	-	37,045,023
Non-current assets	3,791,786	-	(1,377,000)	2,414,786
Total non-current assets	1,432,275,959	(4,028,418)	24,467,117	1,452,714,658
Total assets	2,716,528,852	(7,973,661)	24,467,117	2,733,022,308
Current liabilities				
Current portion of liabilities under financial lease agreements	1,805,597	-	(1,805,597)	-
Current portion of lease liabilities	-	-	6,010,769	6,010,769
Total current liabilities	1,034,409,051	-	4,205,172	1,038,614,223
Non-current liabilities				
Liabilities under financial lease agreements	2,834,060	-	(2,834,060)	-
Lease liabilities	-	-	23,096,005	23,096,005
Total non-current liabilities	1,132,692,832	-	20,261,945	1,152,954,777
Total liabilities	2,167,101,883	-	24,467,117	2,191,569,000
Unappropriated retained earnings	131,436,221	(7,973,661)	-	123,462,560
Total shareholders' equity	549,426,969	(7,973,661)	-	541,453,308
Total liabilities and shareholders' equity	2,716,528,852	(7,973,661)	24,467,117	2,733,022,308

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 (Mr.Spain Jingkaojai) Director

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 (Mr.Nattaphon Sarasas) Director

	Baht			
	Separate financial statements			
	As at December 31, 2019	The impacts of TFRS 9	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position				
Current assets				
Cash and cash equivalents	254,171,664	(49,161)	-	254,122,503
Current portion of hire-purchase receivables	620,927,032	(5,772,296)	-	615,154,736
Current portion of loan receivables	338,232,377	1,234,522	-	339,466,899
Receivables under litigation enforcement process with collateral	47,920,633	2,659,224	-	50,579,857
Other current receivables	23,001,187	(2,017,532)	-	20,983,655
Total current assets	1,284,252,893	(3,945,243)	-	1,280,307,650
Non-current assets				
Hire-purchase receivables	1,040,962,221	(1,796,508)	-	1,039,165,713
Loan receivables	275,450,867	678,659	-	276,129,526
Receivables under litigation enforcement process	20,046,118	3,507,273	-	23,553,391
Equipment	18,051,225	-	(11,063,601)	6,987,624
Right-of-use assets	-	-	36,907,718	36,907,718
Deferred tax assets	42,677,797	(6,417,842)	-	36,259,955
Non-current assets	3,791,786	-	(1,377,000)	2,414,786
Total non-current assets	1,435,416,234	(4,028,418)	24,467,117	1,455,854,933
Total assets	2,719,669,127	(7,973,661)	24,467,117	2,736,162,583
Current liabilities				
Current portion of finance lease liabilities	1,805,597	-	(1,805,597)	-
Current portion of lease liabilities	-	-	6,010,769	6,010,769
Total current liabilities	1,034,409,051	-	4,205,172	1,038,614,223
Non-current liabilities				
Finance lease liabilities	2,834,060	-	(2,834,060)	-
Lease liabilities	-	-	23,096,005	23,096,005
Total non-current liabilities	1,132,692,832	-	20,261,945	1,152,954,777
Total liabilities	2,167,101,883	-	24,467,117	2,191,569,000
Unappropriated retained earnings	134,576,496	(7,973,661)	-	126,602,835
Total shareholders' equity	552,567,244	(7,973,661)	-	544,593,583
Total liabilities and shareholders' equity	2,719,669,127	(7,973,661)	24,467,117	2,736,162,583


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


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

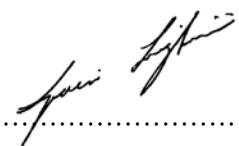
4.1 Financial instruments

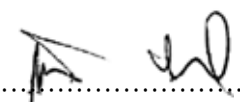
The total impact on the retained earnings as at January 1, 2020 is as follows:

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	Financial statements in which the equity method is applied	Separate financial statements
Unappropriated retained earnings as at December 31, 2019	131,436,221	134,576,496
Increase in loss allowance for cash and cash equivalents	(49,161)	(49,161)
Increase in loss allowance for hire-purchase receivables	(7,568,804)	(7,568,804)
Decrease in loss allowance for loan receivables	1,913,181	1,913,181
Decrease in loss allowance for receivables under litigation enforcement process with collateral	2,659,224	2,659,224
Increase in loss allowance for other current receivables	(2,017,532)	(2,017,532)
Decrease in loss allowance for receivables under litigation enforcement process	3,507,273	3,507,273
Income tax (expenses)	(6,417,842)	(6,417,842)
Adjustment to unappropriated retained earnings from adoption of TFRSs related to financial instruments on January 1, 2020	(7,973,661)	(7,973,661)
Unappropriated retained earnings as at January 1, 2020, as adjust	123,462,560	126,602,835

On January 1, 2020 (the date of initial application), the Company management has assessed which business models applied to the financial assets and liabilities held by the Company and has classified the financial assets and liabilities as below.

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	Amortized cost	Total
Financial assets as at January 1, 2020		
Cash and cash equivalents	254,122,503	254,122,503
hire-purchase receivables	1,654,320,449	1,654,320,449
loan receivables	615,596,425	615,596,425
Receivables under litigation enforcement process	23,553,391	23,553,391
	2,547,592,768	2,547,592,768
Financial liabilities as at January 1, 2020		
Trade and other current payables	51,275,788	51,275,788
Short-term loan from other personal	226,574,575	226,574,575
Short-term secured and unsecured debentures	170,000,000	170,000,000
long-term secured and unsecured debentures	1,682,352,855	1,682,352,855
Lease liabilities	29,106,774	29,106,774
	2,159,309,992	2,159,309,992

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 (Mr.Spain Jingkaojai) Director

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 (Mr.Nattaphon Sarasas) Director

Impairment of financial assets

The Company has hire-purchase receivables and loan receivables that are subject to the expected credit loss model (General approach).

Hire-purchase receivables and Loan receivables

As at January 1, 2020, the balances of hire-purchase receivables (net of unearned income) and allowance for expected credit losses can be classified by instalment of overdue as follows: -

	Baht		
	Financial statements in which the equity method is applied/ Separate financial statements		
	hire-purchase receivables	Allowance for expected credit losses	Net
Hire-purchase receivables where there have not been a significant increase in credit risk (Performing)	1,154,878,904	(12,045,547)	1,142,833,357
Hire-purchase receivables where there have been a significant increase in credit risk (Under-Performing)	491,077,885	(39,787,044)	451,290,841
Hire-purchase receivables that are credit-impaired (Non- Performing)	75,623,480	(15,427,229)	60,196,251
	<u>1,721,580,269</u>	<u>(67,259,820)</u>	<u>1,654,320,449</u>

The loss allowance for hire-purchase receivables as at December 31, 2019 is reconciled to the allowance for expected credit losses for hire-purchase receivables as at January 1, 2020 as follow:

	Baht
	Financial statements in which the equity method is applied/ Separate financial statements
<u>Allowance for expected credit losses - hire-purchase receivables</u>	
As at December 31, 2019	59,691,016
Amounts restated through opening unappropriated retained earnings	7,568,804
Allowance for expected credit losses as at January 1, 2020	<u>67,259,820</u>

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

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

As at January 1, 2020 the loan receivable plus accrued interest and allowance for expected credit losses is classified by the overdue as follows:-

	Baht		
	Financial statements in which the equity method is applied/ Separate financial statements		
	loan receivables	Allowance for expected credit losses	Net
Loan receivables where there have not been a significant increase in credit risk (Performing)	502,034,256	(7,521,264)	494,512,992
Loan receivables where there have been a significant increase in credit risk (Under-Performing)	76,342,341	(3,385,580)	72,956,761
Loan receivables that are credit-impaired (Non-Performing)	68,940,037	(20,813,365)	48,126,672
	<u>647,316,634</u>	<u>(31,720,209)</u>	<u>615,596,425</u>

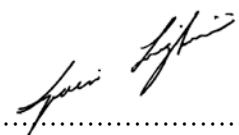
The loss allowance for loan receivables as at December 31, 2019 is reconciled to the allowance for expected credit losses for loan receivables as at January 1, 2020 as follow:

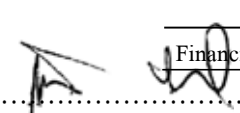
	Baht
	Financial statements in which the equity method is applied/ Separate financial statements
<u>Allowance for expected credit losses – loan receivables</u>	
As at December 31, 2019	33,633,390
Amounts restated through opening unappropriated retained earnings	(1,913,181)
Allowance for expected credit losses as at January 1, 2020	<u>31,720,209</u>

4.2 Leases

These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rates. The Company incremental borrowing rates applied to the lease liabilities as at January 1, 2020 was 5.775% per annum.

For leases previously classified as finance leases applying TAS 17, the Company reclassified the carrying amount of the lease assets and lease liabilities immediately before adoption of TFRS 16 as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application.

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 Director
 (Mr.Spain Jingkaojai)

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 Financial statements
 Director
 (Mr.Nattaphon Sarasas)

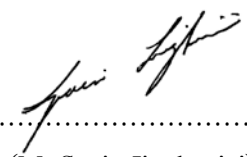
	in which the equity method is applied/ Separate financial statements
Operating lease commitments disclosed as at December 31, 2019	20,956,800
<u>Less:</u> Short-term leases recognized on a straight-line basis as expenses	(4,156,800)
<u>Add:</u> Purchase or extension options reasonably certain to be exercised	30,294,000
<u>Less:</u> Contracts reassessed as service agreements	(18,837,600)
	28,256,400
<u>Less:</u> Deferred interest expenses	(3,789,283)
Additional lease liabilities from TFRS 16 adoption	24,467,117
Finance lease liabilities as at December 31, 2019	4,639,657
Lease liabilities recognised as at January 1, 2020	29,106,774
Of which are:	
Current lease liabilities	6,010,769
Non-current lease liabilities	23,096,005
	29,106,774

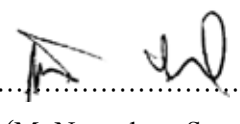
The recognized right-of-use assets relate to the following types of assets:

	Baht
	Financial statements in which the equity method is applied/ Separate financial statements
As at January 1, 2020	
Office space	25,844,117
Office space improvements	4,654,048
Vehicles	6,409,553
Total right-of-use assets	36,907,718

5. 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.

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 (Mr.Spain Jingkaojai) Director

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 (Mr.Nattaphon Sarasas) Director

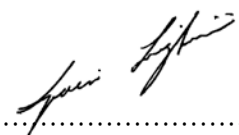
For the years ended December 31, 2020 and 2019, the significant transactions with related parties can be summarized as follows:

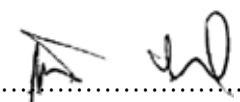
		Baht	
		Financial statements in which the equity method is applied/ Separate financial statements	
	Pricing policy	2020	2019
<u>Transactions in the statements of comprehensive income</u>			
<u>Related through directors</u>			
General Outsourcing Co., Ltd.			
- Reference fee	Contract price	15,833	316,455
- Payroll services fee	Contract price	370,770	364,890
SAM LOM CO., LTD.			
Interest income	Interest rate 13.50% p.a.	224,877	-
Samlom Capital Co., Ltd.			
Interest income	Interest rate 13.50% p.a.	36,690	-
<u>Director</u>			
Interest income	Interest rate 8.50% and 13.50% p.a.	1,165,832	1,172,246
Interest expense	Interest rate 7% p.a.	74,795	452,425
<u>Shareholders</u>			
Interest expense	Interest rate 8.25% and 5% - 10% p.a.	10,681,596	10,433,014
<u>Joint Venture</u>			
Interest expense	Interest rate 5.25 - 6.25% p.a. and 6% p.a.	348,500	162,740

Management compensation

Management compensation-for key management personnel for the years ended December 31, 2020 and 2019 are as follows :-

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2020	2019
Short-term benefits	35,587,293	33,377,699
Post-employment benefits	1,506,919	1,714,746
Total management compensation	37,094,212	35,092,445

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 (Mr.Spain Jingkaojai) Director

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 (Mr.Nattaphon Sarasas) Director

The outstanding balances at the statements of financial position as at December 31, 2020 and 2019 are as follow :-

	Baht	
	Financial statements in which the equity method is applied/	Separate financial statements
	2020	2019
<u>Outstanding balances at the statements of financial position</u>		
<u>Related through directors</u>		
Loan receivables		
- Property secured by mortgage	22,361,567	-
<u>Director</u>		
Loan receivables		
- Without collateral	774,941	836,621
- Property secured by mortgage	6,360,977	21,135,070
	<u>7,135,918</u>	<u>21,971,691</u>
Loans to employees	292,718	450,009
Short-term unsecured debentures	-	10,000,000
Accrued interest expense	-	278,082
<u>Shareholders</u>		
Short-term unsecured debentures	-	160,000,000
Promissory note	160,000,000	-
Accrued interest expense	1,722,329	3,260,000

6. CASH AND CASH EQUIVALENTS

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/	Separate financial statements
	2020	2019
Cash on hand	100,000	100,000
Deposits at bank - saving account	31,881,826	225,834,434
Deposits at bank - current account	5,437,575	28,237,230
Total cash and cash equivalents	<u>37,419,401</u>	<u>254,171,664</u>

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

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

7. 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	
	2020	2019	2020	2019	2020	2019
Hire-purchase receivables	739,803,989	862,696,690	1,267,362,611	1,310,227,791	2,007,166,600	2,172,924,481
Less Unearned income from hire-purchase contracts	(184,536,895)	(220,960,522)	(205,832,660)	(230,383,690)	(390,369,555)	(451,344,212)
Total	555,267,094	641,736,168	1,061,529,951	1,079,844,101	1,616,797,045	1,721,580,269
Less Allowance for expected credit losses	(9,910,588)	(20,809,136)	(17,095,887)	(38,881,880)	(27,006,475)	(59,691,016)
Hire-purchase receivables - net	545,356,506	620,927,032	1,044,434,064	1,040,962,221	1,589,790,570	1,661,889,253

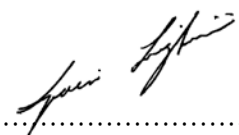
As at December 31, 2020, the balances of hire-purchase receivables (net of unearned income) and allowance for expected credit losses can be classified by installment of overdue as follows: -

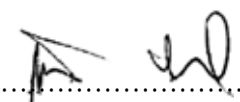
	Baht		
	Financial statements in which the equity method is applied/ Separate financial statements		
	Hire-purchase receivables	Allowance for expected credit losses	Net
Hire-purchase receivables where there have not been a significant increase in credit risk (Performing)	1,416,700,314	(10,566,751)	1,406,133,563
Hire-purchase receivables where there have been a significant increase in credit risk (Under-Performing)	184,840,900	(13,109,943)	171,730,957
Hire-purchase receivables that are credit-impaired (Non-Performing)	15,255,831	(3,329,781)	11,926,050
	1,616,797,045	(27,006,475)	1,589,790,570

As at December 31, 2019 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			
	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:				
Over 1 - 3 installments	491,077,885	491,077,885	2	9,821,557
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

* Amount of receivables net from collateral value.

.....

 (Mr.Spain Jingkaojai) Director

.....

 (Mr.Nattaphon Sarasas) Director

Movement from expected credit losses for the year ended December 31, 2020

	Million Baht				
	Hire-purchase receivables where there have not been a significant increase in credit risk (Performing)	Hire-purchase receivables where there have been a significant increase in credit risk (Under- Performing)	Hire-purchase receivables that are credit- impaired (Non- Performing)	Allowance for impairment	Total
Beginning balance as at December 31, 2019	-	-	-	59.69	59.69
Impact from financial reporting standards on financial instruments group	12.04	39.79	15.43	(59.69)	7.57
Beginning balance as at January 1, 2020, as adjust	12.04	39.79	15.43	-	67.26
Increase (decrease)	(1.47)	(26.68)	(12.10)	-	(40.25)
Ending balance as at December 31, 2020	10.57	13.11	3.33	-	27.01

As at December 31, 2020 the Company has transferred the rights on hire-purchase receivables to Government Savings Bank, net book value of Baht 311.95 million to secure short-term loans of Baht 200.00 million (Note 18).

TROUBLED DEBT RESTRUCTURING

The debt restructuring above has 2 - 5 years agreement

For the years ended December 31, 2020 and 2019, 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	2020	2019	2020	2019	2020	2019	2020	2019
			(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
Debt restructuring in various forms								
Changes of repayment conditions	258	100	248.53	106.03	248.53	106.03	-	-
Total	258	100	248.53	106.03	248.53	106.03	-	-

During the year, there were 258 default receivables under hire purchase agreement with total value of Baht 248.53 million. The management of the Company had evaluated that these receivables were still capable of the loan repayment. Therefore, the Company had entered into the new agreement which the loan amount according to the new agreement was equal to the net amount receivables under the former agreement by extending the repayment term and/or at decrease interest rate as specified in the new agreement.

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

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

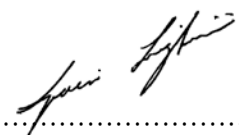
As at December 31, 2020 and 2019, the Company has outstanding balances relating to troubled debt restructuring loans as follows: -

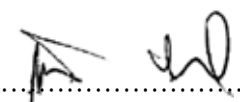
	Baht		
	Financial statements in which the equity method is applied/ Separate financial statements		
	Hire-purchase receivables	Allowance for expected credit losses	Net
As at December 31, 2020			
Hire-purchase receivables where there have not been a significant increase in credit risk (Performing) (320 default)	319,205,736	(1,449,746)	317,755,990
Hire-purchase receivables where there have been a significant increase in credit risk (Under-Performing) (20 default)	24,719,805	(277,315)	24,442,490
Hire-purchase receivables that are credit-impaired (Non-Performing) (0 default)	-	-	-
	<u>343,925,541</u>	<u>(1,727,061)</u>	<u>342,198,480</u>

	Financial statements in which the equity method is applied /Separate financial statements	
	No. of accounts	Outstanding debts (Baht)
As at December 31, 2019		
Not yet due	75	77,004,588
Over 1 - 3 installments	24	29,932,860
Over 3 installments	1	2,312,305
Total	<u>100</u>	<u>109,249,753</u>

Supplementary information relating to restructuring loans for the years ended December 31, 2020 and 2019 were as follows:

	Million Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2020	2019
Interest income recognized in the statement of comprehensive income	19.17	5.10

.....

 (Mr.Spain Jingkaojai) Director

.....

 (Mr.Nattaphon Sarasas) Director

8. PERSONAL LOAN RECEIVABLES

This account consisted of:

	Baht					
	Financial statements in which the equity method is applied/ Separate financial statements					
	Current portion of loan receivables - net		Loan receivables - net of current portion and not exceed 5 years		Total	
	2020	2019	2020	2019	2020	2019
Loan receivables	284,821,158	341,898,198	225,298,591	292,634,456	510,119,749	634,532,654
Accrued interest income	13,537,143	12,783,980	-	-	13,537,143	12,783,980
	298,358,301	354,682,178	225,298,591	292,634,456	523,656,892	647,316,634
Less Allowance for expected credit losses	(7,410,366)	(16,449,801)	(6,436,674)	(17,183,589)	(13,847,040)	(33,633,390)
Loan receivables - net	<u>290,947,935</u>	<u>338,232,377</u>	<u>218,861,917</u>	<u>275,450,867</u>	<u>509,809,852</u>	<u>613,683,244</u>

As at December 31, 2020, the loan receivables plus accrued interest and allowance for expected credit losses is classified by the overdue as follows:-

	Baht		
	Financial statements in which the equity method is applied/ Separate financial statements		
	Loan receivables	Allowance for expected credit losses	Net
Loan receivables where there have not been a significant increase in credit risk (Performing)	461,590,866	(8,231,134)	453,359,732
Loan receivables where there have been a significant increase in credit risk (Under-Performing)	56,994,780	(1,960,506)	55,034,274
Loan receivables that are credit-impaired (Non-Performing)	5,071,246	(3,655,400)	1,415,846
	<u>523,656,892</u>	<u>(13,847,040)</u>	<u>509,809,852</u>

As at December 31, 2019 the loan receivable plus accrued interest and allowance for doubtful accounts is classified by the overdue as follows:-

	Baht			
	Financial statements in which the equity method is applied/ Separate financial statements			
	Loan receivables - net	Based amount for computation	Rate for allowance (%)	Allowance for doubtful account
Not yet due:-				
Loan receivables	275,849,284	275,849,284	1	2,758,493
Loan receivables				
- With collateral	175,063	-	1	-
- Property secured by mortgage	226,009,909	26,321,918	1	263,219
	<u>502,034,256</u>	<u>302,171,202</u>		<u>3,021,712</u>
Over due				
Over 1 – 3 installments	76,342,341	37,279,871	2	745,597
Over 3 installments	68,940,037	29,866,081	100	29,866,081
	<u>647,316,634</u>	<u>369,317,154</u>		<u>33,633,390</u>

*Amount of receivables net from collateral value

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

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

Movement from expected credit losses the years ended December 31, 2020

	Million Baht				
	Loan receivables where there have not been a significant increase in credit risk (Performing)	Loan receivables where there have been a significant increase in credit risk (Under-Performing)	Loan receivables that are credit-impaired (Non-Performing)	Allowance for impairment	Total
Beginning balance as at December 31, 2019	-	-	-	33.64	33.64
Impact from financial reporting standards on financial instruments group	7.53	3.39	20.81	(33.64)	(1.91)
Beginning balance as at January 1, 2020, as adjust	7.53	3.39	20.81	-	31.73
Increase (decrease)	0.70	(1.43)	(17.15)	-	(17.88)
Ending balance as at December 31, 2020	8.23	1.96	3.66	-	13.85

On September 30, 2020, the Company has entered into an agreement for claim transfer on the payment of debt from account receivable and collateral (if any) with two local company in the loan receivables 165 accounts, with the debt amount Baht 11.32 million. It was agreed to pay for the compensation on claim transfer in the amount of Baht 1.21 million (included VAT), The payment is divided into 3 installments, (Note 11). And loan receivables 126 accounts, with the debt amount Baht 31.32 million, It was agreed to pay for the compensation on claim transfer in the amount of Baht 4.70 million (included VAT), The payment is divided into 49 installments, carrying interest at 8% per annum with payment scheduled to be completed by October 30, 2024, and on October 21, 2020, the Company payment of Baht 0.40 million.

TROUBLED DEBT RESTRUCTURING

The debt restructuring above has 1 - 5 years agreement

For the years ended December 31, 2020 and 2019, 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	2020	2019	2020	2019	2020	2019	2020	2019
			(million Baht)	(million Baht)	(million Baht)	(million Baht)	(million Baht)	(million Baht)
Debt restructuring in various forms								
Changes of repayment conditions	13	174	25.67	21.27	25.67	21.27	-	-
Total	13	174	25.67	21.27	25.67	21.27	-	-

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

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

During the year, there were 13 default receivables under loan agreement with total value of Baht 25.67 million. The management of the Company had evaluated that these receivables were still capable of the loan repayment. Therefore, the Company had entered into the new agreement which the loan amount according to the new agreement was equal to the net amount receivables under the former agreement by extending the repayment term and/or at decrease interest rate as specified in the new agreement.

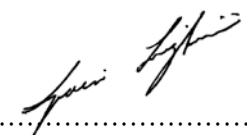
As at December 31, 2020 and 2019, the Company has outstanding balances relating to troubled debt restructuring loans as follows

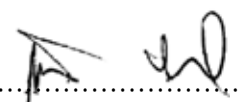
	Baht		
	Financial statements in which the equity method is applied/ Separate financial statements		
	Loan receivables	Allowance for expected credit losses	Net
As at December 31, 2020			
Loan receivables where there have not been a significant increase in credit risk (Performing) (53 default)	30,001,717	(770,093)	29,231,624
Loan receivables where there have been a significant increase in credit risk (Under-Performing) (36 default)	3,336,420	(493,438)	2,842,982
Loan receivables that are credit-impaired (Non-Performing) (37 default)	2,770,169	(2,082,007)	688,162
	<u>36,108,306</u>	<u>(3,345,538)</u>	<u>32,762,768</u>

	Financial statements in which the equity method is applied /Separate financial statements	
	No. of accounts	Outstanding debts (Baht)
As at December 31, 2019		
Not yet due	53	5,249,512
Over 1 - 3 installments	42	3,938,544
Over 3 installments	251	38,186,517
Total	<u>346</u>	<u>47,374,573</u>

Supplementary information relating to restructuring loans for the years ended December 31, 2020 and 2019 were as follows:

	Million Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2020	2019
Interest income recognized in the statement of comprehensive income	2.78	2.16

.....

 (Mr.Spain Jingkaojai) Director

.....

 (Mr.Nattaphon Sarasas) Director

9. PROPERTIES FORECLOSED

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2020	2019
Properties foreclosed	111,121,939	72,200,343
<u>Less</u> Allowance for expected credit losses	<u>(14,330,029)</u>	<u>(24,279,710)</u>
Properties foreclosed - net	<u>96,791,910</u>	<u>47,920,633</u>

10. OTHER CURRENT RECEIVABLES

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2020	2019
Revenue department receivable	-	6,449,142
Loans to employees	4,547,381	6,827,848
Accrued interest	2,707,844	148,760
Deposit	282,431	583,450
Others receivable	11,601,115	7,917,860
Others	1,887,106	1,074,127
Total	21,025,877	23,001,187
<u>Less</u> Allowance for expected credit losses	<u>(103,535)</u>	<u>-</u>
Total other current receivables	<u>20,922,342</u>	<u>23,001,187</u>

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

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

11. RECEIVABLES UNDER LITIGATION ENFORCEMENT PROCESS

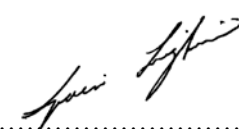
This account consisted of:


		Baht	
		Financial statements in which the equity method is applied/ Separate financial statements	
		2020	2019
11.1	Hire - purchase receivables under litigation enforcement process	76,747,418	50,250,892
	<u>Less</u> Allowance for expected credit losses	(60,546,605)	(49,296,380)
		16,200,813	954,512
11.2	Loan receivables under litigation enforcement process	10,015,348	23,322,521
	<u>Less</u> Allowance for expected credit losses	(4,579,550)	(4,230,915)
		5,435,798	19,091,606
	Receivables under litigation enforcement process - net	21,636,611	20,046,118

Movement from expected credit losses the years ended December 31, 2020 and 2019 were as follows:

		Baht	
		Financial statements in which the equity method is applied/ Separate financial statements	
		2020	2019
	Beginning balance	53,527,295	72,200,343
	Increase (decrease)	47,339,641	25,655,087
	Reversal	(35,740,781)	(44,328,135)
	Ending balance	65,126,155	53,527,295

On September 30, 2020, 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 81 accounts, with the debt amount Baht 45.81 million and loan receivables 82 accounts, with the debt amount Baht 8.46 million, total 163 accounts with the debt amount Baht 54.27 million with a local company. It was agreed to pay for the compensation on claim transfer in the amount of Baht 5.81 million (included VAT), The payment is divided into 3 installments, with loan receivable (Note 8) with payment scheduled to be completed by December 19, 2020, and on October 19, 2020, the company received payment of Baht 3.00 million.

.....

 (Mr. Spain Jingkaojai) Director

.....

 (Mr. Nattaphon Sarasas) Director

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.

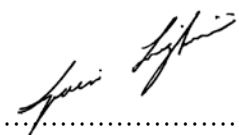
12. INVESTMENTS IN JOINT VENTURE

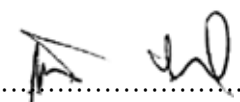
According to the Board of Directors' Meeting No. 7/2018 dated December 21, 2018, it has approved the Company to establish a joint venture name "Sabaijai Money Company Limited" for conduct business, non-financial business by loaning personal loan under supervision and Nano finance, the registered capital 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.

12.1 Details of joint venture:

Company's name	Shareholding percentage		Baht			
			Financial statements in which the equity method is applied		Separate financial statements	
	At equity method		At cost			
	2020	2019	2020	2019	2020	2019
	(%)	(%)				
Sabaijai Money Co., Ltd.	51	51	9,393,629	21,574,657	25,500,000	25,500,000
Total	51	51	9,393,629	21,574,657	25,500,000	25,500,000


Director
 (Mr.Spain Jingkaojai)


Director
 (Mr.Nattaphon Sarasas)

12.2 Share of comprehensive income

For the years ended December 31, 2020 and 2019, 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:

Company's name	Baht	
	Financial statements in which the equity method is applied	
	Share of loss from investment in joint venture during the year	
	2020	2019
Sabajai Money Co., Ltd.	(12,181,028)	(3,925,343)
	(12,181,028)	(3,925,343)

12.3 Summarized financial information of joint venture

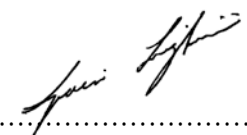
Financial information of the joint venture company is summarized below.

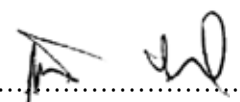
Company's name	Baht									
	Paid-up capital		Total assets		Total liabilities		Total revenues for the year		Loss for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Sabajai Money Co., Ltd.	50.00	50.00	28.87	42.46	10.45	0.16	0.66	0.31	(23.88)	(7.70)

13. EQUIPMENT

This account consisted of :-

	Baht				
	Financial statements in which the equity method is applied/ Separate financial statements				
	As at January 1, 2020	The impacts of TFRS 16	Movements during the year		As at December 31, 2020
			Additions	Disposals	
Cost					
Computer and equipment	7,806,664	-	460,520	-	8,267,184
Office improvements	14,148,452	(11,966,219)	4,059	(1,490,577)	695,715
Furniture and office equipment	6,058,813	-	702,463	-	6,761,276
Vehicles	11,443,000	(10,444,000)	-	-	999,000
Total	39,456,929	(22,410,219)	1,167,042	(1,490,577)	16,723,175
Accumulated depreciations					
Computer and equipment	5,163,688	-	858,826	-	6,022,514
Office improvements	7,936,225	(7,312,171)	426,075	(672,947)	377,182
Furniture and office equipment	4,034,321	-	693,108	-	4,727,429
Vehicles	4,271,470	(4,034,447)	199,800	-	436,823
Total	21,405,704	(11,346,618)	2,177,809	(672,947)	11,563,948
Equipment - net	18,051,225	(11,063,601)			5,159,227

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 (Mr. Spain Jingkaojai) Director

.....

 (Mr. Nattaphon Sarasas) Director

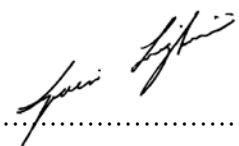
	Financial statements in which the equity method is applied/			
	Separate financial statements			
	As at January	Movements during the year		As at December
	1, 2019	Additions	Disposals	31, 2019
<u>Cost</u>				
Computer and equipment	6,167,398	1,639,266	-	7,806,664
Office improvements	14,144,952	3,500	-	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
<u>Accumulated depreciations</u>				
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

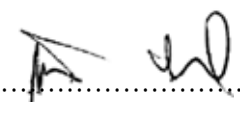
As at December 31, 2020 and 2019, the Company's equipment amounting to Baht 7.26 million and Baht 15.23 million, respectively, are fully depreciated but are still in use.

14. RIGHT-OF-USE ASSETS

This account consisted of :-

	Baht			
	Financial statements in which the equity method is applied/			
	Separate financial statements			As at December 31, 2020
	As at January 1, 2020	The impacts of TFRS 16	Movements during the year Additions Disposals	
Cost				
Office space	-	25,844,117	-	25,844,117
Office space improvements	-	11,966,219	52,212	12,018,431
Vehicles	-	10,444,000	5,547,500	15,991,500
Total	-	48,254,336	5,599,712	53,854,048
Accumulated depreciations				
Office space	-	-	5,087,721	5,087,721
Office space improvements	-	7,312,171	1,330,718	8,642,889
Vehicles	-	4,034,447	2,373,753	6,408,200
Total	-	11,346,618	8,792,192	20,138,810
right-of-use assets - net	-	36,907,718		33,715,238

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 (Mr.Spain Jingkaojai) Director

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 (Mr.Nattaphon Sarasas) Director

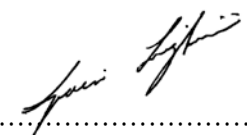
15. INTANGIBLE ASSETS

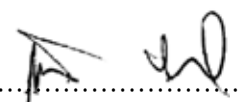
This account consisted of :-

	Baht			
	Financial statements in which the equity method is applied/			
	Separate financial statements			
	As at January	Movements during the year		As at December
	1, 2020	Additions	Disposals	31, 2020
				(Transfer out)
<u>Cost</u>				
Computer software	2,123,818	178,250	-	1,067,029
Computer software in progress	7,483,750	2,510,638	-	(1,067,029)
Total	9,607,568	2,688,888	-	-
<u>Accumulated amortizations</u>				
Computer software	671,348	448,062	-	-
Total	671,348	448,062	-	-
Intangible assets - net	8,936,220			11,177,046

	Baht			
	Financial statements in which the equity method is applied/			
	Separate financial statements			
	As at January	Movements during the year		As at December
	1, 2019	Additions	Disposals	31, 2019
<u>Cost</u>				
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
<u>Accumulated amortizations</u>				
Computer software	404,055	267,293	-	671,348
Total	404,055	267,293	-	671,348
Intangible assets - net	869,967			8,936,220

As at December 31, 2020 and 2019, 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.

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 (Mr. Spain Jingkaojai) Director

.....

 (Mr. Nattaphon Sarasas) Director

16. DEFERRED TAX ASSETS/(INCOME) TAX EXPENSES

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

	Baht			
	Financial statements in which the equity method is applied			
	As at December	The impacts of	Income (expense) during the year	As at December
	31, 2019	TFRS 9	In profit or loss In comprehensive income	31, 2019
Deferred tax assets :				
Allowance for expected credit losses	39,066,910	(6,417,842)	(9,502,303)	23,146,765
Share of loss from investment in joint venture	785,068	-	(785,068)	-
Lease liabilities	-	-	176,510	176,510
Employee benefit obligations	1,830,153	-	99,417	1,933,847
Unrecognized revenue	1,780,734	-	(1,289,222)	491,512
Taxable loss deductible by law	-	-	4,807,447	4,807,447
Total deferred tax assets	43,462,865	(6,417,842)	(6,493,219)	30,556,081

	Baht			
	Separate financial statements			
	As at December	The impacts of	Income (expense) during the year	As at December
	31, 2019	TFRS 9	In profit or loss In comprehensive income	31, 2020
Deferred tax assets :				
Allowance for expected credit losses	39,066,910	(6,417,842)	(9,502,303)	23,146,765
Lease liabilities	-	-	176,510	176,510
Employee benefit obligations	1,830,153	-	99,417	1,933,847
Unrecognized revenue	1,780,734	-	(1,289,222)	491,512
Taxable loss deductible by law	-	-	4,807,447	4,807,447
Total deferred tax assets	42,677,797	(6,417,842)	(5,708,151)	30,556,081

(Income) tax expenses for the years ended December 31, 2020 and 2019 were as follows:

	Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	2020	2019	2020	2019
Current tax expenses :				
Income tax for the year	-	20,959,716	-	20,959,716
Adjustment income tax expense of previous year	(1,042,776)	-	(1,042,776)	-
Deferred tax expenses :				
Changes in temporary differences relating to the original recognition and reversal	6,493,219	(7,854,679)	5,708,151	(7,069,611)
Total	5,450,443	13,105,037	4,665,375	13,890,105

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

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

The reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2020 and 2019 are summarized as follows:

	Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	2020	2019	2020	2019
Accounting profit before income tax	9,351,259	66,185,632	21,532,287	70,110,975
Income tax rate	20	20	20	20
Income tax expenses as income tax rate	1,870,251	13,237,127	4,306,457	14,022,195
Non-deductible expenses by the Revenue Code	476,252	300,868	476,252	300,868
Double expenses by the Revenue Code	(117,334)	(432,958)	(117,334)	(432,958)
Share of loss from investment in joint venture	3,221,274	-	-	-
(Income) tax expenses	5,450,443	13,105,037	4,665,375	13,890,105
The average effective tax rate	58.29	19.80	21.67	19.81

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
	2020	2019
Bank overdrafts	18,810,800	-
Short - term loan	200,000,000	-
	218,810,800	-

As at December 31, 2020, the Company had bank overdrafts of Baht 18.81 million. The interest rate is MOR and the Company had long-term loans with a local bank of Baht 200.00 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 311.95 million. The Company had to comply with the conditions in the loan agreements.

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

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

18. TRADE AND OTHER CURRENT PAYABLES

This account consisted of:

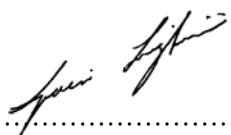
	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2020	2019
Trade payables	138,817,648	20,701,966
Other current payables		
Accrued interest	13,356,451	16,928,409
Accrued expenses	5,926,247	1,692,088
Accrued withholding tax	1,471,753	1,003,037
Unearned interest	3,404,881	3,823,557
Others	16,457,888	7,126,731
Total other current payables	40,617,220	30,573,822
Total trade and other current payables	179,434,868	51,275,788

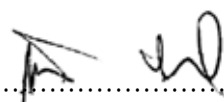
19. SHORT-TERM LOAN FROM OTHER PERSONAL

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2020	2019
19.1 Loan	54,000,000	30,000,000
19.2 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
19.3 Promissory note	160,000,000	-
Total short-term loans from third parties	214,000,000	226,574,575

As at December 31, 2020 and 2019, the company had short-term loans from a person of Baht 54.00 million which the contract are unsubordinated, the maturity 91- 93 days on February 17, 2021, February 27, 2021 and March 15, 2021 carrying interest at 8.50% - 8.75% per annum and Baht 30.00 million which the contract are unsubordinated, the maturity 183 days on June 14, 2020, carrying interest at 6.50% per annum, respectively.


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


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

As at December 31, 2019, the Company issued unsecured bills of exchange of Baht 200.00 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.

As at December 31, 2020, the Company issued promissory note of Baht 160.00 million, the maturity 61 days carrying interest at 8.25% per annum.

20. LONG-TERM LOAN FROM OTHER COMPANY

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2020	2019
Long - term loan	16,944,037	-
<u>Less</u> Current portion	7,139,763	-
Long-term loan from other company - net	9,804,274	-

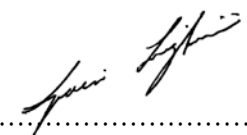
As at December 31, 2020, the company had long-term loans from a financial Institutions of Baht 20.00 million, being a term of monthly payment 24 periods. The installment shall be repaid monthly in the amount of Baht 0.93 million (Include interest) the maturity on August 2022 carrying interest at 11.12% per annum.

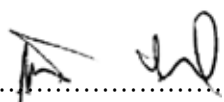
These loan is guaranteed by cash the amount of Baht 4.00 million and guaranteed by the director of the company in the full amount.

21. SHORT-TERM UNSECURED DEBENTURES

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2020	2019
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
<u>Less</u> Amortized costs relating to issuance of debentures	-	-
Short-term unsecured debentures-net	-	170,000,000

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 (Mr.Spain Jingkaojai) Director

.....

 (Mr.Nattaphon Sarasas) Director

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.

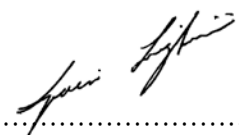
Debentures #7/2019 (specific investors)

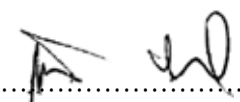
As at November 8, 2019, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 6 months with credit line of Baht 60 million (60,000 units of Baht 1,000 per unit) maturity on May 8, 2020, carrying interest at 6.00% per annum.

22. LONG-TERM SECURED AND UNSECURED DEBENTURES

This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2020	2019
Debentures #2/2015	-	100,000,000
Debentures #1/2018	-	278,000,000
Debentures #2/2018	-	200,000,000
Debentures #1/2019	300,000,000	300,000,000
Debentures #2/2019	420,500,000	420,500,000
Debentures #3/2019	399,000,000	399,000,000
Debentures #1/2020	74,000,000	-
Long-term unsecured debentures, at face value	1,193,500,000	1,697,500,000
<u>Less</u> Amortized costs relating to issuance of debentures	(8,076,904)	(15,147,145)
Total long-term secured and unsecured debentures-net	1,185,423,096	1,682,352,855
<u>Less</u> current portion	(1,112,093,658)	(576,071,172)
Long-term unsecured debentures - net	73,329,438	1,106,281,683


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


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

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.

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.

On June 15, 2020, the Company had repaid the loan for 60% of par value or Baht 120 million and had corrected the due date for another 3 months from June 15, 2020 to September 15, 2020 and had changed the interest rate from 6.25% per annum to 7.25% per annum.

Debentures #1/2019

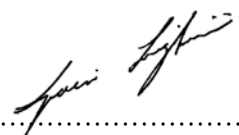
As at April 12, 2019, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 2 years with credit line of Baht 300.00 million (300,000 units of Baht 1,000 per unit) maturity on April 12, 2021 carrying interest at 7.00% per annum, payment interest in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

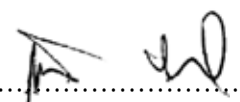
Debentures #2/2019

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.


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


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

Debentures #1/2020

As at March 18, 2020, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 2 years with credit line of Baht 74.00 million (74,000 units of Baht 1,000 per unit) maturity on March 18, 2022 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.

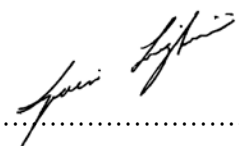
23. LEASE LIABILITIES

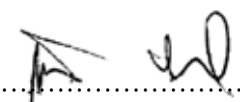
The carrying amounts of lease liabilities and the movement for the year ended December 31, 2020 are presented below.

	Baht
	Financial statements in which the equity method is applied/Separate financial statements
As at December 31, 2019	-
Effects of the adoption of TFRS16	29,106,774
As at January 1, 2020	29,106,774
Increase during the period	3,025,000
Accretion of interest	1,512,396
Payments	(7,633,785)
Decrease from contract cancellation	-
As at December 31, 2020	26,010,385
<u>Less</u> Current portion	6,700,038
Lease liabilities - net	19,310,347

The following are the amounts recognized in profit or loss:

	Baht
	Financial statements in which the equity method is applied/Separate financial statements
Depreciation of right-of-use assets	5,087,721
Interest expense on lease liabilities	1,512,396
Expense relating to short-term lease	1,870,560
Total	8,470,677

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

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

As at December 31, 2020 and January 1, 2020 (after adjust), the payment of these contracts are as follow:-

	Baht					
	Financial statements in which the equity method is applied/Separate financial statements					
	As at December 31, 2020			As at January 1, 2020 (after adjust)		
	Principal	Interest expenses	Total	Principal	Interest expenses	Total
Payment due within 1 year	6,700,038	1,238,096	7,938,134	6,010,769	1,488,151	7,498,920
Payment due over 1 year to 5 years	19,310,347	1,615,493	20,925,840	23,096,005	2,666,051	25,762,056
Total	26,010,385	2,853,589	28,863,974	29,106,774	4,154,202	33,260,976

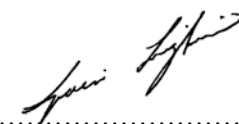
24. EMPLOYEE BENEFIT OBLIGATIONS


This account consisted of:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2020	2019
Post-employment benefit plan		
Employee benefit obligations as at beginning of the year	9,150,763	6,115,064
Included in profit or loss :		
Current service cost	2,404,380	2,592,723
Cost of interest	198,504	185,390
Included in other comprehensive income :		
Experience adjustments	(470,581)	565,708
Change in demographic assumptions	(468,515)	210,716
Change in financial assumptions	960,481	(224,075)
Benefit paid by the plan	(2,105,800)	(294,763)
Employee benefit obligations as at the end of the year	9,669,232	9,150,763

Employee benefits expenses for the years ended December 31, 2020 and 2019 as shown in the statements of comprehensive income are as follows:

	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2020	2019
Selling expenses	198,504	219,194
Administrative expenses	2,404,380	2,558,919
Total employee benefits expenses	2,602,884	2,778,113

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 (Mr.Spain Jingkaojai) Director

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 (Mr.Nattaphon Sarasas) Director

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

	Percentage/Year	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2020	2019
Discount rate	1.50	2.80
Future salary increases	5.00 - 6.00	5.00 - 6.00
Employee turnover rate by age group (depend on range of age)	5.00 - 18.00	5.00 - 20.00
Mortality rate (Based on the 2017 Thai Mortality Table)	100.00	100.00

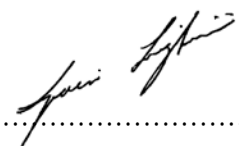
Sensitivity Analysis shows the revalued Defined Benefit Obligations after the change to the key assumptions as follows:

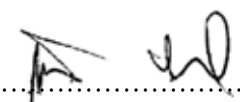
	Baht			
	Financial statements in which the equity method is applied/ Separate financial statements			
	2020		2019	
	Increased	Decreased	Increased	Decreased
Discount Rate (1.00 percent)	(720,989)	826,420	(52,137)	737,721
1year Mortality (1 year)	(38,201)	34,195	(34,990)	31,302
Salary Increase (1.00 percent)	822,631	(733,261)	857,430	(768,338)
Employee Turnover (10.00 percent) of assumed turnover	(548,417)	608,708	(433,523)	475,813

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.

25. OPERATING SEGMENT

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

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 (Mr.Spain Jingkaojai) Director

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 (Mr.Nattaphon Sarasas) Director

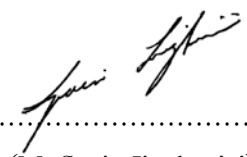
The main business operation is in the segment to provide credit for the hire-purchase of agricultural machinery, loan for commercial and operates in the single geographical area in Thailand.

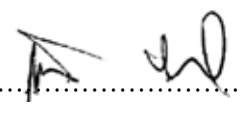
Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

Business activities are classified by product segment for the years ended December 31, 2020 and 2019 are as follows :-

Million Baht						
Financial statements in which the equity method is applied						
	Hire - purchase		loans		Total	
	2020	2019	2020	2019	2020	2019
Income (expense) segment :						
Interest income	241.93	264.46	68.94	71.03	310.87	335.49
Penalty income	15.69	14.56	0.15	0.03	15.84	14.59
Other income	1.53	4.37	1.32	2.00	2.85	6.37
Expect credit losses	(7.83)	(14.82)	(24.36)	(23.16)	(32.19)	(37.98)
Profit of segment	251.32	268.57	46.05	49.90	297.37	318.47
Income (expense) not segment :						
Other income					0.56	2.19
Selling expenses					(8.91)	(16.66)
Administrative expenses					(127.68)	(117.21)
Finance costs					(139.81)	(116.68)
Share of loss from investment in joint venture					(12.18)	(3.93)
Income tax (expenses)					(2.23)	(13.10)
Profit (loss) for the year					7.12	53.08

Million Baht						
Separate financial statements						
	Hire - purchase		loans		Total	
	2020	2019	2020	2019	2020	2019
Income (expense) segment :						
Interest income	241.93	264.46	68.94	71.03	310.87	335.49
Penalty income	15.69	14.56	0.15	0.03	15.84	14.59
Other income	1.53	4.37	1.32	2.00	2.85	6.37
Expect credit losses	(7.83)	(14.82)	(24.36)	(23.16)	(32.19)	(37.98)
Profit of segment	251.32	268.57	46.05	49.90	297.37	318.47
Income (expense) not segment :						
Other income					0.56	2.19
Selling expenses					(8.91)	(16.66)
Administrative expenses					(127.68)	(117.21)
Finance costs					(139.81)	(116.68)
Income tax (expenses)					(4.67)	(13.89)
Profit (loss) for the year					16.86	56.22

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 (Mr.Spain Jingkaojai) Director

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 (Mr.Nattaphon Sarasas) Director

26. 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.

27. 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.

28. DIVIDEND PAYMENT

For the year 2020

At the ordinary shareholders' meeting No.1/2020 held on March 23, 2020, the shareholders unanimously approved to pay dividend from the Company's operation year 2019 to the shareholders at Baht 0.10 per share, in the amount of Baht 30.00 million, appropriated for 300,000,000 shares, was paid on April 7, 2020

The Company has a legal reserve amounted to Baht 0.84 million.

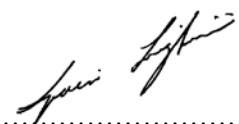
For the year 2019

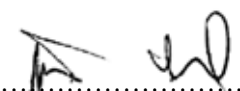
At the ordinary shareholders' meeting No.1/2019 held on March 15, 2019, the shareholders unanimously approved to pay dividend from the Company's operation year 2018 to the shareholders at Baht 0.25 per share, in the amount of Baht 50.00 million. The dividend paid in the amount of Baht 20.00 million, 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.

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

.....

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

29. EXPENSES BY NATURE

The Company has significant expenses by nature for the years ended December 31, 2020 and 2019, comprised of the following:

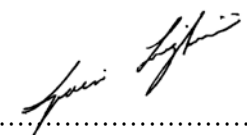
	Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2020	2019
Management and employee compensation	78,071,913	77,060,367
Rental and service expenses	6,348,164	12,932,774
Sales promotion expenses	1,407,867	2,055,100
Depreciation and amortization	11,036,485	5,729,869
Allowance for expected credit losses	32,187,265	37,986,635

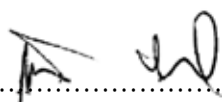
30. FINANCIAL INSTRUMENTS

30.1 Fair valuation of financial instruments

On January 1, 2020 (the date of initial application of new financial reporting standards), the Company's management has assessed which business models applied to the financial assets and liabilities and have classified the financial assets and liabilities balances as at January 1, 2020 has been disclosed in Note 4.

	Baht	
	Financial statements in which the equity method is applied/Separate financial statements	
	Amortized cost	Total
Financial assets as at December 31, 2020		
Cash and cash equivalents	37,419,401	37,419,401
hire-purchase receivables	1,589,790,570	1,589,790,570
loan receivables	509,809,852	509,809,852
Receivable from sale of legal receivable clam	6,251,948	6,251,948
Receivables under litigation enforcement process	21,636,611	21,636,611
	<u>2,164,908,382</u>	<u>2,164,908,382</u>
Financial liabilities as at December 31, 2020		
Trade and other current payables	179,434,868	179,434,868
Bank overdrafts and short-term loan from financial institutions	218,810,800	218,810,800
Short-term loan from other personal	214,000,000	214,000,000
Long-term loan from other company liabilities	7,139,763	7,139,763
Short-term secured and unsecured debentures	-	-
long-term secured and unsecured debentures	1,185,423,096	1,185,423,096
Lease liabilities	26,010,385	26,010,385
	<u>1,830,818,912</u>	<u>1,830,818,912</u>

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 (Mr.Spain Jingkaojai) Director

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 (Mr.Nattaphon Sarasas) Director

30.2 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.

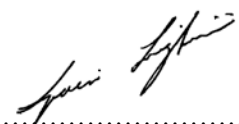
30.3 Interest rate risk

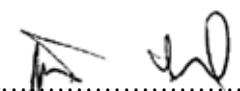
Interest rate risk refers to risk that arises from changes in interest rates which may affect the value of the Company's financial instruments or may cause volatilities in the Company's earning or fluctuations in the value of the Company's financial assets and liabilities, both in the current reporting 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				
	2020				
	Fixed interest rates		Floating	Non-interest	Total
	Within	More than	interest rate	bearing	
	1 year	1-5 years			
Financial assets					
Cash and cash equivalents	-	-	5,437,575	31,981,826	37,419,401
Hire-purchase receivables	545,356,506	1,044,434,064	-	-	1,589,790,570
Loan receivables	290,947,935	218,861,917	-	-	509,809,852
Receivables under litigation enforcement process	-	-		21,636,611	21,636,611
Financial liabilities					
Bank overdrafts and short-term loans from					
financial institutions	-	-	218,810,800	-	218,810,800
Short-term loans from other person	-	-	214,000,000	-	214,000,000
Long-term loan from other company	7,139,763	9,804,274	-	-	16,944,037
Short-term unsecured debentures					
Long-term secured and unsecured debenture	1,112,093,658	73,329,438	-	-	1,185,423,096
Lease liabilities	6,700,038	19,310,347	-	-	26,010,385

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 (Mr.Spain Jingkaojai) Director

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 (Mr.Nattaphon Sarasas) Director

	Baht			
	Financial statements in which the equity method is applied/ Separate financial statements			
	2019			
	Fixed interest rates		Floating	Non-interest
	Within	More than	interest rate	bearing
	1 year	1-5 years		
Financial assets				
Cash and cash equivalents	-	-	28,237,230	225,934,434
Hire-purchase receivables	620,927,032	1,040,962,221	-	-
Loan receivables	338,232,377	275,450,867	-	-
Receivables from sale of legal receivable claims	-	4,233,433	-	2,018,515
Receivables under litigation enforcement process	-	-	-	20,046,118
Financial liabilities				
Short-term loans from other person	-	-	226,574,575	-
Short-term secured and unsecured debenture	-	-	170,000,000	-
Long-term secured and unsecured debenture	576,071,172	1,106,281,683	-	-
Liabilities under financial lease agreements	1,805,597	2,834,060	-	-

31. CREDIT LIMIT

As at December 31, 2020, the Company had short-term credit limit with a local bank as follow :

- 31.1 The Company had unsecured credit line for bank overdrafts of Baht 20.00 million. The interest rate is MOR.
- 31.2 The Company had a credit line for short-term loans of Baht 200.00 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-0.50% per annum. The loan is secured by transferring the rights on receivables under hire-purchase agreements when the loan is drawn down.

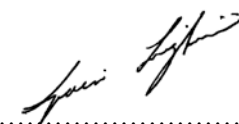
32. COMMITMENT


32.1 Commitment on service agreements for office buildings

The Company has entered into service agreements for office rental space. The terms of the agreements are 3 years.

As at December 31, 2020 and 2019, future minimum lease payments under these operating leases contracts were as follows.

	Million Baht	
	Financial statements in which the equity method is applied/Separate financial statements	
	2020	2019
Payable:		
Due within 1 year	4.98	12.30
Due over 1 year but not exceeding 3 years	2.52	8.54
	7.50	20.84

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 (Mr.Spain Jingkaojai) Director

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 (Mr.Nattaphon Sarasas) Director

As at December 31, 2020, the Company had no obligations under lease agreements and related service agreements as a result of the adoption of the TFRS 16 as at January 1, 2020. The Company recognized the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted incremental borrowing rate, as described in Note 4.

32.2 Commitment on capital expenditure

The Company has capital expenditure commitment in respect of computer software under development. The Company has a commitment to pay under the agreement in the amount of Baht 5.78 million.

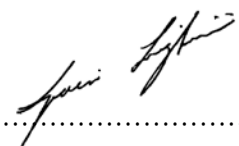
33. CAPITAL MANAGEMENT

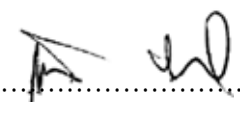
As at December 31, 2020, the Company has policy to manages its capital position with reference to its debt-to-equity ratio as each situation in order to maintain a strong capital base so as to maintain assurance of shareholder, investor, creditor and capital market confidence, with regard to return on 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.

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2020 and 2019 are as follows:

	Baht			
	Financial statements in which the equity method is applied/Separate financial statements			
	2020			
	Balance as at January 1, 2020	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2020
Bank overdrafts	-	18,810,800	-	18,810,800
Short-term loan from financial institutions	-	200,000,000	-	200,000,000
Short-term from other person	226,574,575	(12,574,575)	-	214,000,000
Long-term loan from other company	-	16,944,037	-	16,944,037
Short-term loan secured and unsecured debenture	170,000,000	(170,000,000)	-	-
Long-term loan secured and unsecured debenture	1,682,352,855	(507,147,050)	10,217,291	1,185,423,096
Lease liabilities	8,621,497	(7,633,785)	25,022,673	26,010,385
Total	2,087,548,927	(461,600,573)	35,239,964	1,661,188,318

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 (Mr. Spain Jingkaojai) Director

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 (Mr. Nattaphon Sarasas) Director

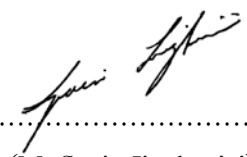
Baht				
Financial statements in which the equity method is applied/Separate financial statements				
2019				
	Balance as at January 1, 2019	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2019
Bank overdrafts	18,736,720	(18,736,720)	-	-
Short-term loan from 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 secured and 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

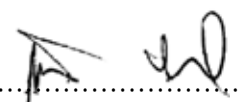
* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

35. RECLASSIFICATION

The Company has reclassified some transactions in the financial statements for the year 2019 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			
	Before reclassification	Reclassification increase (decrease)	After reclassification
<u>Statements of financial position</u>			
As at December 31, 2019			
Current assets			
Current portion of loan receivables	-	338,232,377	338,232,377
Properties foreclosed	-	47,920,633	47,920,633
Current portion of personal loan receivables	183,367,727	(183,367,727)	-
Current portion of corporation loan receivables	154,864,650	(154,864,650)	-
Receivables under litigation enforcement process	47,920,633	(47,920,633)	-
Non-current assets			
Loan receivables	-	275,450,867	275,450,867
Personal loan receivables	162,897,843	(162,897,843)	-
Corporation loan receivables	112,553,024	(112,553,024)	-
<u>Statements of comprehensive income</u>			
For the year ended December 31, 2019			
Interest income - loans	-	71,027,131	71,027,131
Income from penalty loans	-	258,744	258,744
Interest income - personal loans	47,795,587	(47,795,587)	-
Interest income - corporation loans	23,231,544	(23,231,544)	-
Income from penalty on personal loans and corporation loans	258,744	(258,744)	-

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 (Mr. Spain Jingkaojai) Director

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 (Mr. Nattaphon Sarasas) Director

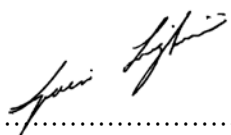
	Baht		
	Before reclassification	Reclassification increase (decrease)	After reclassification
<u>Statements of cash flows</u>			
For the year ended December 31, 2019			
Loan receivables	-	(172,015,488)	(172,015,488)
Properties foreclosed	-	(38,355,248)	(38,355,248)
Personal loan receivables	(32,916,596)	32,916,596	-
Corporation loan receivables	(139,098,892)	139,098,892	-
Receivables under litigation enforcement process with collateral	(38,355,248)	38,355,248	-

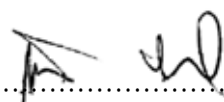
36. CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. The situation affects the results of operations of the Company, recognition and measurement of assets and liabilities in the financial statements. Nevertheless, the management will continue to monitor the ongoing development and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

37. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors on February 28, 2021.


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


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



**G
capital**



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