



2018 ANNUAL REPORT

SRISAWAD CORPORATION PUBLIC COMPANY LIMITED.

Board of Directors



01



Mr. Sukont Kanjanahuttakit
Chairman



02



Mr. Vinai Vittavasgarnvej
Independent Director
Vice Chairman
Chairman of Audit Committee



03



Mr. Chatchai Kaewbootta
Director



04



Miss Doungchai Kaewbootta
Director



05



Dr. Veera Veerakul
Independent Director



06



Pol. Lt. Gen. Pharnu Kerdlarphphon
Independent Director
Chairman of Nomination
and Remuneration Committee

Board of Directors



07



Mr. Weerachai Ngamdeevilaisak
Independent Director
Chairman of Risk Management Committee



08



Mr. Weidt Nuchjalearn
Director



09



Mr. Pinit Puapan
Director



010



Mr. Sumate Maneewattana
Independent Director



011



Mr. Prayong Sannual
Director



012



Mr. Somyot Ngerndamrong
Director



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Report from the Board of Directors

In the year 2018, after the company group underwent significant changes including partial business transferred to the Company's subsidiary, Srisawad Power 2014 Co., Ltd. for being a holding company. The Company had acquired Srisawad Finance Public Company Limited up to 45.34 percent of BFIT's paid-up capital. Also had business restructuring among the group. In this year, we had a business partner, Cathay Financial Holding Co., Ltd., is Taiwanese well known corporate which has expertise in financial services, insurance, securities, and banking-specific technologies, as well as financial stability that shall synergize with the Company business.

For international business, the Company expanded secured loans in Vietnam by establishing branch network to other areas in Vietnam. And Srisawad Leasing Laos Company Limited in Laos, started the operation in 2018.

As for the core business of the company Group, SAWAD's group was able to increase the portfolio size by 29% from year 2017, and increase the number of branches by the end of 2018 by totaling 2,870 branches in operation in all major municipalities throughout all provinces in the country. At the same time, the Company has ramping up the nano finance product. All these factors enabled the Company to increase the net profit from Baht 2,715.15 million in 2017 to Baht 3,000.89 million in 2018, a growth rate of 10.52% from year to year.

In 2019, although the company group will be going through major changes in the restructuring effort, it will continue to focus on sustaining the profit growth as it has in the past. The aim is to grow the business by another 30%, through branch expansion, diligent credit assessment, risk management, and expanding the various lines of business or incorporate with our business partners to develop new technology not only local partners but also foreign partners, to expand core business as well as the new opportunities.

With the skills of the Company's employees and management team from their deep experience in the business, the Company aims to produce attractive returns for all the stakeholders including shareholders, business partners, customers and employees.

On behalf of the Board of Directors, I would like to express our gratitude to all customers, business partners, investors, and shareholders for the support that the Company has received. I would also like to thank all of our



personnel and management team for the dedication to the company group, enabling us to grow and succeed at the rate that we have thus far.

Mr. Sukont Kanjanahuttakit

Chairman



Part I

Business Operation

1. Policies and Overall Business Operation

1.1 Vision and Mission

Vision

To become a leader of financial convenience store in Thailand

Mission

To provide prompt financial services covering all areas in demand, with appropriate risk management and continued quality development for employees to gear up for sustainable growth

Business Target in next 3-5 years

To expand financial service cover every sub-district in Thailand and to expand financial service to AEC, with suitable and compatible products to each country under concerned risk management. To expand NPL management service and debt collection service.

1.2 Company History, Changes and Significant Development

SAWAD was originally founded by the Kaewbootta family to operate an auto title loan business in Petchaboon province. The Company has continued to extend its service coverage by opening new branches in other provinces to include financial services offered to customers who need financial aids but have limited access to financing services offered by banks and financial institutions.

At present, SAWAD and its subsidiaries offer auto-backed loans and home-backed loans through their 2,870 branches (update as of 31 December 2018), under the service mark / trade name “**Mee Baan Mee Rod Ngern Sod Than Jai**” (literally translated as “Your car and/or your home can bring you instant cash”) and changed the service mark to “**Srisawad Ngern Sod Than Jai**” The Company’s strengths include its prompt services, fast approval and lending process as well as easy access and close relationship with customers.



The Company offers financing services to general retail customers in Bangkok, Bangkok's vicinity, and other provinces nationwide.

The Company's major changes and development can be summarized below.

1979 -2000	<p>The Kaewbootta family founded the Company to provide vehicle title loans in Petchaboon province.</p> <p>The business had been expanded to include larger service coverage in other provinces, marking a pioneer of the so-called car-for-cash loan segment.</p>
2007	<p>Sold the existing business which included branches and the service mark to another operator in the industry.</p>
2008	<p>Srisawad Power 1979("SAWAD" or the Company) was established (formally known as PV and KK Service 2008), with the registered capital of Baht 1 million, without any business operation.</p>
2009	<p>Acquired Srisawad Power Co., Ltd (SP), engaging in the debt collection business and the auto title business (with less than 100 branches).</p> <p>Under SAWAD Group's umbrella, SP expanded the debt collection and lending businesses to include 136 branches.</p>
2010-2014	<p>The Company increased the registered and paid-up capital to Baht 5 million and launched the auto-backed loans and home-backed loan business under the service slogan "Mee Baan Mee Rod Ngern Sod ThanJai"</p> <p>Restructured the business by acquiring two companies, without business operation</p> <ul style="list-style-type: none">- Srisawad Power 1982 Co., Ltd ("SP 1982") (formally known as K.P.N Holding Co. Ltd- Fast Money Co. Ltd. ("FM") (formally known as J.D.T Money Service Co., Ltd) <p>The Company increased the registered and paid-up capital to Baht 200 million.</p> <p>SP's business was transferred to the Company after SAWAD purchased and received the transfer of loan receivables and hire purchase receivables for operation and management at the Company and SP 1982.</p> <p>The branch network was expanded to include 265 branched at the end of 2011.</p>
2012	<p>The Company increased the registered capital and paid-up capital from Baht 200 million to Baht 750 million.</p>



- 2013 The Extraordinary Shareholder Meeting No. 1/2013 held on 31 May 2013 approved the plan to privatize the Company to become a public company with a change of the par value from Baht 100 per share to Baht 1 per share. The Company increased the registered capital from Baht 750 million to Baht 1,000 million by raising the capital of Baht 250 million, with 250 million shares allocated for the initial public offering.
- The Company was registered the privatization on 14 June 2013
- As of 31 December 2013, the Company's branch network included a total of 602 branches.
- 2014
 - The Company carried on the initial public offering for the total shares of 250,000,000 at a par value at Baht 1 and at a share price of Baht 6.90 per share. In addition, the Company registered the change of the paid-up capital to Baht 1,000 million (1,000,000,000 shares at a par value of Baht 1) with the Business Development Department, Ministry of Commerce on 2 May 2014. Then, the Stock Exchange of Thailand listed 1,000,000,000 ordinary shares at the par value of Baht 1, with the stock trading started on 8 May 2014.
 - Issued senior and unsecured bonds valued at Baht 500 million, with maturity of one year and six months, for institutional investors and high net worth investors on 30 June 2014.
 - The Company founded Srisawad Asset Management Co. Ltd, with the registered capital of Baht 25 million, with holding of 99.99 percent. The new company was set to operate debt collection services and purchase distressed assets from financial institutions, with an operating license being granted by the Bank of Thailand in July 9, 2014.
 - On 9 September 2014, the Extraordinary Shareholder Meeting No 3/2014 resolved to allow the Company to receive the business transfer from Srisawad Power 1982 Co, Ltd., its subsidiary. The transaction was completed on 30 September 2014 and Srisawad Power 1982 already registered the company's dissolution and it has now been under the company liquidation process.
- As of 31 December 2014, the Company's branch network included a total of 1,059 branches.
- 2015
 - Increased registered capital from Baht 1,000 million to Baht 1,060 million by issuing 60 million ordinary shares at the par value of Baht 1, for stock dividend amounted 20 million shares and reserve for exercised warrant amounted 40 million shares.
 - Issued Warrant No. 1 (SAWAD-W1) amounted 40 million units for existing shareholders.
 - Received the Nano Finance operating license granted by BOT
 - Srisawad Asset Management raised its registered capital from Baht 25 million to Baht 100 million and renamed to SWP Asset Management.



- The Company founded Srisawad International Holding Co. Ltd, with the registered capital of Baht 10 million. The new company was set to be a holding company.
 - The Company founded Srisawad Vietnam LLC, with the registered capital of Baht 200 million. The new company was set to operate trading service in Vietnam.
 - As at 31 December 2015, the Company's branch network included a total of 1,627 branches.
- 2016
- Decreased and increased capital fund from 1,060 Million Baht to 1,086.5 Million Baht by issuing 26.5 Million ordinary shares, at the par value of Baht 1, for stock dividend amounted 25.5 million shares and reserve for adjusted exercise ratio of Warrant No. 1 amounted 1 million shares.
 - The Company founded SWP Services Co. Ltd, with the registered capital of Baht 15 million for providing consultancy services to implement and manage the credit-provision process from end to end. After restructured within Group the Company sold all ordinary shares of SWP Services to Srisawad International Holding Co., Ltd. (the Company's subsidiary)
 - Established Srisawad Power 2014 Co., Ltd. with registered capital of Baht 1 million for debt collection service.
 - Srisawad International Holding Co., Ltd. founded United Coastal Co., Ltd. with registered capital of Baht 1 million for being a holding company.
 - The Company had invested in Bangkok First Investment & Trust Plc. for 9.84% of paid-up capital. The Company had applied and received permission to hold BFIT up to 100% from The Bank of Thailand on 27 December 2016.
 - As at 31 December 2016, the Company's branch network included a total of 2,130 branches.
- 2017
- The Company had invested in Bangkok First Investment & Trust Plc. (changed name to Srisawad Finance Plc. later) through the Company's agent and tender offer for 36.35% of paid up capital.
 - Decreased and increased registered capital from 1,086.5 Million Baht to 1,130 Million Baht by issuing 43.5 Million shares at the par value of 1 Baht, for stock dividend payment amounted 41.8 Million shares and reserved for adjusted exercise ratio of Warrant No. 1 amounted 1.6 Million shares.
 - Raised fund in Srisawad Power 2014 Co., Ltd. (S2014) from 1 Million Baht to 2,000 Million Baht and partial business transferred and branches from the Company to Srisawad Power



2014 Co., Ltd. and S2014 started to provide loans, loan management service and debt collection service.

- Transformed the Company's business from lending business to holding business and changed the Company's name to "Srisawad Corporation Plc." for founding financial group..
- Restructured business among the Company's group by lending agreement segregation and size of lending
- Srisawad International Holding Co., Ltd. founded Srisawad Leasing Laos Co., Ltd. with registered capital of Baht 12.08 million for expanding lending business to Laos.
- Warrants' holders had exercised 50,200 units of Warrant to 53,513 registered shares in the first exercise period.
- As at 31 December 2017, the Company's branch network included a total of 2,490 branches
- Decreased and increased registered capital from 1,130 MB. to 1,192.72 MB. by issuing 62.77 million ordinary shares at the par value of 1 Baht, for stock dividend payment amounted 60.41 million shares and reserved for adjusted exercise ratio of Warrant No. 1 amounted 2.36 Million shares.
- Increased capital in the Company's subsidiaries and associates as follows:
 1. Increased capital in Srisawad International Holding Co., Ltd. from 10 MB. to 300 MB.
 2. Increased capital in Fast Money Co., Ltd. from 50 MB. to 150 MB.
 3. SWP Services Co., Ltd. (subsidiary of Srisawad International Holding or "SIH") increased capital from 15 MB. to 300 MB., SIH exercised its right for 210 MB. or 75% of registered capital, the rest 25% of registered capital sold to Win Lily Pte. Ltd. which will be beneficial to the business in Myanmar.
- Moved from the Ninth Grand Rama 9 Tower to new office at Srisawad Building, Cheang Wattana Road.
- Dissolution United Coastal Co., Ltd. (a subsidiary of SIH)
- Decreased and increased registered capital from 1,192.72 MB. to 1,249.71 MB. by issuing 57 million ordinary shares at the par value of 1 Baht, for offering to specified person such as Cathay Financial Holding Co., Ltd. or its associates at the offered price of Baht 45 per share worth 2,565 MB.
- Founded P Lending Co., Ltd. to establish platform for lending business, with registered

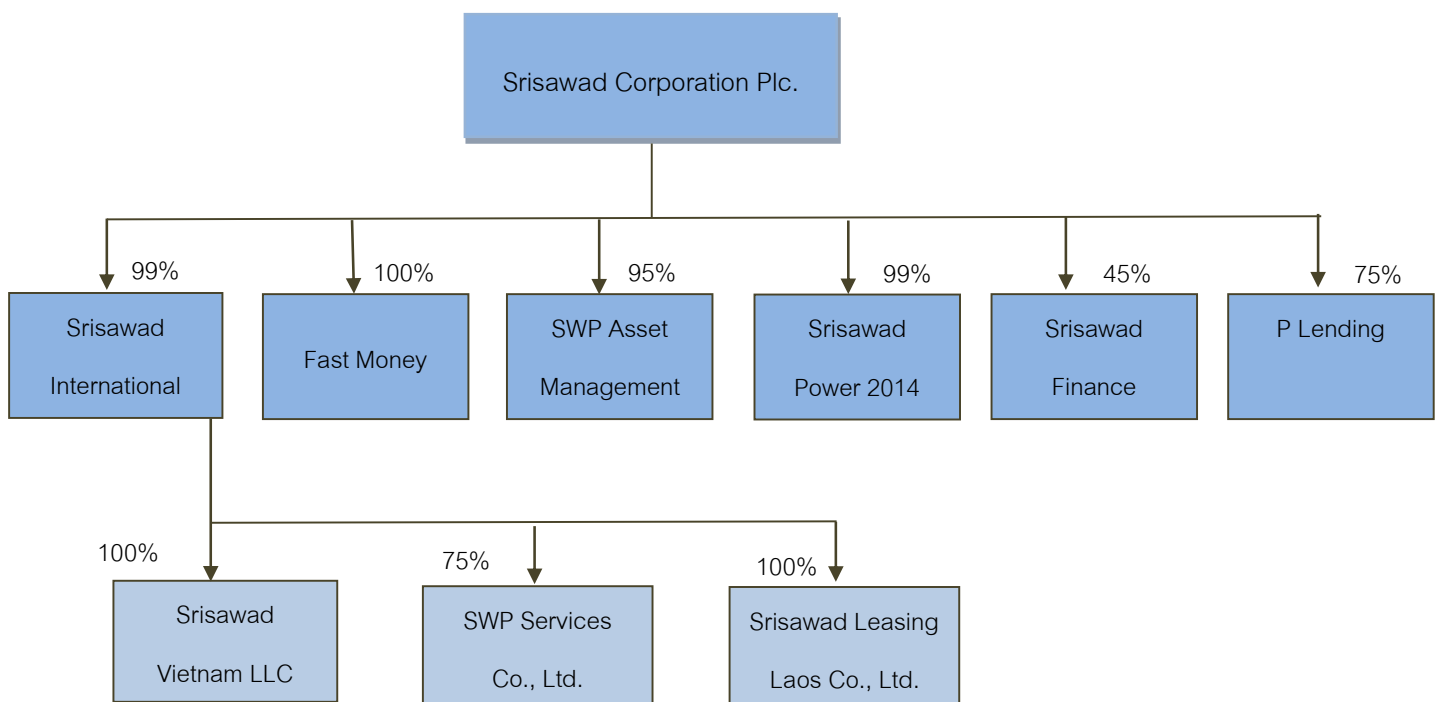


capital 5 MB. the Company held 75% of total shares, the rest 25% held by strategic partners.

- As at 31 December 2018, the Company's branch network included a total of 2,870 branches

1.3 The Company's Structure

As of 31 December 2018, the Company owned the following companies.





2. Business Characteristics

At present, SAWAD Group offers secured retail loans under the service slogan “Srisawad Ngern Sod Than Jai”. The lending services consist of hire purchase loans for new motorcycles and personal loans; in addition, the Company has just expanded its business to cover debt collection business and purchase of distressed assets from financial institutions for management. The details of the Company's business as follows:

Company	Business
Srisawad Corporation Public Company Limited	Holding business (former: provided secured loans, for complying to BoT regulation according to invest in finance company, the Company has to transform to holding company and transferred business to Srisawad Power 2014 Co., Ltd.)
Srisawad Finance Public Company Limited	Finance business providing deposits, corporate lending, projects lending, consumers lending, car for cash and house for cash, Bond representative service.
Fast Money Co., Ltd.	Offers hire purchase loans for new motorcycles, non-secured personal loans and Nano finance loans. (At present suspense hire purchase loans and non-secured personal loans)
SWP Asset Management Co., Ltd.	Provides debt collection service and the purchase of distressed assets from the financial institutions for management
Srisawad International Holding Co., Ltd.	To invest in other business in Thailand or abroad
Srisawad Power 2014 Co., Ltd.	Provides debt collection service and provide loans secured by houses, land, townhouses and condominiums and all kinds of old vehicles including motorcycles, commercial cars, trucks, public buses, vehicles for agricultural purposes, e.g., tractors and rice harvesters, and four-wheel cars by hire purchase contract and motorcycle for cash and insurance service agent.



P Lending Co., Ltd.	Generate platform for lending business, to expand the Group's lending business and lending business agent
SWP Services Co., Ltd.	Provides consultancy services to implement and manage the credit-provision process from end to end in ASEAN
Srisawad Vietnam LLC	Provide secured loans
Srisawad Leasing Laos Co., Ltd.	Obtained leasing license in Laos and start leasing business in 2018

As of 31 December 2018, SAWAD Group's total receivable portfolios amounting to Baht 29,433 million, consisting of the total auto title loan receivables amounting to Baht 12,437.27 million, hire purchase loan receivables of Baht 2,753.96 million, the home-backed loan receivables valued at Baht 10,994.30 million and nano finance receivables and personal loan receivables of Baht 3,247.47 million, accounting for 42.26 percent, 9.36 percent, 37.35 percent and 11.03 percent, respectively, of the total loans.

Revenue Structure

The Company's revenue structure in the consolidated financial statement in 2016-18 is as follows:

Consolidated Financial Statement	2016		2017		2018	
	Million	%	Million	%	Million	%
Core business						
Revenue from hire purchase business	747.53	14.01	1,278.90	18.27	954.36	12.11
Interest income from lending business	3,260.61	61.11	3,664.65	52.36	4,811.31	61.05
Total revenue from core business	4,008.14	75.12	4,943.55	70.63	5,765.67	73.16
Other revenue^{1/}	1,327.21	24.88	2,055.14	29.36	2,115.65	26.84
Total revenue	5,335.35	100.00	6,998.69	100.00	7,881.32	100.00

Note:^{1/}Other revenue includes fees, service charges, expense and penalty fees, and etc.

Business Operation by Products

2.1 Characteristics of the products or services

Auto title and home-backed loans



SAWAD Group provides secured loans by Srisawad Corporation Plc., (serviced between January to June 2018), Srisawad Power 2014 Co., Ltd. and Srisawad Finance Plc. (started service from July 2018) in Thailand, Srisawad Vietnam LLC provides secured loans (car and motorcycle) in Vietnam, collateralized by all kinds of vehicles, including personal cars with not exceeding seven seats, personal trucks (pick-up trucks), motorcycles, six-wheel vehicles, the-wheel vehicles, trailers and vehicles used for agricultural purposes as well as other collaterals including houses, land, condominiums.

As of 31 December 2018, the Company offered auto title loans and home-backed loans with the total net receivables under the hire purchase contracts and loan agreements totaling Baht 26,185 million.

Examples of collaterals



motorcycles



*Four-wheel and six-wheel
commercial vehicles*



Ten-wheel vehicles



Tractors



rice harvesters



Trailers



Personal cars



Personal pick-up



Deeds of house and land

Legal transactions and contracts can be classified into two groups

- (1) Loan agreements: The Company provides lending services under the loans agreements secured by all kinds of collaterals. The collaterals can be classified into two categories:

- 1.1) For loans collateralized by all kinds of vehicles, customers do not have to transfer the ownership of the vehicle registration when the loan agreement is inked but they are required to present the vehicle registration certificate to the Company and also sign in a transfer request for floating transfer of collaterals to the Company. In case a customer defaults on his obligation to repay loan for a certain duration specified by the Company, the Company will send a warning letter and the



customer shall repay loan within seven days. If the customer fails to repay loan by the specified time, then the Company shall confiscate the collateral. Once the collateral is confiscated, the customer is allowed to redeem the collateral within 30 days. If no redemption is done within 30 days, the Company is entitled to sell the collateral. Also, the Company is entitled to register the ownership transfer with no legal actions required.

1.2) Legal transactions for loans secured by the deeds of land, houses and condo units can be classified into two categories as follows:

- Mortgage contracts: A customer, as a mortgagee, registers mortgage with the Company, as a mortgagor, and signs a loan agreement. Then the customer presents the deed to the Company as collateral on the day the loan is extended to the customer. Note that the customer still holds the right to possess and use the collateral. If the customer defaults on his obligation to repay loan for a certain period, the Company, as a lender and mortgagor will send a notice to the customer, requesting the customer to repay loan within specified time. If no loan repayment is done, then the Company shall file a lawsuit against the customer and take possession of the collateral or sell it by auction.
- Consignment contracts: A customer, as a seller on consignment, signs a consignment contract with the Company, as a buyer on consignment. The ownership of the collateral belongs to the buyer after the consignment contract is inked. The ownership will be returned to the seller upon the collateral redemption within the time specified in the contract. If the seller fails to redeem the collateral within the redemption period (lending period), the ownership of the collateral will completely belong to the Company. In other word, if the customer defaults on this obligation to repay loan for a certain period of time, the Company is entitled to take possession of the collateral without any legal actions required.

(2) Hire purchase contracts: SAWAD Group provides hire purchase loans collateralized by vehicles. A customer is required to transfer the ownership of the vehicle registration certificate and presents the vehicle registration certificate to the Company as collateral. As for a rice combine harvester with no ownership documents, the customer is required to present an ownership certificate issued by the manufacturer and a sale contract as collateral but he or she still remains an owner of the vehicle. If the customer leaves the outstanding balance overdue for specific time, the Company will proceed with the collection procedure. In case the customer defaults on his obligation to repay loan for a certain period longer than the Company's policy, the Company will send a notice to terminate the contract and request



that the customer repay debts within 30 days. Failure to do so will result in collateral confiscation. After the Company confiscates the collateral, the customer is given 30 days to redeem the collateral. If the customer fails to redeem the collateral within the specified time, the Company will sell the collateral by auction.

Loan amount classified by legal transactions

Auto title loan classified by legal transactions and contracts	31 December 2016		31 December 2017		31 December 2018	
	million	%	million	%	million	%
Loan agreements	13,925.82	80.53	16,752.75	77.71	23,431.57	89.48
Hire purchase contracts	3,367.62	19.47	4,805.80	22.29	2,753.96	10.52
Total	17,293.44	100.00	21,558.55	100.00	26,185.53	100.00

In term of repayment period, the Company allows 6-48 installment periods, depending on types of collaterals. For example, the maximum repayment period for loans collateralized by motorcycles is 18 installment periods while loans collateralized by general vehicles, customers are given a maximum of 36 installment periods. As for popular cars, home or land deeds, the repayment period does not exceed 48 installment periods. Finally, in terms of interest, the rates vary, depending on types of collaterals.

Commercial Loans and Project Finance

SAWAD Group provides commercial loans and project loans by Srisawad Finance Plc. provides project loans to fill the need for expansion or new business development. Project loans can be provided as a short-term, medium-term, or long-term loan to match with the necessity and suitability of each project.

As at 31 December 2018, there are outstanding commercial loans and project finance amounted Baht 266.34 million

Hire purchase loans for new motorcycles

SAWAD Group provides the hire purchase loan services for new motorcycles by the subsidiary Fast Money. At present, SAWAD group concerned the high risk of new motorcycles loans, as a result we have freeze new motorcycles loans since 2015.

As at 31 December 2018, there is no outstanding balance.

Non-secured loans for retails

SAWAD group provides non secured loans by the subsidiary, Srisawad Finance Plc., Fast Money, which was granted licenses by the Bank of Thailand as follows;



Consumer Loans

Consumer loans license was granted by Bank of Thailand for Srisawad Finance Plc. which provides services to corporate employees with a wide range of tenors of repayment from short term, medium term, to long term.

Personal Loans

FM was granted a license by the Bank of Thailand to provide personal loan services under its control (Personal Loans) since 2011. The Company offers loans only to stable and secured income earners, permanent resident, at least two guarantors in order to minimize the risk. However concerning to minimize risk, the Company now has frozen personal loan since the beginning of 2016.

As at 31 December 2018, there are outstanding personal loans 6 contracts amounted Baht 0.15 million, and not only freeze new personal loans in 2016 but continually contact the existing customers.

Nano Finance

FM was granted a license by the Bank of Thailand to provide Nano finance loan services and the permission to provide loan through Nano finance scheme since April 2015. Not being secured by collaterals, providing Nano finance loans is riskier than offering auto title loans or hire purchase loans for new motorcycles. Hence, the Company offers loans only to person who want to start new business as a franchisee, by focusing franchiser policy, place of business, revenue and expense projection, to consider suitable loans in order to minimize the risk. The FM's income earned by its Nano finance loan segment includes interest income, fees for minimum repayments, contract fees, and penalty fees for late repayment.

To consider approving personal loans, FM focuses on customers' ability to repay debts, analyzing general information and credit data from National Credit Bureau Co. Ltd. For the lending duration, FM allows 24 – 36 installment periods. Customers who fail to settle the installment bills for four consecutive months will receive a warning letter from the Company. If customers or guarantors still refuse to repay debts, FM will proceed with legal actions.

As of 31 December 2018, FM recorded personal loan receivables of 430,628 contracts, with the total receivables valued at Baht 3,247.32 million and lending duration were between 12-30 installment periods.

For effective cost of loan, including interest, fees and penalties, should not exceed 36 percent per annum.



New loans classified by lending durations	2016		2017		2018	
	Million	%	Million	%	Million	%
1 - 12 installment	103.82	54.21	445.75	64.00	3,052.59	60.62
13 - 18 installment	36.26	18.93	147.20	21.13	1,549.75	30.77
19 - 24 installment	33.33	17.40	75.05	10.77	397.22	7.89
25 - 36 installment	18.11	9.46	28.54	4.10	36.48	0.72
Total	191.52	100.00	696.54	100.00	5,036.04	100.00

Debt Collection Business

The Company provide debt collection service by the subsidiaries, SWP Asset management and Srisawad Power 2014 which focus on debt collection particularly for secured debts. SWP Asset Management provide debt collection service to the financial institutions, and Srisawad Power 2014 will provide debt collection service for leasing and dealer company.

SAWAD group has networks of branches and experienced staff members across Bangkok, Bangkok's vicinity and other regions nationwide. As at 31 December 2018, the Company had 2,870 branches across the country.

Distressed Asset Management Business

In 2015 SAWAD started operating distressed asset management by auctioning financial institutions' distressed asset. Before auction, SWPAM has to due diligence non-performing loans data, analyze, and pricing for auction. After auction, SWPAM will inspect all details of non-performing loans, subrogate, and substitute all non-performing loans to SWPAM's assets. In each auction process, SWPAM will concern and consider succession rate of collection, enforcement, resell, all expense used for collection, period of time to collect and the Company required rate of return.

As at 31 December 2018, the Company had outstanding distressed asset at cost amounted Baht 3,184 million.

Comprehensive Credit-Provision Management Consultancy Service

In 2016, The Company established a subsidiary, SWP Services Company Limited (SWPS), to engage in the business of providing consultancy services to implement and manage the credit-provision process from end to end. The focus market consists of companies in the CLMV countries, with the intention of being able to study the markets and prepare for further expansions in the future.



The type of services provided by SWPS includes assisting companies in the banking and financial service industry, and also those engaging in instalment sale arrangements, to manage the credit provision process from end to end. This includes developing and advising on procedures related to customer verification, customer credit evaluation, credit approval, balance collection, and marketing.

Deposits Service

SAWAD group provides deposits by Srisawad Finance Plc., offers several types of deposit service such as deposit receipts and promissory notes to general public, corporate entities, foundations and associations. Terms of deposits are at call or ranging from 1 – 36 months. The Company offers appropriate interest rates according to the existing economic condition and in line with the interest rate in the money market as a whole. As at 31 December 2017-2018, there are outstanding deposits classified by type of deposits as follows:

Type of Deposits	31 December 2017		31 December 2018	
	Million Baht	%	Million Baht	%
At Call	67.69	1.12	404.42	5.56
At maturity	6,000.09	98.88	6,869.55	94.44
Total	6,067.78	100.00	7,273.97	100.00

2.2 Market and Competition

The Company is in the business of providing collateralized retail loans, with vehicles, land, homes and condominiums as collateral, in the form of hire purchase contract, personal loan, and nano finance, which provides interest income from loans, and interest income from hire purchase. Therefore, financial outlook of the country including interest rates, and yields on government bonds, which affects the Company cost of fund to operate the business, are material factors for the Company business.

Financial Outlook for 2018

- 1) Interest rate in the meeting on December 19, 2018, the Monetary Policy Committee ("MPC") decided to raise policy rate by 0.25 percentage point from 1.50 percent per annum to 1.75 percent per annum. The assessment was based on the continual expansion of Thai economy owing to strong domestic demand, the need for reducing the risk of financial instability and building up policy space for the future monetary policy movement. Similarly, major economies continued to implement monetary policy normalization. The average 12-month deposit rate and the average lending rate of five major commercial banks remained stable at 1.37 and 6.28 percent per annum, respectively. However some financial institutions raised their



12-month deposit rate as a result the real deposit and lending rates increase following a lessened headline inflation rate.

- 2) Lending At the end of 2018, an outstanding of private loan of Depository Corporations grew by 5.8 percent, accelerating from the expansion of 4.3 percent in 2017. The loan expansion was mainly supported by the increase of business loan and household loan. In details, business loan expansion was attributed by loans for wholesale & retail and real estate activities. Likewise, household loan accelerated, due to the expansion of housing loan and hire purchase loan.
- 3) Return on government bond (yield) At the end of the fourth quarter of 2018, bond trading volume declined, while foreign investors continuously registered a net buy position. However, the yield for short-term maturity increased following policy interest rate increased.

Household Debt 2018

Information from the Office of the National Economic and Social Development Board indicated that Thai household debt in the fourth quarter of 2018 is likely to continue to increase; considering the outstanding loans for personal consumption of commercial banks in the fourth quarter of 2018 that expanded by 9.4 percent from the same period in the prior year. This was the highest growth since the first quarter of 2004, as a result of the continued growth of housing loans, car and motorcycle hire purchase loans, and other personal loans 7.8%, 12.6% and 9.5% respectively, which were partly due to the acceleration of new debt issuance prior to the revision of the new housing loan regulatory rules (LTV) that will be enforced on 1 April 2019.

Consumer loans have started to show a sign that the ability to make payments should be closely monitored. The outstanding non-performing loans (NPL) for the fourth quarter of 2018 amounted to 120,213 million baht, an increase of 8.9 percent over the same period in the prior year; calculated as 2.7% of total loans, or 27.1 percent of total NPLs.

Thai Economy in 2019

The Office of the National Economic and Social Development Board (“NESDB”) expects the Thai economy in 2019 is projected to grow in the range of 3.5-4.5 percent, supported by a favorable growth momentum of private consumption, an improvement of private investment attributed by rising capacity utilization and increased BOI’s investment applications, an acceleration of public investment following progresses of key public infrastructure projects, a recovery of tourism sector in line with normalizing trend of tourist numbers



and receipts, a clearer redirection of global trade, production, and investment which will help ease the impacts from global slowdown. All in all, it is expected that export value will grow by 4.1 percent, and private consumption and total investment will grow by 4.2 and 5.1 percent, respectively. Headline inflation is forecasted to be in the range of 0.5 – 1.5 percent and the current account will record a surplus of 6.2 percent of GDP.

Interest Rate and Household Debt in 2019

For year 2019, expects the Monetary Policy Committee (“MPC”) to maintain Policy Space and continue the easement of monetary policy as the foreseeable global economy remain fragile. The inflation rate is expected to increase in 2018 but remain within the inflation target of the Bank of Thailand and it is unlike for the inflation rate to put pressure on the MPC. Therefore, the MPC is expected to maintain the policy rate of 1.75 percent.

During 2019, expects that the household debt-to-GDP ratio may fall to 77-78 percent of GDP, given that the annualized value of the nominal GDP could grow at a faster pace than household debt. However, household debt has continued to inch upward, and this may reflect the fact that indebtedness remains a sensitive issue for many households, in particular, those having a large variety of liabilities, as well as younger workers who have begun to borrow earlier than older generations. To tackle these structural issues, cooperation between numerous parties will be required.

Competitions

Auto title and home-backed loans

The auto loan segment has continued to grow given the nature of loans secured by car registration certificates and attractive returns. This business segment should also benefit from high demand from low income earners who need to reach financing services. The Company projected the number of people seeking financing services at 18-20 millions. On the back of the aforementioned factors, many operators have become more interested in this loan segment. Also, the new car market has become slower after the cars under the first-time car buyer scheme were delivered. Hire purchase loan providers then expanded to the auto-title loan segment as they view that the business generates attractive returns while the competition in the hire purchase segment for new cars is rather intense. Players in the auto title loan segment can be classified into two major customer groups:

- 1) Players focusing on Grades A to B- customers who earn stable incomes: Such customer groups include employees of private firms or state enterprises. Most operators who focus on these customer



groups include commercial banks and their subsidiaries, e.g., Krungsri Auto (Car4Cash), TISCO Bank (TISCO Auto Cash), Thanachart Bank: TBANK (Cash Your Car), KBANK (K-Car to Cash), SCB (My Car My Cash), and KTB Leasing (KTBL Car Convenience Cash). This group of players sees cost advantages thanks to their lower financial costs and larger branch networks, as well as stronger capital bases. These players focus primarily on financial documents, emphasizing customers with good financial records.

- 2) Players focusing on below Grade B- customers upcountry: The customer groups in this category include small business operators, factory employees, general workers, farmers and lower-end customers with limited access to funding or loan sources. The funding limitation may be caused by their unfamiliarity with transactions in the banking system, their uncertainty that their loan application will be approved, and their understanding that the loan application at a bank is way too complicated and slow. Financial service providers in this category include CFG Service Co. Ltd, G Capital Pcl., Muengthai Leasing Co. Ltd., and Nim See Seng Leasing Co. Ltd. They consider credit limits, based the customers' data base. Branch officers who are close with the communities go to check the customers' information on site, as well as examining supporting financial documents. Moreover, services include those collateralized by many asset items, including cars, motorcycles, vehicles used for agricultural purposes, land deeds, and etc. These operators focus on the expansion of branches in order to be close to communities, enabling them to develop relationships with community members and leaders. The operators focus on organizing marketing activities to promote their service brands and improve relationship with communities. As of 31 December 2017, the Company captured market share, with 25 percent of total receivable value in the non-financial institution system.

Comparative Details vs. Peers

	SAWAD	Other operators			
		Ngern Tid Lor	Muangthai Leasing	Nim See Seng Group	G Capital
Slogan	"Mee Baan Mee Rod Ngern Sod Than Jai"	Ngern Tod Lor	Convenient, Fast, Good Service and Lower interest rate	NA	Sabai Jai
Founded in	2522	2549	2535	2528	2547



	SAWAD	Other operators			
		Ngern Tid Lor	Muangthai Leasing	Nim See Seng Group	G Capital
Total receivables (million baht) As of 31 December 2017	22,148.95	26,436.39	34,897.50	4,211.26	1,057.37
Branch network	All regions	All regions	All regions	Upper North	-- ^{/2}
Collaterals /3					
- Second-hand cars	✓	✓	✓	✓	✗
- Motorcycles	✓	✓	✓	✓	✗
- Trucks	✓	✓	✓	✗	✗
- Vehicles for agricultural purposes	✓	✓	✓	✓	✓
- Land	✓	✗	✓	✗	✗

Source: BOL and the Company's website

Non-secured loans for retails

The competition in the personal loan segment will intensify but the Company will not focus on personal loans. The Company focuses on Nano Finance, from the Bank of Thailand report as at 31 December 2018, there are 32 players in Nano Finance business with total loans outstanding amounted Baht 35,635 million. That means this business can be more expansion. However, if considered FM's competitors, the competitions are in lower level and FM's competitors will focus on specific area while FM can offer Nano finance loans covered all region of Thailand

Debt Collection Business



Many debt collection companies and law firms have competed in the industry; therefore, the competition is rather intense. However, with its extensive branch networks across the country, SAWAD can enjoy cost advantages over its peers.

Distressed Asset Business

At present, there are many asset management firms including state owned asset management company, asset management companies under Bank's arms and private asset management company. However SWPAM will join auction the selected and encountered with the Company's experience portfolio, moreover , nationwide coverage branches can thoroughly contact the debtors. And economic growth rate is lower than expected, drought crisis made agricultural industry cannot widely growth and may increase number of non-performing loans.

Comprehensive Credit-Provision Management Consultancy Service

In this line of business, there is currently no other company engaging in providing comprehensive advisory services on credit provision management. The target market in Myanmar is expected to increase over time due to the rising consumer needs for credit. If there is no new direct competitor, SWPS should be able to continue its growth in the foreseeable future.

2.3 Procurement of products and services

Sources of Fund

The Company's funding comes mostly from short-term and long-term borrowing from financial institutions at Baht 7,184.66 million accounting for 20 percent of the total funding sources. The figure suggests that the Company is rather highly dependent on borrowing from financial institutions. Nonetheless, the Company also has bills of exchange, debentures offered to institutional investors or high net worth investors, deposits for use as working capital and a means to inject liquidity to the Company; these accounted for 47 percent of the total funding so, as of 31 December 2018. Moreover, the Company also has funding from shareholders' equity at 33 percent of the total funding



Source of funding	31 December 2015		31 December 2016		31 December 2017	
	million	%	million	%	million	%
Deposits	-	-	6,067.78	19.86	7,273.97	20.23
Debt securities issued	-	-	6.00	0.02	6.00	0.02
Short-term loans from financial institutions	2,380.00	11.11	1,700.00	5.56	3,400.00	9.45
Bills of exchange	3,270.00	15.27	600.00	1.96	650.00	1.81
Short-term borrowing from financial institutions for purchase of loans	55.92	0.26	-	-	-	-
Obligations under finance leases	67.77	0.32	70.74	0.23	48.45	0.13
Long-term loan for investment in receivables	156.79	0.73	-	-	338.83	0.94
Long-term borrowings from financial institutions	2,701.39	12.62	4,119.44	13.48	3,445.83	9.58
Long-term loan from the related party	400.00	1.87	-	-	-	-
Senior debenture and unsecured bonds	5,540.00	25.87	8,565.00	28.03	8,935.08	24.85
Shareholders' equity	6,842.23	31.95	9,426.83	30.86	11,862.86	32.99
Total	21,414.10	100.00	30,555.79	100.00	35,961.02	100.00

As for future funding, the Company has a policy to find funding to suit the purposes. The Company also takes account of the repayment period and the debt to equity ratio.

Characteristics of the products or services

1. Characteristics of customers and customer targets

SAWAD Group has a policy to offer loans only to retail customers, not those in the big corporate sector. The Group's customer targets include Grade B- customers, including factories' workers, general workers, state employees, and etc. Potential customers must own collaterals and the sources of their income should be clearly specified and verified by financial documents. A customer/a guarantor is required to submit supporting documentation for loan approval process, including a copy of ID card, a copy of house registration document, and a pay slip or a salary certificate.



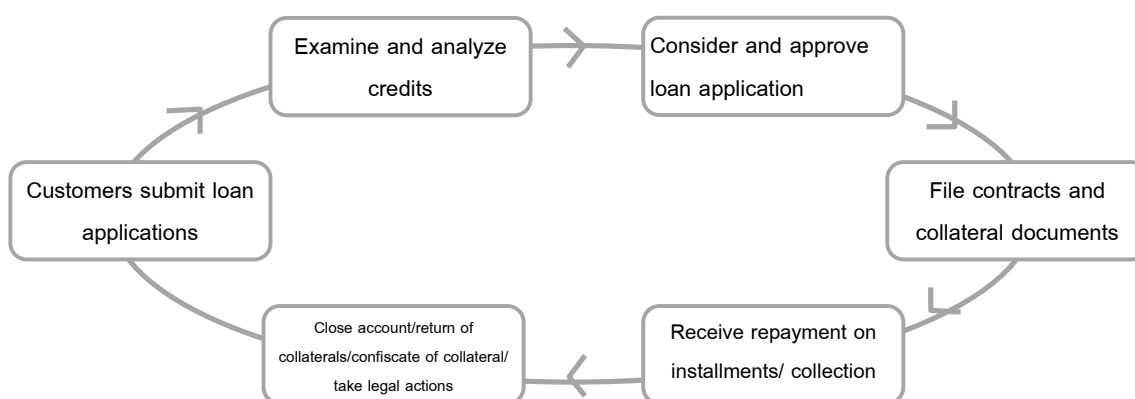
For debt collection business, customer targets are leasing company and financial institutions, which SAWAD group has expertise in secured loans especially auto backed loans.

2. Loan Approval Process

Auto title and home-backed loans, non-secured loans and Sale of Merchandise on a Credit Sale Basis

Considering approving loan applications, the Company emphasizes the qualifications of the customers and/or guarantors to assess their repayment ability. Also, the quality of assets placed as collaterals and the repayment ability of the guarantors are taken into account. The staff members at branch offices carefully examine the information and identification of the potential customers as well as the documents showing their income as well as their guarantors'. Moreover, the staff also carries on inspections on site. In terms of asset quality appraisal, the Company has an effective team working on examining the conditions and the liquidity of the collaterals to determine credit limits. For vehicles, the examining team considers types, ages, models, brands, physical conditions and popularity. Generally, the Company offers auto title loans for cars aged not more than 15 years and motorcycles aged not more than five years. As for commercial vehicles, such as tractors and harvesters, or over-aged vehicles, the Company considers physical conditions on a case-by-case basis. Over 80 percent of the total collaterals are vehicles with average ages between 2-14 years. For home and land collaterals, the Company conducts the asset valuation, based on the appraisal values given by the Land Department as well as the market prices of the property nearby.

Loan Approval Process



Lending Approval Process

A customer who needs loans from the Company is welcomed to contact staff members at all branches. An application form shall be accompanied by supporting documentation from both the customer and a



guarantor (if any), including a copy of ID card, a copy of house registration, financial documents, e.g., a salary certificate, a copy of passbook, the documents proving the ownership of the collaterals, e.g., an original car registration certificate, an original land deed. Following the documentation process, an officer explains details about the loans, the credit limit, the interest rate, and the installment periods. Once the customer agrees on terms and conditions, the officer accordingly records the information of the customer and the guarantor (if any) in a loan application form.

Loan analysis process

The branch staff in charge checks the accuracy of the identification documents as well as financial documents of the customer and the guarantor (if any) and then examines the overall conditions of the collateral and verifies the documents showing the ownership of the collateral. The officer will do the inspection on site to verify the accuracy of the documents and the existence of collateral before checking with the Company's data base. In case a motorcycle is put as collateral, the branch staff focuses on verification of the ownership document because doing inspection on site requires high cost when compared to the credit limit. After gathering all supporting documentation, the staff in charge completes a report about the customer and the guarantor (if any) in order to assess their ability to repay loan, the credit limit, and terms and relevant conditions. Finally, the report is submitted to the authorized officers in charge of final loan approval.

Loan Approval Process

In approving loans, the Company set rules for officers authorized to approve loans, depending on the credit limit levels as well as the types of collaterals. Authorized officers include those in the positions of deputy branch manager, area manager, region manager, director of loan management department, management and Company's directors.

If the information for loan approval meets the criteria for the Company's loan approval, the authorized officers inform the branch offices of the loan approval result and the branch offices then inform the customers accordingly. Provided that the loan application and supporting documentation are completed, the Company takes 30 minutes to consider approving loans with motorcycles and four-wheel vehicles as collaterals and one day for home-backed loans; this depends on the credit terms and conditions.

Once a loan application is approved with the branch's authorized credit limit of not exceeding Baht 30,000, the branch can extend loan in cash to a customer immediately. In case the credit limit is higher than the branch's authority, the branch staff will submit all documents including the credit limit letter, the money-transfer request form, the report of examination of the car, the house registration book, the copy of ID card,



and the copy of passbook to the loan management department to verify the transaction, the details of collateral, and the credit terms and conditions with the data base once again before transferring money directly to the customer's account in accordance with the bank's procedure. Following the money transfer transaction, the staff will submit all money transfer documents to the account department on a daily basis so that the account department will cross check to ensure that the information in the money-transfer form and the loan application from match the information in the data base, e.g., the customer's name, the credit limit, the lending duration. Once every detail is double-checked, all information is recorded accordingly.

Contract and Collateral Filing Procedure

An area manager in charge verifies the contract and collateral documents prepared at a branch before sending all the documents to the head office within 30 days from the month end. After the documents arrive at the head office, the registration department will verify all documents once again. If the documents are found incomplete, the head office will notify the branch and the area officer at charge so that they can have the document complete. The officers at a special document room will copy all documents in order to make a back-up file in case the original documents are lost.

Cash Repayment and Collection Procedure

Branches and the credit development department oversee repayment transactions and debt collection. Customers will be given a card identifying a contract number, the installment amount, and a due date and they can repay debts at specified payment channels. The Company's Call Center and branch staff closely monitor customers' repayment. In case of one-week overdue, a staff at the head office will send a reminding message to the customer's mobile phone. Customers can pay the bills at the Company's branches, Counter Services, and service counters at Krung Thai Bank, Bangkok Bank, and Kasikorn Bank across the country. Customers shall receive repayment evidence for every transaction, either in a form of a receipt issued by the head office's system or a temporary receipt issued by a repayment service provider.

Account Closure or Enforcement of Collaterals

Once a customer repays all debts as stated in the contract, the head office will issue a letter certifying the complete repayment and return the collateral ownership documents as well as other related documents so that the customer can either receive the transfer of collateral ownership or redeem the collateral right away.



In case a customer defaults on his obligation to repay loan, the Company sets rules for the collection procedure in accordance with types of collaterals. When the customer begins to default on his obligation to repay loan, a collection staff will begin the collection procedure. The major strategy is phone calls: a collection officer at the head office calls up the customer with the call details being recorded in the system. In case the customer cannot be reached or the customer leaves the outstanding balance overdue beyond the Company's permission, a branch officer will begin to follow the customer. If no action is taken by the customer, the head office will send a registered letter notifying of the termination of the loan agreement. If the customer fails to make the repayment within 30 days from the notice date, the branch is entitled to confiscate the collateral. In this case, the customer is still allowed to redeem the collateral within 30 days after the confiscation date. After the specified timeframe, the Company is entitled to sell the collateral, with the price being based on the market price, the vehicle conditions vs. the remaining balance. The Company tries to sell the assets as fast as possible because the longer the time the lower the prices; this would negatively impact the Company's operational performance.

In case of a loan agreement collateralized by a land deed, if a customer fails to redeem the deed within 30 days, the Company will file a lawsuit so that it can proceed with the sale by auction afterwards. As for a consignment contract, if a customer fails to redeem the collateral within the specified time, the ownership of the collateral will completely belong to the Company, as a complete seller on consignment.

Debt Collection Business

- Phone calls

SAWAD proceeds with debt collection on customers who default on loan repayment from one installment period onwards. SWPAM's clients will send lists of targets. The first collection step involves phone calls, with conversation recorded. In case the telephone conversation between SWPAM's staff and a debtor becomes more violent, a senior staff with more experience will take over the conversion and continues to negotiate with the debtor.

- Enforcement of collaterals

In case, a client hires SWPAM to proceed with enforcement of collateral, the company will have to locate debtor and the collaterals. After that, the company will send details of the debtor to the branch located the



nearest to the debtor. Then, the branch staff will proceed with enforcement of collateral; all practice is carried on under the scope of law.

Distressed Asset Management Business

After purchased complete, SWPAM will send substitution letters to all NPLs and let them to negotiate and find the conclusion to restructure their loans with many alternatives as follows:

- Adjust installment term or condition
- Voluntary transfer asset to settle loan
- Re-finance
- Legal prosecution
- Collateral auction

Comprehensive Credit-Provision Management Consultancy Service

The company relies on the base of employees who are experts in the credit provision business to provide advice on the customers' operation. The analysis observations and recommendations from the review by these industry experts would allow the customers to increase the efficiency and effectiveness of their processes.

3. Competitive Strategies

The competition in the business is currently intensified both from the existing players and new players who were initially engaged in the hire purchase segment and then wanted to expand their business to the auto loan segment. Nonetheless, the Company does not intend to lower prices, but it rather focuses on the following strategies:

- *Fast Service and Management*

The speed of loan approval process is one of key factors for operation in the secured-loan segment as it is a key factor taken into account by customers before choosing loan providers. SAWAD's credit officers at all branches can manage to inform customers of the approval results within 30 minutes for loans collateralized by motorcycles. This fast approval speed makes the Company become a competitive provider in the industry.

- *Comprehensive lending policy*



Despite the customer target in the B- Grade with rather limited access to financial services provided by banks of financial institutions, the Company always focuses on careful loan application approval process, especially in terms of information verification. Credit officers at branches ensure the accuracy of supporting loan application documents and also confirm the identification of the customers and their guarantors by inspections on site. Photos of actual locations of customers' residents and work places are taken. The Company bears in mind that the customer information is very crucial to loan application approval and loan collections.

- *Effective Credit Management*

SAWAD Group emphasizes effective loan management, starting from the loan application approval process until the collection process. The Company focuses on offering loans to customers who reside or work within a boundary of 20-30 kilometers away from branches, enabling the officers to verify customers' information and proceed with debt collections in prompt manners. With effective credit management, the Company's NPL to total loan ratio stood at 2.64 percent as of 31 December 2018.

- *Competitive coverage*

As of 31 December 2018, the Company's branch network was larger than its peers' coverage. The Company has a plan to add a minimum of 50-100 branches per annum to the branch network in order to expand the sale channels. The Company focuses on expansion at locations near communities with easy access to commercial banks.

- *Nationwide coverage*

The extensive service coverage network enables the Company to enjoy competitive advantage over its peers. As of 31 December 2018, the Company's coverage network included a total of 2,870 branches. Hence, the Company can manage to utilize its capacity for lending, handling repayment transactions, pursuing collection practices and verifying information of customers/guarantors in prompt and effective manners. In addition, the Company can also effectively take action in case of debt defaults or outstanding balances overdue.

- *Focus on effective recruitment process as well as continued training*

In response to the rapid branch expansion, the Company increases recruitment channels by recruiting directly from education institutions. Moreover, the Company also regularly organizes trainings on products and related services, e.g., credit and financial training, training on information about land. Moreover, the Company also focuses on the importance personnel development. Not only can the branch staff members



provide lending services, they can also work on debt collections, sale of forecast assets as well as launches of marketing strategies.

- *Public relation promotion with a focus on close relations with communities*

The Company has a policy to have branch officers and agents promote services and products as well as organizing public relation activities in order to widen brand awareness. The Company focuses on marketing activities aimed at tightening relationship with people in the communities as well as general customers. SAWAD highlights service quality, friendly atmosphere, prompt and convenient services. Customer satisfactory is regularly surveyed through telephone calls or visits.

- *Varieties of Service*

The Company offers varieties of financing services including many collateral items, such as personal cars, commercial cars, e.g., motorcycles, personal cars, pick-up trucks, tractors, rice harvesters and etc. With loans collateralized by the aforementioned collateral items, the Company's services can serve a wide range of targeted customers.

4. Pricing Policies

The Company does not a policy on price competition, i.e., cutting interest rates. It rather considers lending based on types of collaterals as well as qualifications of customers and/or guarantors. The Company's funding cost and operating cost is set at a certain level that enables the Company to remain profitable and competitive. Thus, SAWAD does not have a policy to provide lending services below funding costs.

As for credit limits for all collaterals, the Company approves credit limits at 30-70 percent discounts from the market prices, depending on types of collaterals, models, years of manufacturing, and popularity. The loan management department reviews credit limits every six month or when the market sees significant changes in overall conditions. Meanwhile, the Company also identifies of the installment amounts and installment periods, taking into account customers' ability to repay debts. However, the installment periods do not exceed 48 periods.

For loans collateralized by land or home deeds, the Company considers credit limits, based on the value of land and buildings (if any). The credit limits are based on the appraisal prices given by the Company's appraisal team, details of contracts, and locations of the collaterals. For example, if the collateral is land in community area, the credit limit is higher than the land in other areas.

5. Sale and service channels



Customers are welcomed at all branches across the country. As of 31 December 2018, the Company's branch network included a total of 2,870 branches. The branches open Mondays to Fridays, 08.30 – 16:30 hrs., and Saturdays, 08:30 – 15:30 hrs. The staff members at all braches organize public relation and sale promotion activities on a monthly basis in order to introduce services to potential customers in the community.

In regard to payment channels, customers can settle installment bills at all branches, Counter Service, service counters of Bangkok Bank, Krung Thai Bank, and Kasikorn Bank. Customers only show the identification card indicating the contract number so that staff can record the repayment transactions and issue receipts.



3. Risk Factors

The risk factors discussed below are based on the assessment of the current situation. Apart of the risk factors below, there may be other risky issues that the Company is unable to predict at the present time or that the Company deems that the issues shall not have any impacts on the overall operation. It should be noted that the risk factors linked to the economic situation as well as the government's policies are based on the information disclosed by government agencies and reliable sources. Also note that the Company does not verify the accuracy of such information. Investors are, therefore, advised to make a cautious decision before investing in SAWAD.

The Company and its six subsidiaries, namely Fast Money Co., Ltd (FM), SWP Asset Management Co., Ltd.(SWPAM), Srisawad Power 2014 Co., Ltd. (S2014), Srisawad Finance Plc. (BFIT), P Lending Co., Ltd., Srisawad International Holding Co., Ltd.(SIH) and SIH's three subsidiaries, namely SWP Services Co., Ltd., Srisawad Vietnam LLC and Srisawad Leasing Laos Co., Ltd. (which are called SAWAD Group), offer secured retail loans. SAWAD Group provide secured loans collateralized by auto titles, homes and land deeds, non-secured loans, debt collection service and distressed asset management business for which the firm purchases NPLs from other financial institutions, comprehensive credit-provision management consultancy service and credit sales.

Risk factors in SAWAD Group's business operation that may have a significant impact on investment returns for investors as well as potential strategies to prevent the risks are discussed below.

3.1 Risks in regard to marketing and strategies

3.1.1 The risk of competition in the auto title loan and hire purchase loan segments

The auto title loan and hire purchase loan segments see intense competition, both from the existing players and new comers. Most new operators penetrating the business are financial institutions who enjoy competitive advantages from lower financial costs and larger capital base. These operators, including commercial banks or their subsidiaries and hire purchase or leasing firms engaging in auto title loans and hire purchase loans, see good potentials for attractive returns. In addition, the auto title loan and hire purchase loan segments do not require large investment in operating equipment, and neither do they need operating licenses from a particular government agency. Hence, new comers can easily penetrate the business, without any limitation, as they need only some funding sources for offering loans to customers. Given this favorable business condition, more and more new players begin to compete in the industry. In addition to the aforementioned competition from the new players, the existing ones also attempt to come



up with marketing strategies to beat one another. For instance, they offer bigger credit limits, extend repayment duration, and offer low interest rates in order to attract potential customers.

It is worth highlighting that the success factors do not depend solely on sufficient funding. With its long experience of 33 years in the business, SAWAD Group understands its customer groups very well, so the Group is able to provide services that well suit customers' demand. The Company's service coverage is across the country, with service networks covering all regions nationwide. As of 31 December 2018, SAWAD Group's branch networks included 2,870 branches. The Company provides fast and effective services, with a large system for its customer-related data base. In addition, SAWAD also possesses expertise in loan approval procedure as well as loan collections. As a result, the Group enjoys competitive advantages over its peers and is able to examine loan applications efficiently. Moreover, most commercial banks or the firms under the umbrellas of commercial banks focus mainly on the new auto market while hire purchase or leasing companies emphasize on providing services for buyers of new cars or used cars in the upper and middle market segments. On the contrary, SAWAD group focuses on different customer groups by offering auto-backed loans and home-backed loans to potential customers who may be unable to access financial services offered by commercial banks or those under banks' umbrellas but they owns vehicles and property.

3.1.2 The risk in regard to competition in the personal loan segment

The personnel loan segment has seen fiercer competition. The fact that the interest rates and fees in this loan segment are higher than those from credit card loans attracts both financial institutions and non-financial institutions to enter the business. While SAWAD Group is well aware of the risk of higher competition, the firm believes the risk will not have any significant impact on its overall operation given that the Group focuses on Grade B customers including government officials, state enterprises' employees and village heads, unlike other financial institutions that focus on Grade A customers. SAWAD Group understands well about the nature and repayment behaviors of its target customers. Also, the Company's staff teams are available to provide services and launch marketing strategies to reach target customers nationwide. Hence, the Company is very confident in its competitiveness. However the Company freeze personal loans from the beginning of 2016. In the year 2017, the Company also took in Srisawad Finance Public Company Limited as part of the group, where personal loans are granted to employees of private companies. The credit approval process for these individuals also takes into consideration the financial health of the related companies as well. The logic is that as long as the company is doing well, the employee's income should be stable, and thus the ability to pay back the loan should be secure.



3.1.3 The risk in regard to competition in Nano finance loan segment

Nano finance loan business is stipulated by Bank of Thailand and Ministry of Finance for individuals seeking to borrow without collateral to use for business operation. There are many corporates interest and apply to enter this business, that means the competitions will be more extreme. Also government policy which will grant PICO finance license for local operators in each province.

SAWAD Group is confident in its networks of branches and staff members across Bangkok, Bangkok's vicinity and other regions nationwide with the larger coverage. Moreover, the present number of firms permitted to operate this business is 24 firms, and the PICO finance will have been limited with areas and credit limit. The Company is confident that the Company's Nano finance license can cover more areas and lower cost of funding.

3.1.4 The risk in regard to the competition in the debt collection business

At present, there are a large number of players in the debt collection business, including local players. This leads to more intense price competition and the nature of debt collection practices of some operators may lead to some complaints.

SAWAD Group is confident in its potentials, which board networks of branches and staff members across Bangkok, Bangkok's vicinity and other regions nationwide. The Company assigns highly-experienced debt collection staff to base at extensive branches and this strategy enables the firm to save collection costs. The Company also ensures that its debt collection staff members are well trained, as required by the law, before they are assigned to perform their duties.

3.1.5 The risk in regard to the competition in Comprehensive Credit-Provision Management Consultancy Service

In this line of business, there is currently no other company engaging in providing comprehensive advisory services on credit provision management then the competition will not extreme. However in the future, the customer will have more experience to do business and terminate our service.

The Company has considered risk that customer no longer use our service, but the target market in Myanmar is expected to increase over time due to the rising consumer needs for credit. In the mean time the Company has considered to expanse this service to other neighborhood country.



3.2 Risks in regard to loan management and collateral

3.2.1 The risk of Conflicts of Interest

Subsequent to the acquisition of shares and the Tender Offer to purchase all securities of Srisawad Finance Public Company Limited ("BFIT") by Srisawad Corporation Public Company Limited ("The Company" or "SAWAD") in April 2017, the Company and BFIT, subsidiary, SAWAD held 36.35 percent of BFIT total paid-up shares, undertake the restructuring of businesses within the group in order to create opportunities for future business growth. Whereby, BFIT has extended its lending business from personal loan to corporate employees to collateralized loan to small SMEs and retail individuals that is not overlapped with the businesses currently operated by Srisawad Power 2014 Company Limited ("S2014"), a wholly-owned subsidiary of SAWAD, in order to clarify the Group business structure and eliminate conflicts of interest.

According the Tender Offer Statements concerning the Company's future business plan after completion of the Tender Offer, in the event that the Company can hold between 36.35 and 60 percent interest in BFIT, the lending business to be operated by BFIT shall not overlap with S2014, which shall be separated by type of collateral. In this regards, BFIT will operate the lending collateralized by vacant land and house, and the 4-wheeled vehicles, whilst, S2014 will offer the lending secured by motorcycle, trucks, and agricultural vehicles.

The Group's revised business plan shall affect the following lending products of BFIT: Car for Cash and Home for Cash services. After amending to re-separate the business between SAWAD and BFIT, the lending entity for Car for Cash product will be determined by type of contracts (Loan/Hire Purchase). Whilst, Home for Cash will be determined by transaction type (Mortgage and Sale with redemption right) and loan value (exceed/not exceed Baht 10 million). The amendment of the Group business plan will impact and change BFIT operation as previously stated in the Tender Offer documents.

However, the Group Companies is confident that the revised business plan will not create conflicts of interest as the Company has prepared to develop clear criterion to determine the lending entity and has promptly established reliable measures to prevent potential conflicts of interest, as follows:

1.1 Develop Clearly Written Work Instruction, Policy, and Business Separation Criterion

The Group Companies has developed clearly written work policy and instruction to provide effective guidance for the separation of business between BFIT and S2014, as follows:



Car for Cash – Use Rate Book to determine type of contract

- ▶ S2014 will offer the lending service through Hire Purchase contract, which is determined by loan amount that is equivalent or more than the Rate Book, where the client shall transfer ownership of the vehicles to S2014.
- ▶ BFIT will offer the lending service through Loan contract, which is determined by loan amount that is less than the Rate Book, and the client is not required to transfer ownership of the vehicles to BFIT.
- ▶ The clients will indicate their own financial needs and shall enter into the contract suitable to their choices, that is, if the desired loan amount is high, the clients will need to enter into Hire Purchase contract and shall transfer the ownership of vehicle to S2014. If the desired loan amount is low, the clients will need to enter into Loan Contract with BFIT which does not require to transfer the title of vehicle.

In practice, branch staffs, who seek for and get contact with the client, will refer to standard loan amount as stipulated in the Rate Book applicable at the time. Rate Book will provide standard loan amount for each type, brand, model, and year of vehicles. Nevertheless, the pre-approved credit limit shall never exceed the rates stipulated in the Rate Book.

Standard loan amount per the Rate Book will then be compared with the client's desired loan amount in order to determine contract type to be entered. If the desired loan amount is lower than the Rate Book, the client will need to execute Loan contract with BFIT, but if the desired loan amount is equivalent or higher than the Rate Book, the client will execute Hire Purchase contract with S2014. The credit limit of each borrower is determined by creditworthiness of the borrower and the guarantor as well as the quality of collateral and other factors.

Home for Cash – Use transaction type and loan value of Baht 10 million to determine the lending entity

The basis used in determining the lending entity for Home for Cash service or loan secured by house, land, and condominium is transaction type and loan value of Baht 10 million, which is referred from the Bank of Thailand's supervision on Housing Loan, which rule outs the lending criteria for the residences price up to and exceed Baht 10 million separately based on different inherent risks.



In the practical lending process, the branch staffs will consider the fair price of house and land as appraised by Group internal staffs, and the government's appraised price for land, in order to determine the fair price of collateral before adjusting according to Loan-to-Value policy of the Company in order to derive pre-approved credit limit. If the loan value does not exceed Baht 10 million, the clients will enter into Loan contract with BFIT. If it exceeds Baht 10 million, the Loan contract shall be executed with S2014, where the loan amount shall be always within the pre-approved credit limit.

1.2 Regularly Review Business Separation Criterion and Ensure Audit Committees Approval Before Effective

Announcement of the Rate Book for Car for Cash and the Baht 10 million basis for Home for Cash service are under the responsibility of the Collateral Committee, which is a unit independent of the Credit Department. The Collateral Committee is responsible to review and ensure appropriateness of the Rate Book that is effective at any point in time. The Rate Book will be reviewed on a quarterly basis and adjusted in accordance with changing market of the used cars.

The Group Companies has established key policies to review the basis used in determining the lending entity, as follows:

- ▶ Rate Book shall be reviewed at least every quarter, and, when necessary, shall be revised in accordance with market changes.
- ▶ Once the Rate Book is mutually agreed by both parties, it shall be proposed to the Audit Committee of each entity for approval. For BFIT, the internal audit team will be responsible to reconfirm and justify the adjusted items on the Rate Book by comparing to the current market price of used cars, and report the audit results to the Audit Committee for their consideration and approval.
- ▶ Without approval from the Audit Committee by both parties, the Rate Book cannot become effective. In such event, both parties will need to reconsider and fine tune appropriate rates to be used in the Rate Book.

1.3 Use Conflict Checklist Form to Assist in Business Separation

Branch staffs are required to use Conflict Checklist Form to assist in determining appropriate type of contract to be entered by the client in accordance with the Group lending policies. The branch staffs



are required to attach the Conflict Checklist Form with a copy of Rate Book prior to sending all relevant loan documents to the Credit Department for approval.

1.4 Review and Reassure the Appropriateness of Contract Type by the Credit Department

Credit Department will conduct the review of loan application to justify the appropriateness of loan offered by the branch staffs prior to signing approval, as follows:

- ▶ Branch staffs will verify completeness and accuracy of loan application and determine pre-approved credit limit for the borrower, by comparing the desired loan amount with the standard loan amount per the Rate Book, in order to identify appropriate type of contract to be entered by the borrower (Loan/Hire Purchase contract)
- ▶ If the borrowers are qualified for Loan contract with BFIT, loan application and relevant supporting evidences will be scanned into the system and sent to the Credit Department. The Credit Department will review and confirm appropriateness of the pre-approved credit limit against the Rate Book before signing approval.

1.5 Prepare Monthly Credit Approval Report for Management Consideration

The Company has established a procedure to monitor inappropriate actions which wrongly define the lending entity. At the month end, the Credit Officer shall prepare a credit report to compare credit limit and standard loan amount per the Rate Book for the top Management consideration.

1.6 Regularly Perform Internal Auditing at Branch Office

The Company's internal audit team will conduct proactive audit at each branch on a rotating basis to ensure appropriateness and effectiveness of business separation, and report any inappropriate actions to the Audit Committee. Such internal audit activities have been included as part of the Company's annual audit plan.

1.7 Ensure Approval by the Audit Committee Before Rate Book Becomes Effective

The Audit Committee has the ultimate responsibility to review appropriateness of the revised Rate Book and approve it before effective. The Audit Committee will also consider other connected transactions or the transactions with potential conflicts of interest and ensure that the transactions are reasonable and in the best interest of the Company, and the disclosures of which have been made accurately, completely, and in compliance with the requirement of the SET and relevant regulations.



1.8 Develop Information Technology System to Assist in Defining the Lending Entity

The Group Companies has planned to implement a new IT system to support the separation of business between SAWAD and BFIT, particularly for loan approval process. The newly-implemented IT system is aimed to reduce roles of the branch staffs, which is the point at which the conflict of interest may arise. The new IT system will enable the Company to reduce most of the daily human errors and define clear process for determining the lending entity. The plan to implement new IT system was included as part of the plan to establish a financial business group proposed to the Bank of Thailand.

At present, the Company is in process to develop the new IT system. Nevertheless, it may take at least 3-5 months ahead to ensure that the newly-developed system has worked reliably and functionally according to the purpose. The Company has plan to launch the new IT system from July 2018 onward.

3.2.2 The risk of higher NPLs

At present, the auto title loan and hire purchase loan businesses are not under control by any particular state agencies or regulations. Hence, operators are able to expand their business at their full potentials. They are thus at high risk of seeing greater non-performing loans ("NPL") if they lack of cautious loan approval process or effective internal control system.

However, the Company is very cautious about examining loan applications and emphasizing loan quality. The Company thoroughly examines the information of the customers and their guarantors. Reports on evaluation results for customers' repayment ability are carried out regularly. As of 31 December 2018, the Company saw NPLs amounting to Baht 776.90 million, increasing from Baht 645.66 million as of 31 December 2017. The increase in NPLs was in line with the rise in total loans. Meanwhile, the NPL ratio decreased from 2.91 percent as of 31 December 2017 to 2.64 percent as of 31 December 2018, in tendon with overall loan growth. Regarding the allowance for doubtful accounts, as of 31 December 2017 and 31 December 2018, the Company set aside the allowance for doubtful accounts amounting to Baht 537.59 million and Baht 623.67 million, respectively, implying coverage ratios of 2.43 percent and 2.12 percent, respectively. While the loan provisions are lower than NPLs, the Company views that the provision position is appropriate given that the Company offer secured loans and the loan to value ratio (LTV) is rather low at 30-70 percent.

During 2016-2018, the Company's bad debt stood at only Baht 124.47, 244.35 and 323.46 million, equivalent to NPL ratios of only 0.71 – 1.10 percent, lower than the coverage ratios for the years at 2.12 – 2.43 percent. In other words, the Company has set aside sufficient loan provisions to cover NPLs.



Unit: Million	31 Dec-16	31 Dec-17	31 Dec-18
NPL ^{/1}	438.81	645.66	776.90
Total Loan ^{/2}	17,469.22	22,148.96	29,433.00
% of NPL to total loan	2.51	2.91	2.64
Loan loss provision	388.81	537.59	623.67
% allowance of doubtful accounts to total loans	2.23	2.43	2.12
Bad Debt	124.47	244.35	323.46
% NPL to total loans	0.71	1.10	1.10
Allowance of doubtful accounts to total loans to NPLs (time)	3.12	2.20	1.93

Note ^{/1} NPLs mean loans which the Company stops realizing revenue according to revenue realization policy

^{/2} Total loans mean the amount of loans stated in the loan agreements and hire purchase contracts deducted by interests not yet booked as income.

3.2.3 The risk in regard to loan agreements and collateral documents being lost or damaged by fires

Loan agreements and documents identifying the ownership of collaterals are major assets for the loan service business. In case customers fail to make repayment for the outstanding balance overdue, the Company needs to use such agreements or documents for further legal actions. Loss or damages of such loan evidences due to fires may have negative impact on the Company's operation.

Realizing the risk of loss and damage of loan evidence, the Company thus comes up with measures to reduce the risk by setting up a special document room for keeping loan agreements and collateral documents in order to speed up the operation process because the loans linked to motorcycles are short-term loans with low credit limits. Entry to the special document room is very strict, with fire insurance being put in place. Moreover, the Company also keeps all documents in an electronic form, with all data being backed up at a separate location on a daily basis in order to prevent damages from any causes.

3.2.4 The risk of possible failure to confiscate collaterals

Most collateral items are cars and motorcycles and these items are more difficult to confiscate, in case customers fail to repay debts, than other collateral items, e.g., deeds of housing units, land, and etc. If the Company is unable to confiscate and sell the collateral in compensation of unpaid debts, this will have a direct negative impact on the Company's business operation, financial position, and earnings performance.



To reduce the risk, the Company has a policy to extend loans to individuals and/or collateral and/or guarantors residing in the same areas where the Company's branches are located. Moreover, the Company's credit staff are also assigned to examine the information on site, i.e., the addresses identified by the customers, in order to double check the existence of the collateral. In case the customers fail to settle the monthly installment bills, the Company will assign its staff in charge to follow the customers and confiscate the collateral afterwards. The staff will promptly take action in order to prevent the customers from running away with collateral. It should be noted that the Company also benefit from its extensive branch network that included 2,900 branches nationwide, allowing the Company to locate the collateral more easily.

3.2.5 The risk in regard to inability to sell foreclosed assets

According to the nature of the auto title and hire purchase loan businesses, once a customer fails to settle the installment bills for three consecutive periods, the Company will send a letter notifying that the contract will be terminated should the customer does not repay the debts within 30 days from date (for the hire purchase contracts) or seven days (in case of the loan agreements). If no action is taken by the customer within the identified timeframe, the Company is entitled to confiscate the collateral. After that the Company will issue a letter notifying the customer to redeem the collateral within 30 days, both in cases hire purchase and loan agreements. If the customer is not present to redeem the collateral within the specific timeframe, the Company is entitled to sell the collateral. At present, the Company sells foreclosed assets through several sale channels including branches for selling motorcycles, and warehouses for keeping confiscated cars. In addition, the Company also hires a private auction organizer to organize auctions for people who may be interested in buying confiscated motorcycles. The proceeds from the sale of confiscated collateral will be used for covering the outstanding balance. If the Company is unable to sell the confiscated items, this will have a negative impact on its financial position and operational performance.

The Company decides to extend loans to customers, considering the popularity of the vehicles in the market or the locations of the land in order to reduce potential impact of the lack of liquidity from the sale of confiscated collateral. After confiscating the collateral, the Company's staff will keep the items and sell them to the Company's selected counterparty by tranches at net asset value price.

The pricing of confiscated collateral is based on the remaining value of the outstanding balance, which is normally lower than the market price. Hence, the selling prices of confiscated collateral items are normally lower than the market prices, increasing more liquidity to the sale transactions.



Foreclosed assets classified by types of collaterals	31 December 2016			31 December 2017			31 December 2018		
	Value (million)	Quantity (unit)	Average value (Baht/unit)	Value (million)	Quantity (unit)	Average value (Baht/unit)	Value (million)	Quantity (unit)	Average value (Baht/unit)
Old motorcycles	33.23	2,612	12,722	72.66	5,637	12,889	123.32	11,370	10,846
New motorcycles	3.71	104	35,673	3.38	95	35,578	2.38	66	36,086
4-wheel vehicles	30.69	255	120,352	137.79	1,195	115,305	199.79	1,784	111,992
Commercial cars	14.52	93	156,129	22.06	130	169,692	46.79	258	181,370
Vehicles for agricultural uses	1.40	4	350,000	1.84	8	230,000	1.64	6	272,963
Home and land	13.87	10	1,387,000	17.67	17	1,039,411	24.33	22	1,105,814
	97.42	3,078	31,650	255.40	7,082	36,063	398.25	13,506	29,487

It is found that most of the foreclosed assets are used motorcycles, with an average unit value of Baht 10,846.

3.2.6 The risk that the sales of foreclosed assets not covering the unpaid debt values

The Company confiscates the collateral when a customer fails to repay the instalments for the certain time specified in the contract. After that the Company proceeds to sell the confiscated item at its own branches, warehouses or auctions where general people who are interested in buying new motorcycles are invited to participate. Should the Company manage to sell the collaterals at the value exceeding the remaining value of the outstanding balance, only in the case of hire purchase contracts, the Company will return the remaining proceeds (net after deducting the remaining value of the outstanding balance and relevant expenses) to the customer. If the debt balance is higher than the value of the foreclosed asset sales (this may be because the average age of the collaterals ranges around 2-14 years) and if the Company is unable to obtain the variance from the customer or the guarantor, the Company will see some losses from the sale of the collaterals. This will in turn have a negative impact on the Group's operational performance.

To reduce the risk, before approving auto-backed loans and home-backed loans, the Company has to examine and appraise the values of the collateral very carefully. Also, the Company approves credit limits with 30-70% discount from the market prices of the collaterals; the discount depends on the models and the popularity of the collaterals. Hence, the remaining value of the outstanding balance is lower than the selling price of collaterals sold by auction. Meanwhile, the loss from the sale of collaterals at FM was attributable to the Group's policy to sell the confiscated new motorcycles as fast as possible in order to reduce the risk that the prices of new motorcycles drop rapidly. Note that the Company sets aside



provision for the impairment loss of foreclosed assets for the hire purchase loans for new motorcycles at the rate of 25 percent of the total debt value as of the confiscation date. The rate is set by the management, based on historical data.

As of 31 December 2018, over 75% of foreclosed assets lasted not more than one year from the confiscation date. However, most of the foreclosed assets that last longer than one year (worth Baht 102.92 million) are new motorcycles for which the Company regularly sets aside provisions for impairment loss.

Cost of foreclosed assets classified by the duration after the confiscation date	31 December 2016		31 December 2017		31 December 2018	
	Million	%	million	%	million	%
Less than 1 months	37.20	38.19	39.03	15.28	34.42	8.64
1 - 3 months	27.63	28.36	66.14	25.90	68.74	17.26
4 - 6 months	6.94	7.12	84.99	33.28	85.83	21.55
7 - 12 months	5.13	5.27	43.45	17.01	106.34	26.70
Longer than 12 months	20.52	21.06	21.78	8.53	102.92	25.84
Total	97.42	100.00	255.40	100.00	398.25	100.00
<u>deduct</u> provision for foreclosed asset impairment	(2.72)	(2.79)	(2.76)	(1.06)	(11.29)	(2.83)
Foreclosed assets - net	94.70	97.21	252.64	98.94	386.96	97.17

Moreover, the Company also uses the actual values of foreclosed asset sold as criteria for considering new credit limits. As of 31 December 2018, the foreclosed assets at the cost price amounted to Baht 398.25 million, with provisions for impairment amounting to Baht 11.29 million, equivalent to 2.83 percent of the cost price.

3.3 Legal Risks

3.3.1 The risk of being sued by customers

As mentioned above, the auto title loan and hire purchase loan businesses are not controlled by any particular agencies. The most relevant laws for the business are Civil and Commercial Code and Consumer Protection Law stating that the business about hire purchase of cars and motorcycles is the business with controlled contracts. SAWAD Group emphasizes the importance of the law and seriously complies with the laws, ensuring that all hire purchase contracts and loan agreements are legal.



Regarding the hire purchase business, the Company always carries on the business, complying with laws and regulations set forth by relevant authorities, especially the Bank of Thailand that sets rules about principles, procedures and conditions for conducting personal loan business. Non-financial firms are allowed to collect the maximum interest rate of 15 percent per annum and the total of collection fee as well as other fees shall not exceed 28 percent per annum. For conducting Nano finance loan business, interest rate, fee and penalty fee totaled not exceed 36 percent per annum.

Even though the Company always follows the rules and regulation and there have never been any legal cases against the Company, the Company always keeps in mind of legal risks in case some customers may want to file lawsuits against the Company. Any court case against the Company will definitely have a direct impact on its business operation. In light of this, the Company regularly communicates with its customers and ensures the same understanding between the two parties. Moreover, the Company also emphasizes the customers and guarantors' ability to repay debts in order to reduce the possibility of loan defaults, which may eventually lead to collateral confiscation or lawsuits. In case of overdue outstanding balance, the Company has a clear and fair collection policy, in accordance with the legal procedure. Hence, the Company is confident that it is very unlikely to face any lawsuits filed by its customers.

3.3.2 Risks from the future controls on vehicle title loans and hire purchase loans by the state sector

As present, the auto backed loans, home-backed loans and hire purchase loans are not controlled by any state agencies, including the Bank of Thailand. Nonetheless, but Office of Consumer Protection Board" oversees the hire purchase contracts and The Act Prohibiting the Collection of Interest at an Excessive Rate B.E. 2560 in order to ensure that consumers are treated with fairness. In the future, a state agency may be appointed to directly oversee and control the auto title loan and hire purchase loan businesses; this may have some negative impacts on the Company's business operation.

In 2019, the state agency or the Bank of Thailand becomes in charge of controlling interest rates for lending. However the Company is confident that the potential control by any state agency may not have significant impacts on the operation and small operators, whose operations are not systematized and standardized, may be pressured, and may prevent new players from entering the market given that penetrating to the business may not be as easy as in the past. And the secured loans under BFIT are in compliance with the regulations of Bank of Thailand.

3.3.3 Risks in regard to the possibility that a state agency may control the personal loan business



The personal loan segment is controlled by the Bank of Thailand. Thus, any new rules or regulations against business operation of the Company may have an impact on the Company given that the Group will have to adjust some of its business procedures to comply with the rules and regulations. This may have an impact on the Company's business and operational performance.

SAWAD Group is well aware of the risk, so it closely monitors updates and news about changes in regulations and project potential impacts of the changes. Updates and projections of possible impacts of regulation changes are then reported to the Company's directors so that they can accordingly decide strategies of measures in response to the changes in appropriate and prompt manners.

3.4 Financial Risks

3.4.1 The risk in regard to fluctuation in the interest rate

SAWAD Group's core revenue is from interests from the lending business. The interest rate is fixed throughout the life of the loan agreement. Meanwhile, the main expenses come from cost of funding from financial institutions who set floating interest rates. Any changes in the interest rate will have an impact on the net interest margin and interest expenses. In particular, when the interest rate is hiked, the Company's cost of funding will also increase, resulting in a narrower net interest margin. This in turn will have a direct impact on the Company's operational performance and profitability.

However, at present the variance between interest income and interest expenses is rather large. In case of an interest hike, the Company still believes that its revenue should be enough to cover costs and expenses. Moreover, the Company can also reduce risks from new loan contracts for which it is able to set interest rates and fee to reflect actual cost of funding. Also, in the short to medium term, the interest rate is likely to continue on a downtrend. Furthermore, the Company received more funding from debenture issuance, which should help to lower interest expenses to a certain degree.

3.4.2 The risk in regard to dependence of borrowing from financial institutions

Given the nature of lending business, lenders need sufficient funding for operation in order to have the business continue. As of 31 December 2018, SAWAD's funding sources were i) eight financial institutions; ii) bills of exchange, iii) shareholders' equity and iv) debenture. As of 31 December 2018, the amount of loans taken out from the eight financial institutions totaled Baht 7,184.66 million. The proportion of the lending from the seven financial institutions was 0.00-6.00 percent of the total funding sources. In case the Company is unable to get loans from the financial institutions, this will have a negative impact on its business, financial position as well as operational performance.



Borrowing mainly from the financial institutions, the Company has a very good repayment record and has never been requested by the lenders to repay debts before schedule. In order to reduce the dependency on the financial institutions, the Company seeks new sources of funding by issuing short-term bills of exchanges and offering them to institutional investors or high net worth investors. As of 31 December 2018, the Company sold bills of exchanges amounting to Baht 650 million and including unsecured debenture 1 series, amounting Baht 3,200 million, in order to reduce the dependency on the financial institutions.

In addition, Srisawad Finance Plc. can raise fund through deposits which is the major sources of fund of BFIT for expand its lending business.

3.4.3 The risk in regard to the mismatching between the lending periods for customers and the lending periods from creditors

The motorcycle-backed loans (accounting for 9 percent of the total loan receivables as of 31 December 2018) allow repayment durations of not more than 18 installment periods while four-wheel vehicles –backed loans (accounting for 39 percent of the total loan receivables as of 31 December 2018) allow an average repayment duration of not more than 24 installment periods. Meanwhile, the Company's funding comes from short-term loans from the financial institutions. As of 31 December 2018, the Company saw short-term loans and bills of exchanges totaling Baht 6,753.89 million, long-term loans from financial institution totaling Baht 741.94 million, unsecured debentures amounting Baht 8,938.08 million and short-term and long-term deposits amounting Baht 7,279.97 million. Hence, it is rather risky if the financial institutions does not allow loan contract extension or if a payable requests the repayment immediately after the loans are due.

As of 31 December 2018	Amount (Baht Million)	% compared to total assets
Receivables due within 1 year – net	23,089.42	58.88
Receivables due more than 1 year – net	5,719.91	14.59
Total assets	39,217.14	100.00
Short-term loans due within 1 year	15,660.35	39.93

However, the Company is classified as a good customer and has never caused any financial problems or debt defaults. Moreover, to reduce the risk about repayment of short-term loans, the Company has prepared for seeking funding from other sources, including raising funds from the public offering in order to increase the liquidity and manage funding sources more effectively. The Company also completes a cash flow projection to cover the estimated loan growth in the future. The projection is aimed at analyzing



the liquidity so that the Company can plan for supporting funding and it should thus be able to continue its business operation.

3.4.4 The risk in liquidity

Liquidity risk is the risk resulting from the Company's failure to pay its debts and obligations when due because of the inability to convert assets to cash or to mobilize adequate funds by schedule or at acceptable costs which could cause damage to the Company.

The Company has closely monitored, reviewed and evaluated liquidity status by using risk control system and daily financial status report and presented them to Managing Director every day. The Asset and Liability Management Committee will have a monthly meeting to consider the liquidity status. In case of an emergency situation, the Company will be able to handle such situation because the Company has also prepared the Liquidity Contingency Plan and Guideline including the scenario study in case of bank run situation.

3.4.5 The risk in regard to the foreign exchange rate

According to the Company has service and credit sales in neighborhood countries, that will make the Company face the loss from foreign exchange rate and the depreciation of those currencies.

The Company provide advisory service to Myanmar customer which will settle the service fee in term of Thai Baht so the Company will not suffer from exchange rate. The credit sales business in Vietnam settle in Vietnam currency which considered from the fluctuation of the conversion rate between Baht and Dong is in the low level.

3.5 Operational Risks

3.5.1 The risks in regard to corruptions by employees

Being engaged in the auto tile loan, hire purchase and non-secured personal loan businesses, SAWAD Group authorizes the branch managers to approve credit limits and extend loans to customers immediately, provided that the loans are under the credit limits within their approval authority. Customers can settle the installation bills at the Company's branches by cash with the branch staff. This practice can be risky from the possibility that operation staff may involve in corruption.

The Group is well aware of the risk, so it puts an internal control system in place in order to examine the performance of branches. The internal control system is equipped with supporting informational technology. Officers from the central offices also cross check and ensure that customers receive loans as specified in the contracts. Moreover, for every repayment transaction at any branched, customers will



receive receipts from the central data system. The headquarter office has a monitor system, which can detach when a branch office receives more over-limited repayment amounts. A branch receiving over-limited repayment amounts will be requested by the headquarter to deposit the sum to the bank. Moreover, the Group also has a particular division examining the lending procedures and repayment transactions of branches at random. Various measures as well as systems should help to keep any possible damages at insignificant levels. In addition, the Company has a policy that any staff dealing with payment and repayment transactions done by customers have to put guarantees or guarantors before the employment contract is signed.

3.6 Operational Risks

3.6.1 The risk in regard to the fact that the major shareholder group holds stake of more than 45 percent

As of 4 October 2018, the Kaewbootta Group consisting of Ms. Thida Kaewbootta, Ms Duangchai Kaewbootta, Mr Chatchai Kaewbootta and Mrs Jariya Kaewbootta was the major shareholder group holding combined stake of 49.34 percent of the paid-up capital. With such a large portion of stake holding, the Kaewbootta Group has a controlling power as well as influence on decision making. The Group can also control the majority votes in the shareholder meeting. Hence, there is a risk that some other shareholders may want to join hands and gather votes in order to balance power and question some matters raised by the major shareholder group in the shareholder meetings.

Based on the Company's organizational structure, however, the Company has clearly identified scopes of authority, rules and responsibilities of directors with transparency. Also, measures in regard to connected transactions linked to directors, major shareholders, management, as well as individuals with conflicts on interests are clearly identified. The aforementioned people are not allowed to vote on related issues that may cause conflicts of interests. Also, independent directors are appointed to consider and make decisions on the issues to ensure that the practice on such issue is transparent enough to convince the shareholders that the Company's management structure highlights balance of power and effective management.

3.6.2 The risk of high dependence on major shareholders

At present, SAWAD Group is financially supported and guaranteed by its major shareholders. As of 4 October 2018, The Kaewbootta family, the major shareholder group with 49.34 percent of the paid-up capital guaranteed the loans amounting to Baht 500 million for business operational purposes (Further details can be obtained from Part 2, 12 Connected Transactions). This can be inferred that SAWAD Group



sees considerable risk in regard to its high dependence on Kaewbootta Group. An absence of financial assistance from the Kaewbootta Group may put the Company's business operation in trouble.

Note that the aforementioned guarantee was carried out in accordance to regulations set forth by the financial institutions. At present, the financial institutions is processing to withdrawn the guarantee.



4. Assets used for Business Operation

4.1 Fixed Assets

4.1.1 Premises and Equipment – Net

As of 31 December 2018, the Company owned premises and equipment at a net value of Baht 629.31 million as the following details:

Types of Assets	Nature of ownership	Net value (Baht)	Obligation
Land	own	3,902,300	No
Building and building improvement	own	347,297,109	No
Office decor accessories	own	73,504,365	No
Office Supplies	own	72,386,237	No
Vehicles	own	132,218,559	Yes
Total		629,308,570	

Note: The Group has liabilities under the hire purchase contracts for the total amount of Baht 78,280,961.

4.2 Hire purchase receivables and loan receivables

The hire purchase receivables and loan receivables are shown based on the net values. The figure shows the amount of debts stated in the contracts deducted by interests not yet booked as income and allowance of doubtful accounts, based on the duration of outstanding balance.

Hire purchase receivables	31 December 2016		31 December 2017		31 December 2018	
	million	%	million	%	million	%
Current or overdue not over than 1 month	2,026.95	59.93	2,754.41	57.30	1,495.11	54.29
Overdue more than 1-3 months	1,050.75	31.07	1,672.39	34.79	1,027.06	37.29
Overdue more than 3-6 months	171.35	5.07	291.11	6.06	144.67	5.25
Overdue more than 6-12 months	53.43	1.58	44.77	0.93	53.88	1.96
Overdue more than 12 months	79.63	2.35	44.54	0.93	33.24	1.21
Total	3,382.12	100.00	4,807.22	100.00	2,753.96	100.00
Deducted by allowance of doubtful accounts	(159.41)	(4.71)	(135.70)	(2.82)	(92.68)	(3.37)
Hire purchase receivables - net	3,222.71	95.29	4,671.52	97.18	2,661.28	96.63



Loan receivables	31 December 2016		31 December 2017		31 December 2018	
	million	%	million	%	Million	%
Current or overdue not over than 1 month	11,669.45	82.84	13,533.64	78.04	22,133.30	82.96
Overdue more than 1-3 months	2,087.50	14.82	3,316.01	19.12	3,878.64	14.54
Overdue more than 3-6 months	187.36	1.33	337.20	1.94	500.75	1.88
Overdue more than 6-12 months	63.99	0.45	81.15	0.47	110.28	0.41
Overdue more than 12 months	78.81	0.56	73.73	0.43	56.07	0.21
Total	14,087.11	100.00	17,341.74	100.00	26,679.04	100.00
Deducted by allowance of doubtful accounts	(229.41)	(1.63)	(401.89)	(2.32)	(530.99)	(1.99)
Loan receivables - net	13,857.70	98.37	16,939.85	97.68	26,148.05	98.01

Policy on allowance of doubtful accounts

SAWAD Group has a policy to set aside allowance of doubtful accounts, according to the durations of receivables' outstanding balance deducted by interests not yet booked as income and the value of collaterals. The collateral is calculated at 0-75 percent of the outstanding receivables deducted by interest not yet booked as income. The calculation is also based on the potential to get repayment and possibility to sell collaterals. The criteria for setting allowance of doubtful accounts are as follows:

Overdue Period	Hire purchase contracts and loans for motorcycles		Hire purchase contracts and loans with other collaterals		Personal Loans
	Percentage of allowance of doubtful accounts	Value of collaterals (%)	Percentage of allowance of doubtful accounts	Value of collaterals (%)	Percentage of allowance of doubtful accounts
Current	1	75	1	75	1
Overdue 1 month	2	75	2	75	1
Overdue 1- 3 months	2	55-65	2	55-65	2
Overdue 3-6 months	100	0	20	25-45	100
Overdue 6-12 months	100	0	100	15	100
More than 12 months	100	0	100	0	100



Note: Allowance of doubtful accounts = Percentage of allowance of doubtful accounts X (outstanding receivables – interests not yet booked as income – value of collateral calculated at the rate on the aforementioned table)

Write-off Policy

SAWAD Group has set a write-off policy in accordance with the Ministerial Regulation No. 186 (1991) governing writing off bad debts from debtors' accounts as follows: A receivable with the value of not exceeding Baht 100,000 with outstanding balance overdue 3-4 months onwards is subject to collection procedure/ contract termination in a written form. If the Company is not contacted by the receivable, debts shall be written off. For a receivable worth from Baht 100,000 to 500,000, a part from the aforementioned collection procedure, the Company also proceeds with legal actions before writing off the bad debts. For a receivable valued at least Baht 500,000, the Company files a lawsuit against the debtor for bankruptcy and when the court accepts the case then the bad debts can be written off.

4.3 Loans to customers and accrued interest receivables

Loans to customers are commercial loan, project loan and consumer loan provide for short term working capital, or for expansion or new business development, which will be beneficial to the economic of the entities.

The outstanding of loans to customers and accrued interest, as at the end of 2017-2018 shown as follow:

Loans to customers (Million Baht)	31 Dec 2017	31 Dec 2018
Loans to customers	1,678.19	1,133.97
Accrued interest	1.61	3.62
Loans to customers and accrued interest	1,679.80	1,137.59
Less Allowance for doubtful accounts	(373.09)	(373.29)
Less Allowance for troubled debt restructuring	(1.23)	(0.46)
Loans to customers and accrued interest - net	1,305.48	763.84

Policy on allowance of doubtful accounts

The Group has a policy to set aside allowance of doubtful accounts for loans to customers, according to the guideline of Bank of Thailand.



4.4 Loan receivables from purchase of loan

Loan receivables from purchase of loan is the distress asset bought from financial institutions. The movement and outstanding of loan receivables shown as follow:

Loan receivables from purchase of Loan (unit: million Baht)	2016	2017	2018
Loan receivables from purchase of loan - beginning	1,264.68	2,311.62	2,742.05
Purchase	1,222.62	585.88	1,048.58
Amortization from collection	(175.68)	(155.45)	(601.85)
Loan receivables from purchase of loan - ending	2,311.62	2,742.05	3,188.78
Less Allowance for impairment	(2.62)	(3.29)	(4.41)
Loan receivables from purchase of loan - Net	2,309.00	2,738.76	3,184.37



4.5 Intangible assets

As of 31 December 2018, the Company had intangible assets valued at Baht 568.24 million as the following details:

Type of assets	Nature of ownership	Value (Baht)	Obligations
Computer Program	own	14,241,118	No
Finance License	Own	554,000,000	No

4.6 Trademarks and Right

As of 31 December 2018, SAWAD Group had three trademarks as the following details:

Trademarks/ service marks	Type	For	Status	Issued on	Valid until	No.
	Service	Lending, Mortgage and Pledge	Approved	29 Jan -13	10 Nov 21	156313
	Service	Lending, Mortgage and Pledge	Approved	4 Apr - 11	17 Feb 20	149642



4.7 Investment Strategies

4.7.1 Investment Strategies and Control of Subsidiaries

As of 31 December 2018, the Company invested in subsidiaries as followings:

Company	Business	Paid-up (million Baht)	% of investment	Value
Direct				
Fast Money Co., Ltd.	Hire purchase and non-secured loan	150.00	99.99	150.00
SWP Asset Management Co., Ltd.	Asset management	100.00	95.00	95.00
Srisawad Power 2014 Co., Ltd.	Debt collection, lending service and Insurance service agent	2,000	99.99	1,999.97
Srisawad International Holding Co., Ltd.	Holding company	300.00	99.67	299.00
Srisawad Finance Plc.	Finance Company	1,102.50	45.34	1,373.78
P Lending Co., Ltd.	Create platform for lending business	5.00	75.00	3.75
Total				3,921.50
Indirect (Through Srisawad International Holding Co., Ltd.)				
SWP Services Co., Ltd.	Advisory service	300.00	75.00	225.00
Srisawad Vietnam LLC	Credit sale and secured loan	101.92	100.00	101.92
Srisawad Leasing Laos Co., Ltd.	Lending service	12.08	90.00	10.96

The Company has a policy to invest in businesses that benefit or support its core business in order to boost revenue, earnings and growth potential for the Group. The management policies of subsidiaries are based on the Company's major policies. The investment portion is also at a level that enables the Company to have a control power over its subsidiaries or affiliates. The investment can come in forms of



self –investment, co-investment, and part investment. Nonetheless, the Company does not have a policy to invest in any company where the Company is unable to have its representative act as a director.

4.7.2 Policy to invest in securities

The Company does not have a policy to invest in securities, a part from its investment related to its core business.

4.8 Highlights of major contracts for business operation

4.8.1 Loan agreements

As of 31 December 2018, the Company inked loan agreements with seven financial institutions as follows:

The 1st financial institution

Debtor	SAWAD Group	SAWAD Group
Credit Type	Short-term loan	Overdraft
Credit limit	Baht 1,000 million	Baht 30 million
Collateral and guarantor	None	None
Liabilities as of 31 Dec-18	Baht -- million	Baht -- million
Conditions	<ul style="list-style-type: none"> • SAWAD Group is entitled to withdraw loan at the amount that the Group provides loans to hire purchasers or debtors. • The Group is prohibited from offering loans to directors before all bank loans are repaid. • The Group agrees not to repay loans to directors before the loan repayments to banks are completely settled and the interest rates from loans offered by directors must not exceed the interest rates from bank loans. • In case of some events that have negative impact the Company's financial position and thus make the financial institution doubt about the Company's ability to repay loans, the financial institutions have the right to terminate the loan conditions immediately. • The D/E ratio must not exceed 3.0x (excluding the loans borrowed from directors), based on the annual financial statement. 	

The second financial institution

Debtor	SAWAD Group	SAWAD Group
Credit Type	Short-term loan	Overdraft
Credit Limit	Baht 2,200 million	Baht 30 million
Collaterals and guarantor	None	None
Liabilities as of 31 Dec 18	Baht 1,600.00 million	Baht -- million
Other terms and conditions	<ul style="list-style-type: none"> The Group agrees not to repay loans to directors before the loan repayments to banks are completely settled and the interest rates from loans offered by directors must not exceed the interest rates from bank loans. For a credit limit of Baht 1,000 million, the Company was required to maintain its D/E ratio at not exceeding 3x. If SAWAD Group defaults on obligations to repay loan or any agreements made with the financial institution, the financial institution is entitled to request the guarantor to repay capital at full amount plus interests and compensations as well as other obligations. 	

The third financial institution

Debtor	SAWAD Group
Credit Type	Short-term loan
Credit Limit	Baht 500 million
Collaterals and guarantor	Credit guaranteed by the major shareholder group
Liabilities as of 31 Dec 18	- million
Other terms and conditions	<ul style="list-style-type: none"> The Company was requested to maintain the D/E ratio in the consolidate financial statement at not exceeding 3.0x. (excluding the loans borrowed from directors)

The fourth financial institution

Debtor	SAWAD Group	SAWAD Group
Credit Type	Short-term loan	Long-term loan



Credit Limit	Baht 2,500 million	Baht 1,000 million
Collaterals and guarantor	None	None
Liabilities as of 31 Dec 18	Baht 1,800.00 million	Baht 60.00 million
Other terms and conditions	<ul style="list-style-type: none"> The Company was requested not to binding with company's assets accepted hire purchase and loan contracts that pledged with other financial institutions The Company was requested to maintain the D/E ratio in the updated consolidate financial statement at not exceeding 4.5x. Kaewbootta Group has to maintain shareholding not less than 51% 	

The fifth financial institution

Debtor	SAWAD Group
Credit Type	Long-term loan
Credit Limit	Baht 3,000 million
Collaterals and guarantor	None
Liabilities as of 31 Dec 18	Baht 1,333.33 million
Other terms and conditions	<ul style="list-style-type: none"> The Company was requested not to binding with company's assets accepted hire purchase and loan contracts that pledged with other financial institutions The Company was requested to maintain the D/E ratio in the updated consolidate financial statement at not exceeding 4.5x. Kaewbootta Group has to maintain major controlling

The sixth financial institution

Debt	SAWAD Group	SAWAD Group	SAWAD Group
Credit Type	Short-term loan	Long-term loan	Overdraft
Credit Limit	Baht 500 million	Baht 1,500 million	Baht 30 million
Collaterals and guarantor	None	None	None



Liabilities as of 31 Dec 18	-- million	1,500 million	- million
Other terms and conditions	<ul style="list-style-type: none"> The Company was requested not to binding with company's assets accepted hire purchase and loan contracts that pledged with other financial institutions The Company was requested to maintain the D/E ratio in the updated consolidate financial statement at not exceeding 4.5x. Kaewbootta Group has to maintain major controlling. 		

The seventh financial institution

Debt	SAWAD Group
Credit Type	Long-term loan
Credit Limit	Baht 860 million
Collaterals and guarantor	None
Liabilities as of 31 Dec 18	Baht 552.50 million
Other terms and conditions	<ul style="list-style-type: none"> The Company was requested not to binding with company's assets accepted hire purchase and loan contracts that pledged with other financial institutions The Company was requested to maintain the D/E ratio in the updated consolidate financial statement at not exceeding 4.5x. Kaewbootta Group has to maintain major shareholding and major controlling.

4.8.2 Bills of Exchanges

SAWAD Group had authorized short-term bills of exchange valued at Baht 4,000 million for the duration of not later than 270 days. The bills of exchange were offered to institutional investors or major investors. As of 31 December 2018, the Company sold bills of exchange for the total amount of Baht 650 million.

4.8.3 Lease contracts for branch offices

SAWAD Group signed lease contracts with outsiders and individuals with possible conflicts of interest in order to lease spaces for use as branch offices. Most contracts last no longer than three years, with payments being made quarterly, biannually and annually.



As of 31 December 2018, SAWAD Group had liabilities from leases of space for 2,870 branches (including some branches for which the Company already put deposit for advanced payment prior to the commercial operation in 2019). This is translated into the total obligations from lease contracts at Baht 691.59 million.



None



6 General Information

6.1 General InformationCompany Information

Name	: Srisawad Corporation Public Company Limited
Address	: 99/392 Srisawad Building 4,6 Floor, Chaeng Wattana Road, Thung Song Hong, Laksi, Bangkok 10210
Type of Business	: Invest in other business
Registered Number	: 0107556000400
Registered Capital	: Baht 1,249,710,379
Paid-up Capital	: Baht 1,147,771,588 Divided into 1,147,771,588 ordinary shares at par value Baht 1.00 per share.
Website	: www.meebaanmeerod.com
Telephone	: 0-2693-5555
Fax	: 0-2573-1565
Reference	
Share Registrar	: Thailand Securities Depository Co., Ltd. 14 th Fl., 93 Ratchadapisek Road, Din Daeng, Bangkok 10400 Tel. 0-2009-9000 Fax. 0-2009-9992
Bond Registrar	: TMB Bank Public Company Limited 3000 Paholyothin Road, Chomphon, Chatu Chak, Bangkok 10900 Tel. 0-2299-1111 CIMB Thai Bank Public Company Limited 44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330 Tel. 0-2638-8000 Fax. 0-2657-333 Krung Thai Bank Public Company Limited



35 Sukhumvit Road, Klong Teoy Nua, Watana, Bangkok 10110

Tel. 0-2255-2222

Bond Representative : Krung Thai Bank Public Company Limited

35 Sukhumvit Road, Klong Teoy Nua, Watana, Bangkok 10110

Tel. 0-2255-2222

Asia Plus Securities Company Limited

175 Sathorn City Tower, 3/1 Floor, South Sathorn Road,

Tung Mahamek, Sathorn, Bangkok 10120

Tel. 0-2680-4037

Auditor : Mr.Boonlert Kamolchannokkul CPA. No. 5339 or

Mrs.Anothai Leekijwattana CPA. No. 3442 or

Ms.Sakuna Yamsakul CPA. No. 4906

Pricewaterhousecooper ABAS Co., Ltd.

15th Fl., Bangkok City Towers, 179/74-80 South Sathorn,

Tung Mahamek, Sathorn, Bangkok 10120

Tel. 0-2344-1000 Fax. 0-2286-5050

Internal Auditor : P&L Internal Audit Co., Ltd.

73/290-294 The Fifth Avenue Tower B, 2nd Fl., Bangkok-Nont Road,

Bang Khen, Muang, Nonthaburi

Details of the juristic person that the Company held directly 10% onwards of their issued shares

Name : Fast Money Company Limited

Address : 99/392 Srisawad Building 4,6 Floor, Chaeng Wattana Road, Thung
Song Hong, Laksi, Bangkok 10210

Type of Business : Provide hire purchase loans of new motorcycle and personal loan

Registered and Paid-up Capital : Baht 150,000,000



Name : SWP Asset Management Company Limited
Address : 99/392 Srisawad Building 2 Floor, Chaeng Wattana Road, Thung Song Hong, Laksi, Bangkok 10210
Type of Business : debt collection and purchase distressed assets for management
Registered and Paid-up Capital : Baht 100,000,000

Name : Srisawad Power 2014 Company Limited
Address : 99/392 Srisawad Building 4,6 Floor, Chaeng Wattana Road, Thung Song Hong, Laksi, Bangkok 10210
Type of Business : Debt collection and lending service
Registered and Paid-up Capital : Baht 2,000,000,000

Name : Srisawad Finance Public Company Limited
Address : 99/392 Srisawad Building 1,3,5,6 Floor, Chaeng Wattana Road, Thung Song Hong, Laksi, Bangkok 10210
Type of Business : Finance Company
Registered and Paid-up Capital : Baht 1,102,494,485

Name : P Lending Company Limited
Address : 99/392 Srisawad Building 4,6 Floor, Chaeng Wattana Road, Thung Song Hong, Laksi, Bangkok 10210
Type of Business : Create platform for lending business
Registered and Paid-up Capital : Baht 5,000,000

Name : Srisawad International Holding Company Limited
Address : 99/392 Srisawad Building 4,6 Floor, Chaeng Wattana Road, Thung Song Hong, Laksi, Bangkok 10210
Type of Business : Holding company
Registered and Paid-up Capital : Baht 300,000,000



Name : SWP Services Company Limited
Address : 99/392 Srisawad Building 4,6 Floor, Chaeng Wattana Road, Thung
Song Hong, Laksi, Bangkok 10210
Type of Business : Advisory service
Registered and Paid-up Capital : Baht 300,000,000

Name : Srisawad Vietnam LLC
Address : 1st Floor, VCCI Tower, No. 1, Lenin Avenue , Hung Dung ward, Vinn
City, Nghe An Province, Vietnam
Type of Business : Credit sale
Registered and Paid-up Capital : 33,500,000,000 Dong or approximately Baht 26.88 million

Name : Srisawad Leasing Laos Company Limited
Address : Baan Pon Than, Sai Chettha , Vientiane
Type of Business : Hire purchase and secured loan
Registered and Paid-up Capital : 3,000 Million Kip or approximately Baht 12.08 million



Part II

Management and Corporate Governance

7. Securities and Shareholder

7.1 The Company's securities

7.1.1 Registered and Paid-up Capital

As of 31 December 2018, the Company had registered capital of Baht 1,249.71 million and paid-up capital of Baht 1,147,771,588, consisting of 1,147,771,588 ordinary shares at a par value of Baht 1 per share.

7.1.2 Warrant

As of 31 December 2018, the detail of the Company's Warrant prescribed as follows:

Name of Warrants	Warrants to Purchase Newly Issued Ordinary Shares of Srisawad Corporation Plc. No. 1 (SAWAD-W1)
Issuance Date	12 June 2015
Allotment Method	Allot to shareholders whose name appear as the shareholders on the share register book close date of 7 May 2015 with the ratio of 25 ordinary shares per 1 unit of warrant.
Offering Price	-0- THB per unit
Exercise Ratio	One unit of warrant is entitled to purchase 1.125 ordinary share.
Exercise Price	Baht 53.324
Exercise Period	Warrant holders may exercise on the last business day of the months of May and November each year throughout the tenor of the warrants. The first exercise date will be the last business day in November 2017 or 30 November 2017. The last exercise date is 29 May 2020.
Term of Warrants	5 years
Maturity Date	11 June 2020
Number of Warrants	39,995,792 units
Outstanding of Warrants	39,945,592 units
Underlying Shares	44,938,791 shares



7.2 Shareholders

The list of shareholders and their shareholding as shown in the book of shareholder's registration as of 4 October 2018 is as follows:

Shareholders	4 October 2018	
	Share amount	%
1. Kaewbootta Family ^{/1} consisting of	567,394,092	49.34
1.1 Ms Thida Kaewbootta	364,831,624	31.79
1.2 Ms Doungchai Kaewbootta	88,141,959	7.68
1.3 Mr. Chatchai Kaewbootta	43,006,909	3.75
1.4 Mrs. Jariya Kaewbootta	71,413,600	6.22
2. Thai NVDR Company Limited	96,186,784	8.38
3. South East Asia UK (Type A) Nominees Limited (Cathay Financial Holding Co., Ltd.)	57,388,413	4.99
4. South East Asia UK (Type C) Nominees	27,106,933	2.36
5. State Street Eurpoe Limited	23,727,373	2.07
6. K 20 Select Long Term Fund	15,008,024	1.31
7. SCB Dividend Stock 70/30 LTF	9,092,000	0.79
8. K Flexible Equity RMF	8,618,986	0.75
9. Value Plus – Dividend LTF	8,276,900	0.72
10. Mr. Suthisak Chaipradit	8,022,285	0.70
11. General investors	326,949,798	28.49
Total	1,147,771,588	100.00

Note^{/1} Including the family, not shareholding of the related parties, based on Article 258 of the Securities and Stock Exchange of Thailand

7.3 Dividend Policy

The Company and its subsidiaries have a policy to offer a dividend payout ratio at not below 40% of the after tax and after provision net profit, based on the separated financial statement. The Company's directors have authorities to consider the dividend payment, except for the case that the Company decides not to follow such dividend policy or occasionally change the policy. The dividend policy can be changed, provided that the change will bring maximum benefits to the shareholders of the Company and subsidiaries. For example, the Company may need to reserve cash for future loan repayment or funding



for potential business expansion. Also, the dividend payment policy can be changed in accordance with changing market conditions that may have an impact on the Company's future financial position.

7.4 Issuance of bills of exchange

SAWAD Group had authorized short-term bills of exchange valued at Baht 4,000 million for the duration of not later than 270 days. The bills of exchange were offered to institutional investors or high net worth investors. As of 31 December 2018, the Company had sold bills of exchange for the total amount of Baht 650 million.

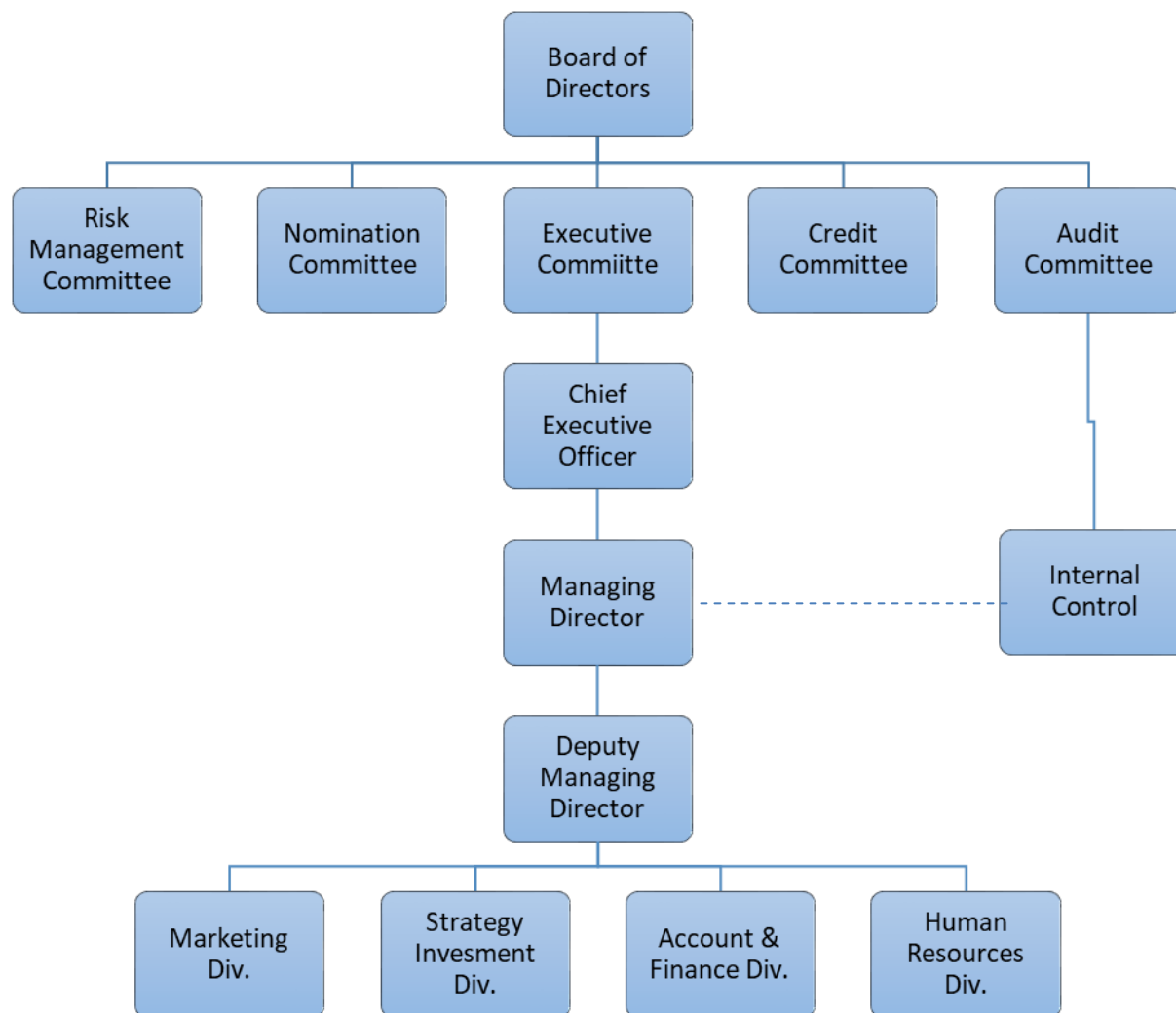
7.5 Issuance of debentures

SAWAD Group had authorized to issue debentures valued at Baht 15 billion, as of 31 December 2018, SAWAD had already issued senior and unsecured debentures for sale to high net worth investors and institutional investors as follows:

Issuance Date	Symbol	Amount (Baht)	Interest Rate	Tenor	Maturity Date
7 Jul 2016	SAWAD197A	365,000,000	3.10	3 year	7 Jul 19
27 Jul 2016	SAWAD198A	210,000,000	3.10	3 year 5 days	1 Jul 19
12 Sep 2016	SAWAD199A	300,000,000	3.10	3 year	12 Sep 19
3 Feb 2017	SAWAD192A	383,500,000	3.45	2 year	3 Feb 19
3 Feb 2017	SAWAD202A	1,166,100,000	4.00	3 year	3 Feb 20
3 Feb 2017	SAWAD212A	2,102,100,000	4.40	4 year	3 Feb 21
19 Sep 2017	SAWAD209A	1,225,000,000	3.60	3 year	19 Sep 20
8 Aug 2018	SAWAD218A	1,651,600,000	3.90	3 year	8 Aug 21
8 Aug 2018	SAWAD228A	1,548,400,000	4.15	4 year	8 Aug 22



8.1 Management Structure





The Company's management structure composes of six committees, namely the Board of Directors, the Audit Committee, the Executive Committee, the Risk Management Committee, Nomination and Remuneration Committee and Credit Committee. The details are as follows:

8.1.1 The Board of Directors

As of 31 December 2016, the Board of Directors comprised of the following 12 directors:

1.	Mr. Sukhont	Kanchanahuttakij	Chairman
2.	Mr. Vinai	Vittavasgarnevej	Vice Chairman of the Board/ Chairman of Audit Committee / Independent Director
3.	Mr. Chatchai	Kaewbootta	Director / Chief Executive Officer
4.	Ms. Doungchai	Kaewbootta	Director / Executive Director
5.	Mr. Prayong	Saennual	Director / Executive Director
6.	Mr. Somyot	Ngerndamrong	Director
7.	Mr. Weidt	Nuchjalearn	Director
8.	Mr. Pinit	Puapan	Director
9.	Mr. Sumate	Maneewattana	Director / Independent Director
10.	Mr. Veera	Veerakool	Director / Independent Director
11.	Pol.Gen Pharnu	Kerdlarpphon	Audit Committee Member/ Independent Director
12.	Mr. Weerachai	Ngamdeevilaiak	Audit Committee Member/ Independent Director
	Mrs. Chomchaba	Sathapornpong	Secretary

The directors authorized to sign for the Company as in the certificate of the company registration:

The signatures of either Ms. Doungchai Kaewbootta or Mr Chatchai, together with the signatures of either Mr. Somyot Ngerndamrong or Mr. Prayong Saennual, are required to go with the Company's seal.

Scope of authority and responsibility of the Board of Directors

1. To manage and ensure that the Company's business operation conforms to the laws, objectives, and the articles of association including the resolutions of the shareholders' meetings, with honesty and trustworthiness; and to provide utmost benefits to the Company;



2. To determine missions, visions, policies, objectives and business plans; to approve the Company's annual budget; to ensure that the management effectively and efficiently runs business in accordance with the Company's strategies and business plans; also to periodically review the Company's strategies and objectives in accordance with the changing circumstances;
3. To consider, review and approve business expansion plans or M&A plans proposed by the Executive Committee;
4. To ensure that the Company's financial and accounting report system, internal audit system and internal control systems are appropriate, adequate, accurate and reliable in order to make sure that the Company's information is accurately and transparently disclosed in accordance with relevant laws and regulations;
5. To prevent any transactions that may cause conflicts of interests among the Company's directors and management members as well as preventing any wrong doing; and to get rid of any conflicts of interests with careful, honest, reasonable and independent manners under the code of ethical principles.
6. To review and approve the Company's financial statement and the financial report, which are already audited and/or reviewed by the authorized auditor and approved by the Audit Committee;
7. To acknowledge the reports and monitor the performance of the managing director;
8. To review the good corporate governance policies in a regular basis;
9. To review and approve the financial statement and the financial report, which are already audited and/or reviewed by the authorized auditor and approved by the Audit Committee;
10. To appoint advisors to the directors and/or sub-committees to consider some particular matters;
11. To assign any individuals to operate the business of the Company under the Board of Directors' supervision; to authorize such individuals to perform some tasks to a certain degree and within a timeframe, as deemed appropriate by the Board of Directors; and the Board of Directors may cancel, dismiss, or amend such power in case the Board of Directors empower the managing directors or other individuals to work on some tasks linked to the Company's core business.
12. To consider and approve any matters or transactions, which are significant to the Company or deemed as appropriate to maximize benefits to the Company, except for the following matters that require the approval from a shareholders meeting;
 - (a) Any matters required by law that they need the approval from a shareholders meeting;
 - (b) Any transactions that involve conflicts of interests among directors as specified by law or regulations of the Stock Exchange of Thailand, i.e., indicating that such transactions need approval from the



shareholder meeting, e.g., acquisitions or disposals of significant assets as specified by the Stock Exchange of Thailand;

The following matters require the approval from the majority of the directors attending the Board of Director meeting and from three-fourths of the total eligible voters in a shareholders meeting:

- (a) Disposal or transfer of all or some significant businesses of the Company
- (b) Acquisition or receiving of transfer of businesses from other companies or private companies
- (c) Revision or termination of contracts linked to leasing of all or some of the Company's business; or arrangement of other parties to manage the Company's businesses; or the consolidation to the businesses of other parties for the purpose of profit and loss sharing;
- (d) Revision to or additions of details in the memorandum of association or Article of Association;
- (e) Capital increase; capital decrease; issuance of debentures;
- (f) Company merging or dissolution;
- (g) Any other matters, for which the law about securities and/or regulations of the Stock Exchange of Thailand require that they need approval from Board of Director meeting and shareholder meeting with the aforementioned amounts of votes;

Note that the aforementioned scope of power and responsibility of the Company's Board of Directors does not include the power that allows any directors or individuals authorized by the directors to be able to approve any transactions that they involve in conflicts of interests (as announced by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand and/or the Capital Market Supervisory Board) with the Company or the subsidiaries; except for the case that the approval of those particular transactions is made in accordance with the policy or principle that a shareholder meeting or a meeting of Board of Directors already considers approving;

8.1.2 The Audit Committee

As of 31 December 2018, the Audit Committee comprised the following three members:

- | | | |
|----|--------------------------------|---|
| 1. | Mr. Vinai Vittavasgarvej | Chairman of Audit Committee/ Independent Director |
| 2. | Pol.Lt.Gen Pharnu Kerdlarpphon | Audit Committee Member/ Independent Director |
| 3. | Mr. Weerachai Ngamdeevilaiak | Audit Committee Member/ Independent Director |
| | Mrs. Chomchaba Sathapornpong | Secretary to the Audit Committee |



Mr. Vinai Vittavasarnvej and Mr. Weerachai Ngamdeevilaisak possess such extensive and sufficient knowledge and experience in accounting and finance that they are able to review the reliability of the Company's financial statement. Mr. Vinai Vittavasarnvej, the chairman of the Audit Committee and independent director, earned bachelor's degrees in accounting from Thammasat University. At present, he also holds the position of chairman of the Audit Committee and the independent director for Ekarat Engineering Plc. Another Audit Committee Member and independent director, Mr. Weerachai Ngamdeevilaisak, received a bachelor's degree in accounting from Thammasat University. At present, he is also a member of the audit committee for Prukha Real Estate Plc.

Term in office of the Audit Committee

The chairman and members of Audit Committee serve the term of three years. Once the term is completed, they can also be re-appointed.

Scope of power, duties and responsibility of the Audit Committee

1. The Audit Committee has duties to review and ensure that the Company's financial reports are accurate and adequately disclosed, in co-operation with the external auditor and the management responsible for the quarterly and annual financial reports. The Committee reviews the financial statement and financial reports, which relate to the accounting standard, the significant change in accounting standard and the reasons of the management in regard to the accounting standard, before proposing to the Board of Directors prior to the disclosure of such information to shareholders and general investors.
2. The Audit Committee also takes responsibility in ensuring that the Company's internal control system and internal audit system are sufficient and effective, in co-operation with the external auditor and the internal auditor. The Audit Committee also reviews the Company's audit plan and evaluates the audit results in co-operation with the authorized auditor and internal auditor, examining problems and limitations arising from the review of the financial statement. The Committee also plans on control of electronics information and information safety in order to prevent corruptions or wrong uses of computers by employees or outsiders. The Audit Committee also examines the independence of the internal control department as well as approving appointment, transfer or termination of employment contract of the head of the internal control department or any department overseeing the Company's internal control affairs.
3. The Audit Committee also reviews the Company's operations and ensure that they conform to the rules and regulations of the Stock Exchange of Thailand, and any other laws related to the business operation of the Company. The Committee's duties and responsibility is also based on the rules and regulations of the Office of Securities and Exchange Commission as well as the Stock Exchange of Thailand.



4. The Audit Committee considers proposing an independent individual from an audit company as the Company's auditor as well as proposing the remuneration of the Company's auditor, taking into account the reliability, resource adequacy and the amount of audit work at that particularly audit company and also considering the qualification of the appointed auditor. The Audit Committee also has a duty to attend the meetings with the auditor, without the presence of the management, at least once a year

5. The Audit Committee also has a duty to review connected transactions and/or some transactions that link to either acquisition or disposal of the Company's assets. The Committee also discloses any transactions that may cause conflicts of interests, ensuring that the information relating to those particular transactions are adequate and accurate. Also, the Committee has to approve such transactions before proposing them to the Board of Directors' meeting and/or shareholders' meetings; this is to ensure that those transactions are in compliance with the regulations of the Stock Exchange of Thailand; and to make sure that those transactions are justified and bring maximum benefits to the Company.

6. The Audit Committee also takes responsibility in preparing Audit Committee Report and disclosing it in the Company's annual report. The report must be signed by the Chairman of the Audit Committee and at least contain the following details:

- Opinions concerning accuracy, adequacy and reliability of the Company's financial reports
- Opinions concerning the adequacy of the Company's internal control system
- Opinions concerning the suitable qualification of the Company's auditor
- Opinions whether the Company follows the laws related to securities and the stock market, regulations of the stock market and the laws related to the Company's business
- Opinions concerning some transactions that may cause conflicts of interests
- Opinions in regard to the number of the Audit Committee meetings and the attendance of each member
- Opinions or overall notes that the Audit Committee receives from the charter-based operation
- Other matters that should be disclosed to the shareholders and general investors under the scope of responsibility assigned by the Board of Directors and/or under the scope of laws

7. The Audit Committee has responsibility towards the Board of Directors as assigned by the Board of Directors. In addition, the Board of Director is also responsible for reporting of activities of the Audit Committee or any other duties, as assigned by the Board of Directors, to the Board of Directors,



The Audit Committee shall report the following matters to the Board of Directors immediately:

- Transactions involving conflicts of interests
- Corruptions or unusual matters or significant errors of the internal control system
- Violation of the laws or regulations of the Office of Stock Exchange Commission or the Stock Exchange of Thailand
- Other matters that should be informed to the Company's Board of Directors

In case that the Audit Committee reports a particular matter that may have significant impact on the Company's financial position and earnings performance and that the Audit Committee already discusses the matter with the Board of Director and the management with a conclusion that the revision and adjustment on such particular matter shall be completed within specified timeframe, if the Audit Committee finds out that no action has been taken after that specified timeframe without any acceptable reasons, a member or the Audit Committee may report that matter to the Office of Stock Exchange Commission and/or the Stock Exchange of Thailand, whichever the case maybe.

8. The Audit Committee has power to seek opinions from an independent professional advisor as deemed appropriate, in the expenses of the Company.

9. The Audit Committee has power to request additional information about various matters from other departments

10. The Audit Committee also have other duties as assigned by the Board of Directors and/or approved by the Audit Committee, e.g., review of the financial management policies and risk management policies, review of code of conducts for the management, discussing with the management about important reports to be publicized as required by law, e.g., the management report and analysis, and etc.

Note that the aforementioned scopes of power and responsibility of the Audit Committee do not include the power that enables a member of Audit Committee or an authorized representative for that member to express opinions about any cases that the particular member of the representative or the connected persons (as announced by the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) may have conflicts of interests with the Company or its subsidiaries.

8.1.3 Executive Committee

As of 31 December 2018, the Executive Committee was comprised of the following four members:



- | | | | |
|----|--------------|--------------|--------------------------------------|
| 1. | Mr. Chatchai | Kaewbootta | Chief Executive Officer |
| 2. | Ms.Doungchai | Kaewbootta | Executive Committee Member |
| 3. | Mr. Prayong | Saennual | Executive Committee Member |
| 4. | Ms. Wanaporn | Pornkitipong | Executive Committee Member |
| | Ms. Wanaporn | Pornkitipong | Secretary to the Executive Committee |

Term in office of the Executive Committee

The members of Executive Committee serve the term of three years, starting from the appointment date. Once the term is completed, they can also be re-appointed.

Scope of power, duties, and responsibility of the Executive Committee

1. The Executive Committee has duties to determine missions, visions, policies, objectives, business plans and annual budget on an annual basis and propose them to the Company's Board of Directors. The Executive Committee is also responsible for ensuring that the Company's management runs business according to plans efficiently and effectively. The Committee also reviews strategies and targets in accordance with the changing situations.
2. The Executive Committee also considers the annual budget allocation plan proposed by the management before proposing the plan to the Company's Board of Directors for review and approval. This includes the power to consider and approve the changes and additions of annual expense budget during the time when no Board of Directors' meeting is arranged and such matter shall be proposed to the next meeting of the Board of Directors.
3. Executive Committee also has power to consider approving contracts and/or any transactions that relate to the Company's core business, financial transactions made with banks/ financial institutions, loan or lending approval, sale of collaterals or foreclosed assets, procurement of assets/service based on the budget limits approved by the Board of Directors or based on the limit specified by the regulation in regard to approval and operation authority.
4. The Executive Committee can empower a member of Executive Committee or members of Executive Committee or other individuals to perform a particular duty under the control of the Executive Committee or empower such person on some matters and within certain timeframe, as deemed appropriate by the Executive Committee; the Executive Committee has power to cancel, dismiss or change the authorized person as appropriate.
5. The Executive Committee also has other duties and responsibility as assigned by the Board of Directors.



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

8.1.4 Risk Management Committee

As of 31 December 2018, Risk Management Committee was comprised of the following six members:

- | | | | |
|----|-----------------|------------------|--|
| 1. | Mr. Weerachai | Ngamdeevilai Sak | Chairman of Risk Management Committee |
| 2. | Pol. Gen Pharnu | Kerdlarpphon | Risk Management Committee Member |
| 3. | Mr. Sukhont | Kanjanahuttakit | Risk Management Committee Member |
| 4. | Mr. Chatchai | Kaewbootta | Risk Management Committee Member |
| 5. | Mr. Somyot | Ngerndamrong | Risk Management Committee Member |
| 6. | Mr. Prayong | Saennual | Risk Management Committee Member |
| | Mr. Vasit | Kanchanahuttakij | Secretary to Risk Management Committee |

Term in office of Risk Management Committee

The members of Risk Management Committee serve the term of two years, starting from the appointment date. Once the term is completed, they can also be re-appointed. The Risk Management Committee is directly responsible for the Board of Directors and the members have duties and responsibility as assigned by the Board of Directors.

Scope of power, duties, and responsibility of the Risk Management Committee

1. The Risk Management Committee has duties to draft determine policies and guidelines for the Company's overall risk management on various risk aspects including financial risks, investment risks, risks impacting the Company's business, and etc., and propose such policies and guidelines to the Board of Directors for approval.
2. The Risk Management Committee also comes up with strategies and guidelines for the Company's risk management to be in line with the Company's risk management policies; the Committee also monitors and evaluates risk factors, ensuring that they are at an appropriate level.



3. The Risk Management Committee also monitors and ensures that the risk management policies are followed, under the guideline and policies approved by the Company's Board of Directors.
4. The Committee also sets up the criteria to evaluate risks and risk ceiling at an acceptable level.
5. The Risk Management Committee has a duty to determine the measures to appropriately manage risks in accordance with the changing situations.
6. The Committee is also responsible for the adequacy of the risk management system and policies including the efficiency of the risk management system and the operation to following such risk management policies.
7. The Risk Management Committee regularly reports to the Board of Directors in regard to the management, operation and the risk status of the Company as well as some changes and any matters requiring improvement or adjustment to match the set policies and strategies
8. The Committee also arranges a particular team working on risk management affairs as necessary
9. The Risk Management also supports the teams working on managing risks in regard to personnel, budget, and necessary resources in accordance with the scope of their responsibility.

8.1.5 Nomination and Remuneration Committee

As of 31 December 2018, Nomination and Remuneration Committee was comprised of the following three members

- | | | |
|----|--------------------------------|--|
| 1. | Pol. Gen. Pharnu Kerdlarphphon | Chairman of the Nomination and Remuneration Committee |
| 2. | Mr. Chatchai Kaewbootta | Member of the Nomination and Remuneration Committee |
| 3. | Mr. Weerachai Ngamdeevilaisak | Member of the Nomination and Remuneration Committee |
| | Mr. Prayong Saennual | Secretary to the Nomination and Remuneration Committee |

Term in office of the Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee serve the term of two years, starting from the appointment date. Once the term is completed, they can also be re-appointed.

Scope of power, duties, and responsibility of the Nomination and Remuneration Committee

1. To determine selection methods and qualifications of persons for the positions of directors, committee members and managing directors
2. To selects and propose qualified persons for the positions of directors, committee members, and managing directors to the Company's Board of Directors



3. To set criteria or methods to determine the remuneration for directors, committee members, and managing director
4. To propose the remuneration for the directors to the Board of Director for permission and to the shareholders for approval
5. To propose the remuneration for the managing director for the Board of Directors meeting for approval
6. To review and conclude the following-up working plan of the managing director on an annual basis and report such plan to the Board of Directors for acknowledgement
7. To perform other duties as assigned by the Board of Directors

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

8.1.6 Credit Committee

As of 31 December 2018, the Credit Committee was comprised of the following five members

- | | | |
|----|----------------------------|-----------------------------------|
| 1. | Mr. Chatchai Kaewbootta | Member of Credit Committee |
| 2. | Ms. DOUNGCHAI Kaewbootta | Member of Credit Committee |
| 3. | Mr. Weidt Nuchjalearn | Member of Credit Committee |
| 4. | Mr. Prayong Saennual | Member of Credit Committee |
| 5. | Mr. Somyot Ngerndamrong | Member of Credit Committee |
| | Mr. Vasit Kanchanahuttakij | Secretary to the Credit Committee |

Term in office of the Credit Committee

The members of the Credit Committee serve the term of two years, starting from the appointment date. Once the term is completed, they can also be re-appointed.

Scope of power, duties, and responsibility of the Credit Committee



1. To consider and approve loans which over the authority of the Executive Committee as follows:

1.1 Real estate backed loans approval authority within Baht 300 million

1.2 Restructuring and re-financing loans

Note that the aforementioned scopes of power and responsibility of the Credit Committee do not include the power that enables a member of the Committee or an authorized representative for that member to express opinions about any cases that the particular member of the representative or the connected persons (as announced by the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) may have conflicts of interests with the Company or its subsidiaries. The Credit Committee shall consider and approve not more than the Company's single lending limit which the Board of Directors had determined not more than Baht 500 million. The single lending limit means total amount available for lending to individual including with his/her controlled entities and his/her connected persons.

2. To report and summarize the approval lending and/or restructuring loans to the Board of Directors.

8.1.7 The Management

As of 31 December 2018, the Company's management comprised of four members as follows:

- | | | |
|----|----------------------------|---|
| 1. | Mr. Chatchai Kaewbootta | Chief Executive Officer / Managing Director |
| 2. | Mr. Somyot Ngerndamrong | Vice President-Collection Department |
| 3. | Mrs. Wanaporn Pornkitipong | Vice President-Accounting and Finance Department |
| 4. | Mr. Prayong Sannual | Vice President- Personnel and Personnel Development |

Scope of power, duties and responsibility of the Chief Executive Officer

The Board of Directors had announced the scope of power, duties and responsibility of the Chief Executive Officer as follows:

1. To carry out the Company's operation according to the Company's objectives, rules, regulations, policies, business plans, and the resolutions of Board of Directors meetings and/or shareholder meetings
2. To issue orders, rules, announcements, memorandums to make sure that the Company's business is run according to the policies
3. To ensure that the Company's spending is under the limit approved by the Company's Board of Directors



4. To set the Company's structure, management power and to have authority about appointment, rotation and removal of employees as well as setting salaries and other employee benefits; and to consider employees' good performance, bonuses, welfare; and also to approve employment contract termination for various management positions
5. To make agreements linked to the Company's core business and approve transactions under the limits approved by the Board of Directors
6. To authorize or assign any person, as approved by the Chief Executive Officer, to do as acting Chief Executive Officer in some necessary cases, as deemed appropriate by the Chief Executive Officer
7. To be responsible for other duties as assigned by the Board of Directors and/or Executive Committee

Note that the aforementioned scope of power and responsibility of the Chief Executive Officer does not include the power that enables the Chief Executive Officer or an authorized representative to approve any transactions that he or share or any connected persons (as announced by the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) may have conflicts of interests with the Company or its subsidiaries. Any cases or transactions causing conflicts of interests shall be reported to the Audit Committee and Company's Board of Directors meeting so that they can consider approving such cases or matters accordingly; this is except for the case about the approval of the transactions that relate to the Company's core business under normal business practice and normal trade conditions in according to the Notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand and the Board of Directors views and approves that the transaction is in line with relevant policies and regulations.

8.1.8 The Company's Secretary

The Board of Directors meeting No. 6/2013 held on 14 June 2013 appointed Mrs. Chomchaba Sathapornpong as the Company's secretary in accordance with Securities and Exchange Act B.E. 2535 (including the amendments). The Company's secretary is responsible for filing and keeping important documents under the name of the Company or the directors and also providing suggestions in regard to laws and regulations that the directors should be aware of. The secretary also has a duty to oversee activities of the directors as well as ensuring that the resolutions of the Board of Directors meetings are followed.



Note that Mrs. Chomchaba Sathapornpong passed the Director Accredited Program (DAP) training course organized by the Thai Institute of Directors in 2005 and earned the certification of Company Secretary Program Class 56/2014.

Responsibility of the Company's Secretary

1. Complete and keep the following documents
 - Director registration
 - Meeting invitation letters, minutes of the Board of Directors meetings and the Annual General Meeting of Shareholders
 - Invitation letters for shareholders meetings and the minutes of Annual General Meeting of Shareholders
2. Keep reports about stakeholder prepared by the directors or the management
3. Perform other duties as specified by the Capital Market Supervisory Board

Authority for approval and operation

The Board of Directors meeting No. 10/2013 held on 16 October 2013 approved the rule about the authorities for approval and operation No. 2/2013, revised on 23 September 2014. The details and authorities for approval of budget limits for investment, finance, loan and expense budgets are as follows:

Transactions	Approval Authority		
	Executive Committee	Chief Executive Officer	Managing Director
Investment in new companies or other companies	Not exceeding Baht 15 million		-
Borrowing	Not exceeding Baht 200 million		Not exceeding Baht 50 million
Lending or offering loans			
- Secured loans (property)	Not exceeding Baht 5 million	Not exceeding Baht 2 million	Not exceeding 1 million
- Secured (Property)	Not exceeding Baht 30 million	Not exceeding Baht 7 million	Not exceeding Baht 5 million
- Non-secured	Not exceeding Baht 1 million	Not exceeding Baht 0.7 million	Not exceeding Baht 0.5 million
Purchase or lease of fixed assets (in	Not exceeding Baht 10		Not exceeding Baht



case of over budget)	million		5 million
Expenses (per transaction or project)			
- expenses on public relation activities, debt compromising, bad debts write-off, hiring of advisors	Not exceeding Baht 5 million		Not exceeding Baht 1 million
- Entertainment and travelling expenses	Not exceeding Baht 0.5 million		Not exceeding Baht 0.1 million
- Donations	Not exceeding Baht 2 million		Not exceeding Baht 1 million

8.2 Nomination and Selection of directors and management

8.2.1 The company's directors

The Nomination and Remuneration Committee set policies and criteria to select and appoint the Company's directors and proposes the names for an approval of the Board of Directors and/or an Annual General Meeting of Shareholder. A person appointed as the company's director shall possess qualifications as specified by the Public Limited Company Act B.E. 2535, regulations on securities and securities market, notifications of the Stock Exchange Commission, the notification of the Capital Market and other regulations linked other qualifications about experience, knowledge, and etc. According to the Company's Articles of Association, the Company's Board of Directors consists of at least five members and at least half of the total members shall reside in the Kingdom of Thailand. In addition, the directors are to be elected by majority voting in the Annual General Meeting of Shareholders as the following details.

1. Each shareholder shall have one vote per share held by them
2. Each shareholder shall cast all of his/her votes in (1) for one or more candidates but shall not divide his/her voting rights amongst the candidates
3. The candidates elected to fill up the vacant positions in the Board of Directors shall be selected in order of the number of votes received. In a case where there is a tie amongst candidates, the chairman of the meeting shall cast the deciding vote.

In every Annual General Meeting of Shareholders, one-third of directors have to vacate in proportion. In case the number of directors cannot be divided into three parts, the number of directors closest to the one-third portion shall leave the position. A director who is about to leave the position can be re-elected.



In addition to completing the term, a director may leave the position by death, resignation, disqualification, prohibition by law, termination by the annual general meeting, or a court order.

In addition to the aforementioned rules, the Article of Associations are also apply:

1. The directors are prohibited from operating similar business to compete with the Company's business. They are also prohibited from holding shares in partnership corporate or being directors of any companies doing the same businesses as the Company's and competing with the Company, except for the case that they inform such information to the annual general meeting prior to the appointment of directors
2. The directors have to immediately inform the Company of any interests in the contracts made by the Company, either directly or indirectly; or about increase or decrease in holding of shares or debenture in the Company or the subsidiaries

8.2.2 Independent Directors

The members of the Nomination and Remuneration Committee work together to review and determine principles and policies on nomination and appointment of the Company's independent directors, based on the qualifications as specified by the Public Limited Company Act, Notifications of the Securities Commission, Notifications of Capital Market as well as other related regulations, e.g.,. Other qualifications, such as work experience, knowledge and skills are also taken into account. The Company has a policy to appoint at least one-third of the total directors and not less than three directors as the Company's independent directors.

Qualification of Independent Directors

1. Being appointed by the Company's Board of Directors or the Annual General Meeting of Shareholders
2. Possessing qualifications as specified by the laws about securities and stock market and the regulations of the Stock Exchange of Thailand:
3. Not holding shares in excess of 1 percent of the total shares with the voting rights of the company, the parent company, subsidiaries, associated companies or related companies, inclusive of the shares held by related parties
4. Having never been a director participating in management, an employee, a consultant with regular salary, or a person with power to control the company, except relieved from aforesaid characteristic at not less than two years before submitting permission to the Office. However, the prohibited



characteristics do not include independent directors who used to work as civil servants or advisors to any government bodies holding major shareholding

5. Not being a person of whole blood or registration as stated in the law, in the manner of being father or mother, spouse, brotherhood and offspring including spouse of the offspring of the management, other directors, major shareholders, persons with controlling power or persons to be proposed as the Company's directors or management or persons with controlling power on the Company or subsidiaries
6. Not having or never having been in business relation the Company, the subsidiaries, the affiliates, the major shareholders or the persons with controlling power, in the manners that may obstruct the independent exercise of discretion; Not having been a significant shareholder or a person with controlling power of the persons with business relation with the Company, the subsidiaries, the affiliates, the major shareholders or the persons with control power, except relieved from aforesaid characteristics at not less than two years before the date of submission for permission from the Securities and Exchange Commission
7. Not being or having been an auditor for the Company, the subsidiaries, the affiliates, a major shareholder or a person with control power; not being a significant shareholder, an authorized person or partner of auditing offices whose auditors work for the Company, the subsidiary, the affiliates, a major shareholder or a person with control power in the Company, except relieved from such characteristic at not less than two years before the date of submission for permission from the Securities and Exchange Commission
8. Not being or never having been a professional service provider of legal advisor or financial advisor services, with service fee exceeding Baht two million per annum, for the Company, the subsidiaries, the affiliates, major shareholder or a person with control power on the Company; not being a significant shareholder, a person with control power or a partner of the professional provider, except relieved from such characteristic at not less than two years before the date of submission for permission from the Office Securities and Exchange Commission
9. Not being a director appointed to be a representative of a director of the Company, a major shareholder or shareholders with a relation to the major shareholder
10. Not operating similar business or involving in significant business competition to the Company or the subsidiary; not being a significant partner in a partnership company or not being a director, an employees, an advisor earnings regular salary; or not holding shares of over one percent of the total shares with the voting right in other companies that operate business similar or competing with business of the Company or subsidiaries



11. Not having other characteristics that will hinder independent opinions about the Company's operation
12. Being trusted and accepted in general
13. Having adequate time to perform duties as an independent director

An independent director may be assigned by the company's Board of Directors to make decisions on the business operation of the Company, the subsidiaries, the affiliates, the subsidiaries of same level, the major shareholder or the person with controlling power on the Company under the method of collective decision.

In case a person falls to the aforementioned Items 4 or 6, the Company's Board of Directors may be able to consider appointing that person as an independent director, provided that the Board of Directors views that that the appointment of that person will not have an impact on the performance and independent opinions of that person. The following information must be included in the invitation letter of the Annual General Meeting of Shareholders for the agenda about the appointment of independent directors.

- (a) The details of business relation or profession services that disqualify the person as an independent director
- (b) Reasons and necessity for why the person is needed to be appointed as an independent director
- (c) Opinions of the Board of Directors in regard to the appointment of such person as an independent director

8.2.3 Audit Committee

The Audit Committee consists of three independent directors, serving the term of three years. The policies to nominate and appoint Audit Committee members comply with the Notification of the Capital Market Supervisory Board At Tor. Jor 28/2551 concerning the request for permission and the permission for the IPO (including the amendments); the details are as follows:

1. Being appointed by the Board of Directors of the Annual General Meeting of Shareholders as a member of Audit Committee
2. Being a qualified independent director and
 - (a) Not being a director assigned by the Board of Directors to make decisions in business operation at the parent company, the affiliate, the subsidiary at the same level; not being a major shareholder or having control power over the Company and
 - (b) Not being a director of a parent company, a subsidiary or a subsidiary at the same level, which are listed in the Stock Market



3. Possessing adequate knowledge and experience to perform the duties as an audit committee member; note that at least one member of the Audit Committee shall have sufficient knowledge and experience to review the reliability of the financial statement

The principles and the appointment of members of Audit Committee are in line with the principles and the appointment of the Board of Directors. A member who completes his or her term can be re-elected.

8.2.4 The Executive Committee

The Company's Board of Directors appoints the members of Executive Committee, considering the appointment of directors or management members who are capable of managing particular core business operation. The Board of Directors also determines policies, business plans, structure and management policies as well as monitoring the performance of the management. The Nomination and Remuneration Committee considered the Executive who are capable, honestly and responsible for appointed by the Board of Directors.

8.2.5 The Risk Management Committee

The Company's Board of Directors has power to appoint six directors as members of the Risk Management Committee. It is compulsory that the chairman of the Risk Management Committee also holds the position of the independent director.

8.2.6 The Nomination and Remuneration Committee

The Company's Board of Directors appointed three directors to be members of the Nomination and Remuneration Committee. It is compulsory that at least one member be an independent director and that the chairman of the Nomination and Remuneration Committee also be an independent director.

8.2.7 The Credit Committee

The Company's Board of Directors appointed five directors to be members of the Credit Committee, considering the appointment of directors or management members who are capable of consideration and analysis lending proposal and collaterals based on the Company's policy.

8.3 Remuneration for Directors and the Management

8.3.1 Directors

Cash remuneration

The 2018 Annual General Meeting of Shareholders held on 24 April 2018 approved the remuneration for directors with payment made on a monthly basis. Note that the directors who are employees or the management do not get the director remuneration.



Positions	Monthly remuneration (Baht/month)	Attendance allowance/ Gratuity
Chairman of Board of Directors	135,000	-
Vice Chairman of Board of Directors	90,000	
Directors who are not employees or management	65,000	-
Sub Committee Remuneration		
Chairman of Audit Committee	25,000	
Chairman of Nomination and Remuneration Committee	25,000	-
Chairman of Risk Management Committee	25,000	-

The Annual General Meeting of Shareholders of the year 2017 on 20 April 2017 and the Annual General Meeting of Shareholders of the year 2018 on 24 April 2018, also determined the directors' bonus of the year 2017 and 2018, not exceeding to one percent of cash dividend paid to shareholders or 15 percent of stock dividend paid to shareholders. The bonus amount shall be not more than Baht 5,000,000, and will only be paid upon the payment of dividend to shareholders.

The details about remuneration for directors during 2017 -2018 are as follows:

Name	Position	Annual Remuneration		Bonus	
		2017	2018	2017	2018
Mr. Sukhont Kanjanahuttakit ²	Chairman of Board of Directors	1,440,000	1,620,000	-	1,030,030
Pol. Gen. Pharnu Kerdlarpphon	Member of Audit Committee /Chairman of Nomination and Remuneration Committee	900,000	1,080,000	-	643,780
Mr. Weerachai Ngamdeevilaisak	Member of Audit Committee / Chairman of Risk Management Committee	900,000	1,080,000	-	643,780
Mr. Vinai Vittavasgarnvej	Vice Chairman of Board of Directors / Chairman of Audit Committee	1,200,000	1,380,000	-	858,370
Mr. Sumate Maneewattana	Independent Director	600,000	780,000	-	429,185
Mr. Weidt Nuchjalearn	Director	600,000	780,000	-	429,185
Mr. Pinit Puapan	Director	600,000	780,000	-	429,185
Mr. Veera Veerakool ¹	Independent Director	300,000	780,000	-	214,590



Name	Position	Annual Remuneration		Bonus	
		2017	2018	2017	2018
Ms. DOUNGCHAI KAEWBOOTTA ^{/2}	Director	450,000	780,000	-	321,890
Total		6,990,000	9,060,000	-	4,999,995

Note ^{/1} Mr. Veera Veerakool was appointed as director by the EGM No. 2/2017 on 22 June 2017

^{/2} Ms. DOUNGCHAI KAEWBOOTTA was resigned from Managing Director since 31 March 2017 but still act as director.

Other remuneration

In 2012, the major shareholders decided to sell their 35,600 ordinary shares to the directors, at a par value at Baht 100 per share. According to the financial report standard No. 2 regarding the share-based payment, the sale of such ordinary shares forced SAWAD Group to book the employee expenses under the administrative expense item in the statement of comprehensive income ending 31 December 2012, adjusted and presented for compassion in the consolidated financial statement ending 31 December 2013. The booked employee expenses amounted to Baht 36.19 million, with the share-based premium at the same amount presented in the balance sheet.

8.3.2 The Management

The eleven members of the management received monthly salaries, bonuses and other benefits, e.g., the contributions to the provident fund, position-based allowance, transportation allowance, and etc. The amount of bonuses for directors and the management members are based on the Company's earnings performance. For the management, the bonuses also depend on their performance and for the directors the bonuses are determined by the Nomination and Remuneration Committee

The total remuneration for nine members of management in 2017 and 13 members in 2018 amounted to Baht 55.96 million and Baht 57.38 million, respectively.

Forms of remuneration (Baht)	2017	2018
Salaries and Bonuses	53,205,335	54,911,343
Commission fees	--	
Other benefits	2,754,258	2,464,507
Total	55,959,593	57,375,850

8.4 Personnel

The number of employees of the Company and its subsidiaries in the past three years is shown in the following table.



Department (person)	2016	2017	2018
Marketing	32	16	19
Credit Risk	44	74	61
Investment Advisory Service	-	3	3
Collection	204	333	354
Branch Operation	24	36	31
Accounting and Finance	117	246	244
Personnel and Personnel Development	14	26	30
Branch Development	18	21	-
Branches	5,137	5,347	6,237
Strategy Investment	-	26	26
Office of Management	-	12	11
Total employees	5,590	6,140	7,016

Forms of Remuneration (Baht)	2016	2017	2018
Salaries and Bonuses	800,262,776	1,030,857,186	1,128,946,797
Commission fees	109,167,975	117,292,426	134,111,234
Other benefits	161,830,509	198,445,198	260,520,934
Total	1,071,261,260	1,346,594,710	1,523,578,965

The Company's contributions to the fund amounted to Baht 15,357,612 in 2016, Baht 22,325,025 in 2017 and Baht 26,858,786 in 2018.

8.5 Labor Dispute

No labor dispute has been reported.

8.6 Policies for employee development

The Company has a policy to provide regular trainings in order to boost the employees' skills and knowledge to keep up with the currently competitive environment. Orientation programs are organized for new employees while in-house trainings about new products and workshops advised by experts are regularly provided for general employees. Moreover, the Company also send employees to attend important external professional trainings, e.g., the change in accounting standard, the tax accounting and etc.

Moreover the Company is developing E-Learning program for employees' training through the Company's internal network.



8.7 Workplace Security and Health

The Company has policy to provide good security measures on its premises using standard systems and equipment for security control and by providing appropriate security guards. The Company provides suitable workplaces that encourage staff to perform their work efficiently and effectively take into consideration workplace safety and health together with the gathering of leaving information regarding accidents and sickness raising from work.



9.1 Corporate Governance Policies

The Company realizes the importance of corporate governance where management and operations are effective and transparent for securitizing, prompting all related parties to trust the Company. Hence, the Company's business can grow in a sustainable way under the good corporate governance principles where business is operated with ethics, in accordance with relevant laws. As such, the Company determined the good corporate governance policies in order to enhance its operation, ensuring that the business is clearly operated under the clear standard. Employees at all levels follow operation procedure under the set corporate governance policies, creating a real culture of good corporate governance. The Company applies the good corporate governance principle for the year 2012, set by the Stock Exchange of Thailand, which are classified into five categories as in the following details:

1. Rights of Shareholders

The Company emphasizes the importance of the rights of the shareholders, no limiting to only the rights stated by laws. The Company shall refrain from any actions that violate the rights of shareholders while supporting shareholders to exercise their rights. Basic rights of shareholders include selling and transferring shares, sharing profits with the Company, receiving adequate information about the Company, attending shareholders meetings to vote for appointing or removal of directors, appointing auditors, considering matters that may have an impact on the Company, e.g., dividend payment, revisions of the Company's rules and regulations and memorandum of association, capital increase or decrease, approval of special transactions, and etc.

In addition to the aforementioned basic rights, the Company has also set guidelines for other issues to support and facility the right exercise of shareholders, as the following details:

- (1) Disclose policies about supporting or encouraging all groups of shareholders to attending shareholder meetings.
- (2) Disclose information about date, time, venue, agendas of the meetings with reasons for each agendas in the invitation letters to ordinary and extraordinary meetings or the attached meeting agenda; not do anything to limit the opportunity for shareholders to learn about the Company's information.
- (3) Facilitate shareholders' exercising their rights to attend meetings and vote; not do anything to limit the opportunity for shareholders to attend the meetings (i.e., the attendance to the meetings should not be complicated or requires too high expenses; the meeting venue should be easily accessed).



- (4) The chairman in the meeting should allocate appropriate time and encourage the shareholders to express their opinions or ask questions about the Company. Shareholders should also be allowed to ask questions prior to the meeting date. Criteria for sending advance questions shall be clearly indicated and informed shareholders together with the invitation letter to the meeting. The criteria for asking questions in advance is also announced on the Company's website.
- (5) Encourage all directors to attend shareholders meetings and answer questions asked by shareholders.
- (6) Arrange the voting for each matter in case one agenda contains several matters, e.g., the agenda about appointment of directors.
- (7) Arrange technology devices to be used in the shareholder meetings, e.g., registration, voting, counting votes, showing results, in order to speed up the meeting resolutions with accurate results.
- (8) Have independent individuals count votes in the ordinary and extraordinary meetings and disclose the vote results to the meeting as well as including the meeting results in the minutes of meetings.
- (9) Ensure that the minutes of shareholders meetings include the explanation in regarding the procedure for registrations and the presentation of voting results prior to the meeting; allow shareholders to ask questions or raise issues; record questions, answers, voting results of each agenda (i.e., agree, disagree, and abstain), the list of present directors and absent directors.
- (10) Publicize the meeting results in each agenda of ordinary and extraordinary shareholder meetings on the Company's website after each meeting.

2. Equal Treat to Stakeholders

The Company equally and fairly treats all stakeholders, including management shareholder, non-management shareholders, and foreign shareholders; the details of which are follows:

- (1) The meeting invitation letters, accompanies with meeting agendas and explanation and reasons, are sent to shareholders not less than 14 days prior to the meeting, or other timeframe as specified by relevant laws and regulations. An English version of the invitation letters are sent to foreign shareholders as appropriate.
- (2) Shareholders are well informed of any criteria in the meeting including the voting procedure and the voting rights in accordance with types of shares.
- (3) Determine the criteria for minority shareholders to propose additional agenda prior to the meeting date in order to present the fairness and transparency in order to determine whether or not the agenda proposed by minority shareholders shall be included in the meeting agenda. In addition, management shareholders shall not add any agenda not informed in advance, if not necessary, especially for any important agenda that shareholders need time to study before making decision.



- (4) Determine the ways for minority shareholders to propose names of persons as the Company's directors. They can propose the names to the Nomination and Remuneration Committee prior to the shareholder meeting date. Information about qualifications of such proposed persons and their permissions shall also be included.
- (5) Encourage shareholders to use the proxy letter in the form that enables the shareholders can determine the voting method; and propose at least one independent director as a proxy choice for shareholders
- (6) Encourage shareholders to cast the ballots in major agendas, e.g., connected transactions, disposal or acquisition of assets, and etc., for transparency and ability to be scrutinized.
- (7) Provide the opportunity for shareholders to exercise their rights to vote for appointing of directors.
- (8) Order all directors and management members to report their holding of assets, as required by law, and regularly submit the report to the Board of Director; the report shall also be disclosed in the Company's annual report.
- (9) Complete written guidelines for keeping and protecting the Company's internal information and disclose such guidelines so that all employees can follow; prohibit anyone involving in the Company's internal information from trading the Company's securities in one month before the disclosure of the quarterly financial statement and annual financial statement and 48 hours after such information is disclosed.
- (10) Order directors who involve in conflicts of interests in any agenda not to participate in considering that particular agenda.

3. Roles of stakeholders

The Company realizes the importance in taking care of all stakeholders, including internal ones, e.g., the shareholders, the management, the employees, or the external ones, e.g., customers, creditors, business partners, society, commodities, and etc. The Company is well aware that support and opinions from all groups of stakeholders are beneficial to the Company's business operation and development. Hence, the Company always follows the relevant laws and regulations to uphold the rights of such stakeholders. Meanwhile, the Company refrained from doing anything to violate the rights of stakeholders. Moreover, in operating business, Company takes into account of the rights of all stakeholders, based on the following guidelines:

Shareholders : The Company treats all shareholders with equality and tries to maintain the benefits for them. The Company always refrains from violating the rights of shareholders. Also, the Company is committed to ensuring the shareholders' greatest satisfaction, taking into consideration its long-term growth and continuing to bring additional values and appropriate returns to shareholders. The Company is also determined to



operate business in accordance with good corporate governance policies.

- Customers: The Company is committed to maximizing satisfactory and boosting customers' confidence, taking good care of and be responsible for customers. The Company also ensures that all customers receive good and fair services with high quality under the set standard. The Company also seriously follows the terms and agreements made with customers in order to enhance the service quality and maintain good and sustainable relationship with customers. Moreover, the Company does not use the customers or related parties' information for personal benefits.
- Employees: The Company treats all employees with equality and fairness in all aspects including, remuneration, welfare, potential enhancement. Also, the Company is always ready to listen to opinions and suggestions from employees at all levels, believing that all employees are valuable resources and key success factors for the organization. The Company is committed to creation of favorable organizational culture and working environment, promoting team work, enhancing employees' capability and career advance. The Company also ensures that all employees have stable careers and live with high living standard; meanwhile, the Company also creates safe working environment. Finally, the Company also encourage all employees to comply with relevant laws and regulations.
- Trade partners: The Company takes into account the equality and fairness with trade partners and
- and creditors: creditors, running business with honestly and maintaining benefits for trade partners and creditors. The Company seriously follows laws, rules and conditions agreed by both parties. Operating the business under the code of conducts, the Company does not unfaithfully gain or share profits with trade partners while seriously follows all agreed conditions. The Company also treats creditors with fairness and makes repayment within the set timeframe. The Company also takes care of collaterals and ensures that all conditions in the contracts and accurate and cover all aspects under the good corporate governance principle. In case the Company happens to be unable to follow the agreed conditions, it informs trade partners and creditors in advance so that all parties can help to solve the problem.
- Competitors : The Company treats competitors under the international rules about trade competition, taking into account fair and equal competition rules. The Company does not try to obstruct other new players; nor does it destroy other competitors' reputation. The Company does not attract competitions with any false statement; nor does it involve in any unfair competition.



Community, Society and Environment : The Company has policies to run business with responsibility to society, communities and environment, in terms of safety, good living quality, and natural resource preservation. The Company also promotes effective use of energy, taking into account the good living quality of communities and society. Finally, in operating business or making any business decisions, the Company also takes into account of possible impacts on the environment.

4: Information Disclosure and Transparency

The Company's Board of Directors emphasizes the importance of disclosure of both financial information and non-financial information that is accurate, adequate, prompt and transparent in accordance with regulations from the Office of Securities Exchange Commission and SET. The Company is also well aware that other information also has an impact on the Company's share price and thus affecting the decision making of investors and stakeholders. General practice in regard to information disclosure and transparency is discussed below:

- (1) Disclose general information through various channels specified by the Stock Exchange of Thailand, e.g., financial statement, 56-1 form, and annual report. In particular, the financial information in the financial statement must be prepared, up to general accounting standard in Thailand, audited or reviewed by an independent auditor and the Company's Board of Directors before disclose to public.
- (2) Disclose information both in Thai and English through other channels, e.g., the Company's website, and regularly update such information.
- (3) Disclose the summary of approved corporate governance policies as well as the results through various channels including the annual report and the Company's website.
- (4) Disclose the Board of Directors responsibility on the financial reports together with the auditor's report in the annual report.
- (5) Disclose the roles and responsibility of the committees and sub-committees, the number of meetings and the number of attendance in meetings of each director in the past year, comments about their performance, and the trainings for professional development for Boards of Directors in the financial report.

The Company has an Investor Relation which is responsible for communicate with investors analysts shareholders and regulators, and disclosing the financial and non-financial information in accordance with the information disclosure guidelines, in order to ensure that the Company has disclosed the



information appropriately. In 2018 Management and Investor Relation had disclosed the Company's information via various activities as followings:

Activity	No. of Time	No. of Company	No. of Attendance
Analyst Meeting	5	118	171
Company visit/One on one Meeting	55	67	93
Conference Call	23	29	34
Investor Conference	2	33	49
Opportunity Day	3		

5. Responsibility of Board of Directors

1. Structure of the Board of Directors

- (1) The Company's Board of Directors consists of 12 directors who serve a service term of three years. Four of them are from the management while eight are not members of the management. Out of the total directors, five of them are qualified as independent directors, according to the Securities Exchange Commission's requirement that a SET-listed company have independent directors at the number equivalent to or more than one-third of the total directors. The directors are experts from various sector including corporate sector, financial sector, and accountings sectors, all of which help to support the Company's operation.
- (2) The Company requires that in the ordinary shareholder meetings one-third of directors shall vacate. If the number of directors cannot be divided into three portions, the number of directors closest to one-third shall vacate. In the first and the second year after the company is registered, the decision for which directors should vacate shall be ended in a draw. In the following years, the directors who are to vacate shall be the persons who have been in the position for the longest duration. Note, however, that the directors who have completed their terms can be re-appointed.
- (3) Directors can be directors at other companies, but the number of SET-listed companies where they hold the director position should not exceed five companies, including the non-listed subsidiaries of those listed companies.



- (4) The roles and responsibility of the Company's directors and management are clearly divided: the directors are responsible for determining policies and control the performance of the management in the policy level; meanwhile, the management members oversee overall operation and ensure that the Company's operation is well in line with the set policies.
- (5) The chairman of Board of Directors is appointed by the Board of Directors. The chairman is not the same person as the chairman of the Executive Committee or the managing director. These separate positions have clearly separated roles and responsibility in order that their power can be balanced. No one has absolute management power. Meanwhile, the managing director is responsible for the Company's daily routine operation under the policies as assigned by the Board of Directors. The scopes of power, duties and responsibility of the directors and the managing director have clearly been identified.
- (6) The Board of Directors appoints a secretary to the Company to take responsibility in the company as stated by the Securities and Stock Market Act (the name and the responsibility of the Company's secretary is disclosed in Item 9.1.6 of this report).

2. Sub-committees

The Company's Board of Directors also sets up another four sub-committees to oversee the Company's business operation. The sub-committees are the Audit Committee, the Executive Committee, the Risk Management Committee and the Nomination and Remuneration Committee.

- (1) The Audit Committee consists of three members, all of whom are independent directors. The Audit Committee has a duty to monitor the performance of the risk management, the internal financial and accounting control, the financial reports and other duties as specified by the Stock Exchange of Thailand.
- (2) The Company's Executive Management is comprised of four members, all of whom are those in the management team. The Executive Committee is responsible for assisting the management in managing daily routine work under the policies assigned by the Board of Directors.
- (3) The Risk Management Committee has six members, all of them are members of the Audit Committee, the independent directors and the members of Executive Committee. The Risk Management Committee takes care of drafting policies and plotting guidelines for the Company's overall risk management aspects. The Committee shall propose the drafted policies and guidelines for the Board of Directors to consider approval. The Committee also has a duty to determine strategies and guideline for the Company's risk management in accordance with



the Company's overall risk management policies; the risk management strategies should be able to be evaluated, monitored and control the Company's risks at appropriate levels.

- (4) The Nomination and Remuneration Committee consists of three members, two of whom are independent directors. The Committee is responsible for considering policies and guidelines to determine payment and forms of remuneration for directors and the chief executive management, both in cash and non-cash forms. The remuneration should suit the Company's performance and can be comparable to the remunerations for offered by other companies in the same industry. The Nomination and Remuneration Committee shall propose the suggested figures of remuneration for directors and chief executive management to the shareholder meetings for approval.
- (5) The Credit Committee consists of five members, four of them are those in management team and one of whom is an experience director in lending analysis. The Credit Committee is responsible for consider, evaluate, analyze, and approve lending proposal which exceeding the authorized of the Executive Committee.

3. Roles and responsibility of directors

- (1) The Board of Directors has duties to determine policies and overview of the organization and ascertain that the Company's operation goes well in line with the plans. The Board of Directors also reviews and provides comment in regard to the important matters linked to the Company's operation, e.g., vision and mission, strategies, goals, risks, work plans, and budget. In addition, the Board of Directors also ensures that the management efficiently and effectively operates business according to the set policies and working plans.
- (2) The Board of Directors had the good corporate governance principles written. The Board of Directors meeting No. 6/2013 held on 14 June 2013 approved such principles. The Board of Directors also ensures that the good corporate governance policies are regularly reviewed and followed.
- (3) The Board of Directors also encourages all management members and employees to understand the ethical standard that the Company refers to doing business. The Company's code of conduct is completed in a written form approved by the Board of Directors meeting on 14 June 2014. The approved code of conduct has been announced so that all employees can follow accordingly.
- (4) The Company's Board of Directors set policies about conflicts of interests, based on the concepts that any business transactions must be made only to maximize the benefits for the Company and that any transactions that may cause conflicts of interests shall be avoided. A



person involving in any transactions with conflicts of interests is not allowed to take part in the consideration or approval of such transactions. Moreover, the Company's Board of Directors also ensures that the information about transactions with possible conflicts of interests are sufficiently and accurately disclosed.

- (5) The Board of Directors places emphasis on the internal audit and control, both in the management and operation levels. The Company hires P&L Internal Audit Co., Ltd., an outsourcing internal auditor, to perform the duty as the Company's internal auditor who reports directly to the Audit Committee; this is to ensure that the Company's internal control affairs are appropriate and adequate. The Company regularly assesses its internal control, ensuring that the internal control is adequate, at least once a year and disclose the assess results in the Company's financial report.
- (6) The Board of Directors appoints members of Risk Management Committee to determine the overall risk management policies. The Company requires that the management analyze various risks that may arise and report them to the Risk Management Committee so that the risks can be controlled to an acceptable level. If there are any risks that hinder the Company's operation or prevent the Company from reaching its goals, the Company shall find measures to manage such risks. The Risk Management Committee has a policy to review or evaluate the risk management affairs at least once a year and the review and evaluation results are discloses in the Company's annual report.

4. The Board of Directors' Meetings

- (1) The Company schedules of the Board of Directors' Meeting and make meeting agendas in advance before informing the directors. The Board of Directors shall convene not less than six meetings per annum.
- (2) The chairman of the Board of Directors and the managing director work together to determine the meeting agendas and consider issues to be included in the agendas, allowing each director to propose any matters to be included in the agendas.
- (3) In each meeting, the agenda document is sent to the directors at least five working days prior to the scheduled meeting to ensure that the directors have adequate time to consider the information, except for some urgent cases.
- (4) The chairman of the Board of Directors encourages directors to attend not less than 75 percent of the total meetings for the whole year.



- (5) The chairman conducts the meetings in an appropriate manner that is favorable to discussions and consideration of various issues, with directors allowed to freely express their opinions. For some agendas, the top management members may participate to provide additional useful information and to directly learn about the policies so that they can effectively apply such policies to operation.
- (6) The directors have the right to obtain necessary additional information from the managing director or the Company's secretary or other assigned management members. In some necessary cases, the directors may seek independent opinions from external professional service providers in the expenses of the Company.
- (7) The Board of Directors has a policy to allow separate meetings among non-management directors, as necessary, so that they can discuss the problems related to the management that interest them, without the presence of the management-based directors. The results of such non-management directors' meetings shall also be reported to the Board of Directors.
- (8) The resolution of an issue in the Board of Directors' meetings is based on the majority votes. One director holds one vote. A director involving in conflicts of interests in an issue does not attend the meeting and has no voting right in that particular issue. If the votes are equal, the chairman shall have another vote, which is deemed final.
- (9) In each meeting, the secretary to the Board of Director shall attend and complete the meeting minute. The complied minute shall be verified and signed by the chairman and shall be the first agenda for the next meeting proposed for the approval. The secretary is responsible for keeping information and documents about the meetings for future references.

In 2017 and 2018, the Board of Directors convened a total of 13 meetings and 13 meetings, respectively; the details of which are as follows:

Name	Position	2017	2018
1. Mr. Sukhont Kanchanahuttakij	Chairman of Board of Directors	13/13	13/13
2. Mr. Chatchai Kaewbootta	Director	12/13	13/13
3. Ms. Doungchai Kaewboota ^{/1}	Director	11/13	10/13
4. Ms. Thida Kaewbootta ^{/2}	Director	5/13	-
5. Pol. Gen. Pharnu Kerdlarpphon	Member of Audit Committee / Independent director	13/13	11/13
6. Mr. Weerachai Ngamdeevilaisak	Member of Audit Committee /	13/13	11/13



Name	Position	2017	2018
	Independent director		
7. Mr.Somyot Ngerndamrong	Director	11/13	11/13
8. Mr.Vinai Vittavasgarnvej	Vice Chairman of Board of Directors/ Independent director	12/13	13/13
9. Mr. Prayong Saennual	Director	13/13	13/13
10. Mr. Sumate Maneewattana	Director/ Independent director	11/13	9/13
11. Mr. Weidt Nuchjalearn	Director	11/13	12/13
12. Mr. Pinit Puapan	Director	10/13	11/13
13. Mr. Veera Veerakool ^{/3}	Director/Independent director	7/13	11/13

Note ^{/1} Ms. DOUNGCHAI Kaewboota resigned from Managing Director since 31 March 2017 but still be the director

^{/2} Ms. Thida Kaewboota resigned as a director on 29 May 2017

^{/3} Mr. Veera Veerakool was appointed as director by the Extraordinary Meeting of Shareholders No. 2/2017, held on 22 June 2017.

The meetings of Executive Committee must be arranged at least six meetings per annum and the meetings can be called on anytime once urgent agendas need approval. The minutes of meetings are made in written and the minutes are systematically kept and able to be scrutinized.

The Board of Directors' Meeting No. 5.2013 on 15 May 2013 appointed the Audit Committee, effective from 15 May 2013. The Extraordinary Meeting of Shareholders No. 1/2013 on 31 May 2013 resolved that the Audit Committee should convene at least four meetings per annum and that the minutes of meetings should be made in written and systematically kept for future examination and self-evaluation of the Audit Committee.

The directors support the evaluation of overall directors' performance at least once a year so that all directors can work together to review performance and problems for future improvement.

In 2017 and 2018, the sub-committees convened meetings, the details of which are as follows:

Name	Title	2017	2018
Audit Committee			
1. Mr. Vinai Vittavasgarnvej	Chairman of Audit Committee	5/5	5/5
2. Pol. Gen. Pharnu Kerdlarphphon	Member of Audit Committee	5/5	4/5
3. Mr.Weerachai Ngamdeevilaiak	Member of Audit Committee	5/5	5/5
Nomination and Remuneration Committee			



Name	Title	2017	2018
1. Pol.Lt.Gen. Pharnu Kerdlarpphon	Chairman of Nomination and Remuneration Committee	4/4	2/2
2. Mr.Weerachai Ngamdeevilaisak	Member of Nomination and Remuneration Committee	4/4	2/2
3. Mr. Chatchai Kaewbootta	Member of Nomination and Remuneration Committee	4/4	2/2
Risk Management Committee			
1. Mr. Weerachai Ngamdeevilaisak	Chairman of Risk management Committee	4/4	3/3
2. Mr. Sukont Kanjanahuttakit	Member of Risk Management Committee	4/4	3/3
3. Pol. Gen. Pharnu Kerdlarpphon	Member of Risk Management Committee	4/4	3/3
4. Mr. Chatchai Kaewbootta	Member of Risk Management Committee	4/4	3/3
5. Mr. Somyot Ngerndamrong	Member of Risk Management Committee	4/4	3/3
6. Mr.Prayong Saennual	Member of Risk Management Committee	4/4	3/3
Credit Committee			
1. Mr. Chatchai Kaewbootta	Member of Credit Committee	4/4	8/8
2. Mr. Weidt Nuchjalearn	Member of Credit Committee	4/4	8/8
3. Ms. Doungchai Kaewbootta	Member of Credit Committee	4/4	8/8
4. Mr. Somyot Ngerndamrong	Member of Credit Committee	4/4	8/8
5. Mr. Prayong Saennual	Member of Credit Committee	4/4	8/8

5. Remuneration

- (1) The remuneration for directors is based on their roles and scopes of responsibility as well as the Company's earnings performance; the remuneration is comparable to what offered by peers in the industry.
- (2) The remuneration for the managing director and top management officers is based on the principles and policies determines by the Board of Directors and approved by the shareholders' meetings, maximizing benefits for the Company. The remuneration is offered in forms of salaries, bonuses and other benefits.



- (3) The Nomination and Remuneration Committee evaluates the performance and remuneration for directors, management-based directors and the managing director on an annual basis; the proposed amount of remuneration is subject to the approval of the Board of Directors' meeting and the shareholders' meeting.
- (4) The amounts of remuneration paid to directors are disclosed in the Company's annual report.

6. Development of directors and management

- (1) The Company's Board of Directors has a policy to support and encourage directors, management, and the Company's secretary to attend trainings or seminars to enhance knowledge and apply the knowledge to their work on a continuous basis.
- (2) In case of new directors, the management provides useful documents and information for the new directors to learn about the Company's business characteristics and business guidance.
- (3) Board of Directors provides programs aimed at developing the management; the managing director shall make a report on what have been done during the year on an annual basis.

In 2018, the Company provided director and management to attend the training courses concerning with the new regulations of Bank of Thailand, The Security Exchange Commission, The Stock Exchange of Thailand and Federation of Accounting

9.2 Control of Internal Information Usage

The Company has a policy to prevent the Company's internal information usage, especially the information about the Company's financial status before disclosure to the public. The number of people being aware of the internal information is limited. The management is given the information about their duties and responsibility regarding the requirement that they report their shareholding as well as the shareholding of their spouses and minority children, including the requirement in the amended law (Securities Act). Any management members who are aware of the Company's internal information shall not violate Article 241 of the Securities Act. The Company's Board of Directors announced the follow rules for internal use of the Company's informational:

- 1) Directors, management, employees, and general workers of the Company shall strictly keep the internal information confidential
- 2) Directors, management, employees and general workers shall not disclose the Company's secrets/internal information or use such information for their own benefits or other people's benefits, either directly or indirectly, whether or not they receive compensation in return of such action.



- 3) Directors, management, employees and general workers shall not sell, buy or transfer shares by using the Company's secrets and/or internal information and/or perform any transactions by using the Company's secrets and/or internal information. They shall refrain from any actions that may damage the Company, either directly or indirectly. This rule also is applicable to spouses and minority children of directors, management, employees and general workers. Those violate the rule shall be regarded as serious violation.
- 1) The Company determined guideline for preventing of insider trading: directors, management, employees holding the positions of vice president upwards, and individuals involving in the Company's internal information are prohibited from trading the Company's shares within one month prior to the disclosure of the quarterly financial statement and annual financial statement and 24 hours after the disclosure of such information.
- 2) Directors, management, and the persons in the management level in the accounting and finance department holding the positions of managers upwards or equivalent are required to report about their holding of shares in the Company. This rule is also application to their spouses and minority children. The report should be made to the Company's secretary within 30 days starting from the date they start work in the position.
- 3) Directors, management, and the persons in the management level in the accounting and finance department holding the positions of managers upwards or equivalent are required to report every stock trading transaction to the Office of Securities and Exchange Commission within three working days, according to the Securities and Exchange Act. In addition, any changes in security holding shall be informed to the Company's secretary.

Movement of directors and managements' share holdings in 2018, details as follows:

Name	Beginning Balance at 1 Jan. 2018	Purchase	Dividend received	Sell	Ending Balance at 31 Dec. 2018
1. Mr. Sukont Kanjanahuttakit	-	-	-	-	-
2. Mr. Vinai Vittavasgarnevej	-	-	-	-	-
3. Pol.Lt.Gen. Pharnu Kerdlarpphon	-	-	-	-	-
4. Mr. Weerachai Ngamdeevilaisak	-	-	-	-	-
5. . Mr. Sumate Maneewattana	-	-	-	-	-



6. Mr. Weidt Nuchjalearn	-	-	-	-	-
7. Mr. Pinit Puapan	-	-	-	-	-
8. Ms. Thida Kaewbootta	369,905,812	2,958,600	19,151,212	(27,184,000)	364,831,624
9. Ms. Doungchai Kaewbootta	68,694,593	15,631,000	3,816,366	-	88,141,959
10. Mr. Chatchai Kaewbootta	65,239,200	2,838,000	2,114,153	(27,184,444)	43,006,909
11. Mr. Somyot Ngerndamrong	-	-	-	-	-
12. Mr. Veera Veerakool ¹	163,098	-	11,672	-	174,770
13. Mr. Prayong Saennual	750,000	-	41,666		791,666
14. Mrs. Wanaporn Pornkitipong	869,856	-	48,325		918,181
15. Mrs. Chomchaba Sathapornpong	-	-	-		-

9.3 Code of Conduct

The Company's code of conduct is set for all management of the all companies under SAWAD Group and all employees at all levels whether or not they sign the acknowledgement.

According to the business operation principles, a reputation for being honest is extremely valuable to the Company. The issue also has an impact on the business success and earnings growth of the Company. Similarly, a good reputation of executive officers from the department head upwards is also important. The standard of code of conduct has a direct impact on the trustworthiness of the Company as a whole.

1) To comply with laws and regulations

The Company's objective is to run business in compliance with laws and regulations and with respects for the rights of the Company's counter parties and customers.

2) The Company's policies and codes of conduct

2.1 To follow rules, regulations, announcements and orders

This code of conduct is announced in addition to existing rules, regulations, announcements and other orders of the Company. Should there be any statements in existing rules, regulations, announcements or orders that contradict any statements in this code of conduct, the statements in this code of conduct shall be deemed as the final guideline.



All management members or executive officers shall follow the rules, regulations, announcements and orders of the Company and those in superior positions.

- (1) They shall ensure that all employees acknowledge the Company's policies and rules, regulations, orders, agreements, announcements or circular notices.
- (2) They shall perform duties with honesty and fairness and shall inform of any events that may damage the reputation and assets of the Company.
- (3) They shall treat colleagues with polite manners and respects.
- (4) They shall perform duties with determination and diligence, maintaining the Company's traditions and good governance and acting as a good model for all employees, in order to drive the Company's growth in righteous ways.
- (5) They shall retain the benefits and secrecy of the Company, customers or any related parties. Information about the Company's financial data and individuals must be accurately and appropriately disclosed in cautious and effective manners. Throughout the duration for which the employees work for the Company and after they resign from the Company, they shall keep the aforementioned information strictly confidential. Any employees who disclose the information to outsiders or use the information in other matters apart from work-related matters shall agree to take responsibility for compensations of any damages to the Company, based on the actual degree of damage.
- (6) They shall do their best to protect the Company's assets, prevent damages and loss, either caused by individuals or natural disasters. In addition, they shall not use the Company's equipment or assets for their personal purposes.
- (7) They shall perform their management duties with righteousness and also try to promote ethics, morals and righteousness among employees at all levels. They shall also solve problems in regard to conflicts of interests in the Company.
- (8) They shall treat their subordinates closely and fairly, without bias.
- (9) They shall be willing to work as a team, being opened to team members' ideas and opinions.
- (10) They shall follow the Company's rules and regulations as well as ensuring that their subordinates follow the rules about computer usage, computer information, computer traffic data; this



is to ensure that the use of computer in the Company complies with computer laws, copyright laws or other related laws and also to prevent any damages to the Company's reputations and images.

2.2 Prohibition

All employees at the management level shall not act in a way that may damage good images of themselves and the Company:

- (1) They shall not act or perform any actions on personal purposes during office hours
- (2) They shall not run the same business to compete with the Company, either for their own benefits or the benefits of others; they shall not hold stake in a company with controlling power, which may have negative impacts on the Company, either directly or indirectly.
- (3) They shall not behave in a way that that damage good images of their positions and the honor of the Company.
- (4) They shall not disclose false information or conceal important information of the Company.
- (5) They shall not work with carelessness or do something inappropriate to their position.
- (6) They shall not conceal or distort information, which may directly or indirectly damage the Company, for their own benefits or benefits of other people.
- (7) They shall not attempt to obstruct performance of authorized individuals in the Company nor order other employees to perform morally bad things.
- (8) They shall not violate civil and criminal laws that ruin themselves or others, either directly or indirectly.
- (9) They shall not disclose wages, salaries or salary increases of themselves or others, either intentionally or unintentionally.
- (10) They shall not ask for or receive any assets or any other benefits from customers, partners, competitors or any individuals that do business with the Company; they shall not offer inappropriate treats, except for some traditional and seasonal gifts, normal business luncheons, or any expenses that help to promote the Company's business for traditional business exchanges. However, if the value exceeds Baht 3,000, they shall report to their managers or those in superior positions, i.e., vice president upwards.
- (11) They shall not involve in bribery, either directly or directly through the third party and/or inappropriately use influence with state agencies, customers or partners.



- (12) They shall not make additions, reductions, or revisions in any records or information in order to intentionally alter or distort the Company's performance and account booking regardless of their purposes.
- (13) They shall not make payment or any business transactions with intention to make other people understand that part of the payment or the business transactions are done for other purposes apart from the purpose indicated in the documents.
- (14) They shall not hold massive debts or be indicated by law that they are in huge debt.
- (15) They shall not fail to keep the Company's intellectual information or any information obtained from the employees' performance.
- (16) They shall not copy performance or intellectual property of other people.
- (17) They shall not do immorally bad things to seek benefits for themselves or other people.
- (18) They shall not assign any departments not relating to the purchasing functions to seek supports from traders or partners (in case that it is necessary to seek such support from the Company's benefits, such departments shall consult with the purchasing department so that the purchasing department will proceed with further actions, except for the matters relating to marketing activities for which the marketing and business development department will be in charge).
- (19) They shall not do anything in favorable to any individuals to seek benefits from the Company or access or do something with the Company's computer system, computer information and computer traffic information without permissions; they shall not intend to support or allow users to violate computer laws, copyright laws or any other related laws.

3) **Disciplinary Actions**

- (1) Minor violation: Any management member who fails to follow the code of conduct but the degree of violation is rather minor, he shall receive a warning in written, indicating nature of the violation and reasons. The management is entitled to defend himself against the allegation with the person holding a superior position. If the problem remains unsolved, the matter will be submitted to the scrutinizing committee appointed by the chief executive office. The ruling from the securitizing committee shall be deemed final. If the management still involves in the second violation or fails to correct the mistakes from the first violation, he shall face disciplinary actions, including employment termination.



- (2) Severe violation: Acts of severe violations include bribery, corruption, disclosure of the Company's confidential information or intellectual property to the third party, actions against the Company's honor and deliberate concealment of information, discussion or important document to the person in the superior position: The Company is entitled to terminate the employment without any compensation or a warning in written.

4) Anti-Corruption Policy

In order to provide clear standards and procedures for the Company's measures to effectively prevent corruption, the roles and responsibilities of the relevant parties are determined as follows:

1.1 The Board of Directors has the following duties:

- 1.1.1 Determine and approve anti-corruption policies.
- 1.1.2 Approve and review guidelines for anti-corruption measures.
- 1.1.3 Supervise to have a system that supports anti-corruption measures that is effective.

1.2 The Audit Committee has the following duties:

- 1.2.1 Review to ensure that the Company has adequate internal controls in place.
- 1.2.2 Review to ensure compliance with the anti-corruption policy.

1.3 The Chairman of the Executive Committee and the President have the following duties:

- 1.3.1 Promote, support, and supervise to ensure that all employees and related parties comply with the anti-corruption policy, anti-corruption measures, and various related regulations by communicating to all employees and related parties.
- 1.3.2 Review the appropriateness of the systems and policies to comply with business changes, regulations, and legal requirements.

1.4 The executive director level and above have the following duties:

- 1.4.1 Control and direct the implementation of anti-corruption measures to be practical. Able to identify risks, inspect and manage to have adequate measures to solve problems appropriately, quickly and timely.
- 1.4.2 Support the development of processes and personnel in order to achieve the anti-corruption policy of the organization.

1.5 Employees have the following duties:



1.5.1 Understanding and complying with anti-corruption policy, and any other related measures, and attending training as determined by the company.

1.5.2 Report signs of corruption immediately when discovered, or suspecting whether there will be corruption. Cooperate in investigation of facts related to suspicions of corruption.

1.5.3 Employees must not be involved in corruption either directly or indirectly, and must follow the policy or procedures of the company strictly, especially the employees involved in the work involving crucial processes that are at risk of corruption such as procurement, credit, staffing, and financial reporting.

1.6 Internal Audit Department has the following duties:

1.6.1 Examine and review the operation to ensure compliance with the policy, and regulation to ensure that there is an appropriate and adequate internal control system for potential corruption risks, and report to the Audit Committee.

1.6.2 Develop tools for assessing corruption risks and arrange for the organization to assess corruption risks.

1.6.3 Summarize risk assessment results and present to the Risk Management Committee.

1.6.4 Summarize measures and corruption risk control guidelines that the department has considered, and review corruption risks at least every 3 years.

1.7 Human Resource Department has the following duties:

1.7.1 Manage human resources in accordance with the anti-corruption policy of the company.

1.7.2 Implement hiring process, orientation, training, and penalties that take into account anti-corruption measures.

1.7.3 Promote a culture that fosters anti-corruption practices, including avoiding actions that may be subject to corruption.

1.7.4 Communicate and disseminate policies and measures against corruption and related activities in order to create consciousness in operating with integrity without corruption.

1.8 Accounting and Finance Department has the following duties:

1.8.1 Record and maintain data and documentation pertaining to receipt, payment, and tax transactions.

1.8.2 Carry out financial operations, and accounting procedures in accordance with generally accepted accounting standards.



1.8.3 Oversee reimbursement transactions in accordance with standard policy and procedures for expense reimbursements, as well as Company's anti-corruption measures.

2. Control framework

2.1 Internal control system

The Company has established operational policies and procedures that encompass proper segregation of duties according to the reporting structure and, as well as clearly defined levels of authority for approval. The operational processes include a system of internal controls and oversight in accordance with anti-corruption measures. The processes are independently reviewed by the internal auditors. All employees are expected to operate in accordance with the Company policies and procedures.

2.2 Guidelines for conducting business in accordance with the anti-corruption policy

The company has set up procedures and guidelines to prevent the risk of corruption based on the common forms of corruption as follows:

2.2.1 Giving and receiving bribes

2.2.1.1 Directors, executives and employees are prohibited at all levels from giving or receiving bribes in any form to gain business benefits, including assigning others to give or receive bribes on their behalf.

2.2.1.2 Directors, executives and employees are prohibited at all levels from acting as an intermediary to offer or accept bribes to or from those related with the business of the company.

2.2.2 Giving or accepting prizes, gifts, entertainment, or other benefits

Giving or receiving gifts, entertainment, or other benefits to or from customers, suppliers, business representatives shall be conducted in accordance with Company policy regarding the provision of or accepting gifts, entertainment, or other benefits. Nonetheless, anti-corruption principles shall be adhered to and the transactions shall be transparent.

2.2.3 Political assistance

The company shall not engage in political activities to help or support political parties, political groups, or politicians whether directly or indirectly, including not using any assets of the company to do so.

2.2.4 Charitable and public donations, and provision of financial support to others



2.2.4.1 Donation of money or property for charity or public interests, and provision of financial support to others must be transparent, legal and moral, including not taking any action that will have a negative effect on the society as a whole.

2.2.4.2 Donation of money or property for charity, and provision of financial support shall not be used as a front to conceal bribery.

2.2.4.3 Disbursement for charity expenses and financial support shall comply with the Company policies and procedures regarding administrative expenditures, as well as the authorization matrix for approving expenses. The disbursement must specify clear objectives, and shall include verifiable evidence to support the transaction.

2.3 Rotation of staff duties

The Company shall promote a rotation of duties of employees responsible for roles that are vulnerable to corruption, such as procurement agencies, branch migration, etc.

5) Guidelines for reporting clues / corruption complaints

5.1 Employees must not disregard or ignore acts that contradicts the company's policies or actions that may be related to corruption involving the Company. Employees must notify their direct supervisor or the supervisor responsible for the department.

If there are any questions or inquiries, the employee may consult their supervisor.

5.2 Those who have witnessed or suspected that there are acts of corruption, or have been affected due to their action against corruption, may file a complaint through any of the company's channels as follows:

- Directly notifying the Company's Chief Executive Officer or Managing Director;
- Directly notifying the Chairman of the Audit Committee through the Secretary of the Audit Committee;
- Notifying their direct supervisors.

For matters concerning senior management or director level, the employee may directly inform the Chairman of the Audit Committee.

5.3 Employees shall cooperate in verifying and providing facts upon witnessing acts of corruption.

5.4 The company is committed to treat employees who report on or reject acts of corruption with fairness and to provide protection in accordance with the policy on corruption reporting.



10. Corporate Social Responsibility

The Company has a policy to operate business based on the principles of ethical business and the code of conduct. The Company is also committed to work for society and communities by organizing various social campaigns. For instance, the Company launched the safe driving and not-drive-drunk campaign in co-operation with the Traffic Police Division. As a part of the campaign, the Company published leaflets promoting safe driving and a handbook aimed at encouraging people to be well conscious and have a habit of safe driving. Moreover, the Company also donated motorcycles and cars to vocational schools and educational institutions in the provinces where the Company's branches are located. The program helped to provide students with equipment used for learning. The Company also donated money to renovate and rebuild the ruined school.

The Company has policies about corporate social responsibility as follows:

1. Operate business with fairness

The Company aims to treat all customers on the basis of fairness, whereby all customers shall be treated equally.

2. Be against corruptions

The Company has already released a mandate of measures to avert corruption for all employees, management, and directors to adhere to. These measures will also be applied to all business partners and vendors going forward as well

3. Respect human rights

The Company is considerate of human rights in providing for an equal opportunity to access funding source. Thus, the Company has opened branches to cover nearly all "Tambons" in the country, enabling customers to more conveniently access a source of funding. In addition, the Company employs staff from the local community as in initiative to provide employment opportunities to qualified individuals who would not need to relocate to another district to find work.

4. Treat labor or employees with fairness

The Company treats all employees fairly and provides for an opportunity to learn a wide range of tasks. The Company has engaged in initiatives to denounce drug use and human trafficking in conjunction with the related government agency and local authorities.

5. Be responsible for consumers



Although the Company is engaged in the consumer lending business, responsibilities to the customers is a key component of the organization's policies and procedures.

6. Preserve environment

The nature of the Company's business practice is service-oriented, which has no direct impact to the environment. Nonetheless, the Company promotes conservation of resources by its employees including electricity, water, and also encourages the use of paperless documentation for instance.

7. Participate in programs about community and social development

The Company has plans to participate in community development efforts starting with the promotion of awareness against drunk-driving through distribution of pamphlets and handouts. The Company recognizes a need to develop labor skills in the automobile maintenance industry, and has donated cars and motorcycles to the related vocational schools and educational institutions to be used as learning tools for the students.

The Company has sponsored efforts to foster education and career opportunities for people with disabilities through the Autism Foundation of Thailand, the Kru Boonchoo Foundation, and the Samarn-Kaewbootta Foundation. In 2017, the Company received a certificate of recognition from the Association for Parents of Person with Intelligence Disability of Thailand for the contributions thus far.

8. Hold innovations and disclose information about the innovations arising for operation linked to responsibility to society, environment, and stakeholders



11. Internal Control and Risk Management

Placing emphasis on the importance of good internal control, the Company's Board of Director set up the Audit Committee to work on ensuring that the Company and its subsidiaries have appropriate and effective internal control system. The Audit Committee also ensures that the Company operates business in compliance with the securities and stock exchange laws as well as the rules and regulation of the Stock Exchange of Thailand and relevant laws that relate to the Company's business.

The Board of Directors evaluated the Company's internal control system by inquiring the management as well as other concerned officers and by studying the past audit reports. The Company's internal control system can be concluded into five key elements based on the concept of the Committee of Sponsoring Organization of Treadway Commission (COSO). The five key elements are: i) organizational environment; ii) risk assessment; iii) control of operation activities; iv) information & communication and v) monitoring activities. The Board opined that the Company had the internal control system, which was appropriate and sufficient for business operation under the current environment. The results of internal control evaluation approved by the Company's Board of Directors can be summarized below:

1) Organizational environment

SAWAD Group has good organizational environment favorable to support effective internal control system. All people are aware of the necessary of the internal control system. The structure is appropriately designed and duties are clearly identified. Policies and regulations are announced in a written form.

2) Risk Assessment

The Company emphasizes the importance of risk management; hence, it arranges the operating evaluation and assessment of risks that may have an impact on the Company at least one a year. The management analyses possible risks and report them to the Company's Board of Directors as well as suggesting ways to manage or control such risks at acceptable levels. For any risks that may prevent the Company from achieving its business goals, the Company must find measures to manage such risks.

3) Control of operation activities

The Company has a policy to control operation activities, ensuring that the management's guidance well followed by all employees. The approval authority and power are appropriately determines. Duties of each position are clearly separated in order to prevent corruption. Procedures for transactions involved by major shareholders, directors, the management or related persons are



clearly indicated in order to prevent conflicts of interest, in accordance with the regulations of Capital Market Supervisory Board and the Stock Exchange of Thailand.

4) Information & Communication

The Company sufficiently keeps information, which is useful for the Company's business operation. Documents are systematically filed in accordance with the sections, especially for the accounting documents, which are very important for financial reports. Moreover, the Company also has back-up taped information about daily operation. Such back-up information is separately stored out of the Company's offices; this is to ensure that in some emergency cases the Company always has information used for business operation.

5) Monitoring Activities

The Company continued to monitor the performance and compared it to the set targets. In addition, the Company also follows up and monitors the operation by appointing a department to examine the branches' operation on a regular basis. The examination results are reported to the managing director; this is to ensure that all employees strictly follow rules and regulations stated in the Company's operation guideline. Moreover, the Company also hires an external company, P&L Internal Audit Co., Ltd, to be an internal auditor who assesses the internal control system of the Company and reports directly to the Audit Committee on a quarterly basis.

11.1 Opinions of the Company's Directors in regard to the internal control system.

In the Board of Directors Meeting No. 2/2019 on 26 February 2019 where the Audit Committee also attended, the Company's Board of Directors assessed the internal control system by having the management explain various systems linked to the internal management and control and also by inquiring the management. In light of this, the Board of Directors opined that the Company's internal control system was adequate and appropriate under the current circumstances. To elaborate, the Company's control system covered all five key elements, namely organizational environment, risk assessment, control of operation activities, information & communication and monitoring activities.

Meanwhile, P&L Internal Audit Co., Ltd., which is an external company, provided sufficient personnel to effectively carry out the internal control operation, including the income and expense cycles. In addition, the external company also controls the use of the Company and subsidiaries' assets and prevents such assets from being wrongly used by employees and management.

11.2 Opinions of the Audit Committee



In the Audit Committee Meeting No. 1/2019 on 26 February 2019, the Audit Committee provided opinions in regard to the internal control system and completed the evaluation form for the adequacy of the internal control system designed by the Office of the Securities Exchange Commission and the Stock Exchange of Thailand. The evaluation covered all five key elements, i.e., i) organizational environment; ii) risk assessment; iii) control of operation activities; iv) information & communication and v) monitoring activities. The Audit Committee opined that the Company's internal control system was sufficient and went in line with the guidance and that there was no significant change from the previous year.

11.3 Head of Internal Control

The Company does not have a head of the internal control department who directly oversees the Company's internal control affairs but the Company hires an external company to carry out the evaluation of the internal control system of the Company and subsidiaries. The hired external company is

P&L Internal Audit Co. Ltd.

73/290-294, The Fifth Avenue Building B, 2nd floor,

Bangkok-Nonthaburi Rd, Bangken,

Muang, Nonthaburi, 11000



12. Connected Transactions

Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2017	2018	
<p>1. Srisamarn Condotel Co., Ltd. ("Srisaman Condotel")</p> <p><u>Type of Business</u> Property for rent</p> <p><u>Relationship with the Company</u></p> <ul style="list-style-type: none"> - Ms. DOUNGCHAI KAEWBOOTTA, holding 7.68% shares in the Company and being the Company's director, member of Executive Committee, was a major shareholder of 50% in Srisamarn Condotel. - Ms. THIDA KAEWBOOTTA, the Company's major shareholder of 31.79%, was a major shareholder of 50% and a director of Srisamarn Condotel. 	<p><u>Office Lease</u></p> <p>SAWAD Group leased the space of 2,039.57 sq.m. with the rent of Baht 171.80/sq.m./month and the room at Srisaman Condotel, Soi Intamara 41, Suthisanwinichai Rd, Din-dang Sub-district, Dindaeng District, Bangkok. The space was used as office and storage of collateral documents and the room was for employees' stay. The lease contract lasted one year.</p> <ul style="list-style-type: none"> • Rent • Accrued Rental 	<p>8,173,800</p> <p>717,900</p>	<p>7,849,565</p> <p>611,986</p>	<p>SAWAD Group leased space at Srisamarn Condotel for used as an office and storage for collateral documents while waiting for the time to submitting the documents to the commercial bank as well as for an accommodation for employees to come to attend meetings. This was part of the Company's core business operation. The rent and payment conditions were the same as Srisamarn Condotel quoted for outsiders and they were based on the core business operation of Srisamarn Condotel.</p> <p><u>Comment from the Audit Committee</u></p> <p>The transaction supported the Company's core business operation. The rent was</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2017	2018	
				appropriate and comparable to the rents at nearby property and it equated the rent quoted for outside tenants. The payment conditions were set in accordance with the core business operation. Thus, the transaction was deemed necessary and justified.
<p>2. Srisamarn Bangkok Co. Ltd. ("Srisamarn Bangkok")</p> <p><u>Type of Business</u></p> <p>Property for rent</p> <p><u>Relationship with the Company</u></p> <p>- Mr. Chatchai Kaewbootta, holding 3.75% share in the Company and being a director and a Chief Executive Officer of the Company, was a major shareholder with 40%</p>	<p><u>Office Lease</u></p> <p>SAWAD Group leased two commercial buildings for use as its offices, with three-year lease contracts, starting January 2016 and ending December 2018.</p> <p>1. A four-storey floor commercial building with the space of four blocks and 80.3 square wah, located on Rangsit- Pathumthani Rd, Bangprok Sub-district, Mueng</p>			<p>SAWAD Group leased offices from Srisamarn Bangkok for use as two branches to support the Company's core business operation. The rental rate for Pathumthani branch office equated the rental rate appraised by Fast and Fair Valuation Co. Ltd. ("independent appraiser"). The rental rate for the office at Ramkamhaeng was lower than the rental rate appraised by the independent appraiser.</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2017	2018	
<p>holding and a director of Srisaman Bangkok.</p> <ul style="list-style-type: none"> - Ms. Doungchai Kaewbootta, holding 7.68% shares in the Company and being the Company's director, member of Executive Committee, held 11% shares in Srisamarn Bangkok. - Mrs. Jariya Kaewbootta - The Company's 6.22% shareholder - Mother of Ms. Doungchai Kaewbootta, holding 7.68% shares and being a director, a member of Executive Committee of the Company - Mother of Ms Thida Kaewbootta, holding 31.79% shares of the 	<p>District, Pathumthani</p> <p>2. A four-storey commercial building with the space of two blocks and 36.0 square. Wah, located on Ramkamhaeng Rd, Huamark Sub-district, Bangpaki District, Bangkok</p> <ul style="list-style-type: none"> • Rent 	1,289,580	1,289,580	<p>In addition, the landlord and the tenant agreed to sign a lease addendum indicating that after the lease contract is ended, the landlord is able to hike the rental rate by not more than 12 percent of the existing rate and the contract can be extended for at least three years.</p> <p><u>Comment from the Audit Committee</u></p> <p>The lease of two buildings supported the Company's core business operation. The leased assets were necessary and appropriate, compared with other offices leased from outsider landlords. The current rental rates were comparable to the rates appraised by the impendent appraiser who conducted the appraisal for public interest. The lease terms were in accordance with the</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2017	2018	
<p>Company</p> <p>- Wife of Mr. Chatchai Kaewbootta, holding 3.75% shares and being a director and a Chief Executive Officer of the Company</p> <p>Mrs. Jariya Kaewbootta was a major shareholder with 40% shareholding and a director of Srisamarn Bangkok.</p>				<p>Company's core business operation. Therefore, the transaction was necessary and justified.</p>
<p>3. I.D 2007 Co. Ltd. (I.D. 2007")</p> <p><u>Type of Business</u></p> <p>Trade and develop land</p> <p><u>Relationship with the Company</u></p> <p>- Mr. Chatchai Kaewbootta, holding 3.75% shares in the Company and being a director and a Chief Executive Officer of the Company,</p>	<p><u>Lease of land and building</u></p> <p>SAWAD Group leased the land and building located on Chaengwatana Rd, Thungsonghong Sub-district, Laksi, Bangkok, with three-year lease contracts, starting January 2016 and ending December 2018.</p> <p>1. A 7-6-61 rai plot of land (2,961 square wah) used as a storage of</p>			<p>SAWAD Group leased the land and building from I.D. 2007 for use as storage for vehicles not sold at branch offices. Meanwhile, the building was used as a branch office for the Company's core business operation. The rental rate was lower than the rental rate appraised by the independent appraiser.</p> <p>In addition, the landlord and the tenant</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2017	2018	
<p>was a major shareholder with 60% holding and a director of I.D. 2007.</p> <ul style="list-style-type: none"> - Ms. Doungchai Kaewbootta, holding 7.68% shares in the Company and being the Company's director, member of Executive Committee, held 30% shares in I.D. 2007. - Ms. Thida Kaewbootta, the Company's major shareholder of 31.79%, held 1% share in I.D. 2007. - Mrs. Jariya Kaewbootta - The Company's 6.22% shareholder - Mother of Ms. Doungchai Kaewbootta, holding 7.68% shares and being a director, a member of Executive Committee of the Company 	<p>foreclosed assets</p> <p>2. The building consisting of an office and a one-storey warehouse, with combined usable area of 728 square meters, for use as the Company's branch office and warehouse</p> <p>3. Srisawad Building which is the head office of the Company with usable area of 7,000 square meters, the contract began from June 2018</p> <ul style="list-style-type: none"> • Rent Rental Guarantee 	<p>1,438,800</p> <p>-</p>	<p>28,375,760</p> <p>4,047,314</p>	<p>agreed to sign a lease addendum indicating that after the lease contract is ended, the landlord is able to hike the rental rate by not more than 12 percent of the existing rate and the contract can be extended for at least three years.</p> <p><u>Comment from the Audit Committee</u></p> <p>The lease of land and building was necessary for the Company's core business operation. The rental rates were lower than the rates appraised by the independent appraiser who conducted the appraisal for public interest. The lease terms were in accordance with the Company's core business operation. The assets were necessary and appropriate. Hence, the transaction was necessary and justified.</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2017	2018	
<ul style="list-style-type: none"> - Mother of Ms Thida Kaewbootta, holding 31.79% shares of the Company - Wife of Mr. Chatchai Kaewbootta, holding 3.75% shares and being a director and a Chief Executive Officer of the Company <p>Mrs. Jariya Kaewbootta held 6% shares in I.D. 2007.</p>				
<p>5. Ms. Doungchai Kaewbootta</p> <p><u>Relationship with the Company</u></p> <ul style="list-style-type: none"> - A shareholder with 7.68 - percent holding and a director for the Company - Daughter of Mr. Chatchai Kaewbootta, a 3.75%-shareholder, a director and Chief Executive Officer of the Company 	<p><u>Guarantee</u></p> <p>Ms. Doungchai Kaewbootta guaranteed and put her personal assets as collaterals for the loans taken out from a commercial bank for the Company.</p> <ul style="list-style-type: none"> • Guarantee <ul style="list-style-type: none"> - Overdrafts - Short-term loans 	- 500,000,000	- 500,000,000	<p>SAWAD Group received loans from a commercial bank for use as working capital for core business operation. The loans were guaranteed by Ms. Doungchai Kaewbootta and her personal assets; the guarantee was based on the terms and conditions specified by the commercial bank. No expenses arose from the guarantee. Note that the Company already withdrew the guarantee for full</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2017	2018	
- Older sister of Ms Thida Kaewbootta, a major shareholder of 31.79% of the Company				amount. <u>Comment from the Audit Committee</u> The transaction was intended for the benefit of the Company and the Company did not book any expenses from the transaction.
6. Mr. Chatchai Kaewbootta <u>Relationship with the Company</u> - A 3.75%- shareholder, a director and the Chief Executive Officer of the Company - Father of Ms Thida Kaewbootta, holding 31.79% shares of the Company - Father of Ms. Doungchai Kaewbootta, which was a shareholder with 7.68 %, a director, a member of Executive Committee of the Company	<u>Leased land and buildings</u> SAWAD Group leased the land and two commercial buildings for the lease contract duration of three years, starting in January 2016 and ending December 2018 1. A 519-square-wah plot of land and a two-storey commercial building (a basement and a mezzanine) located on Lomsak Petchaboon Rd, Chainarai Sub-district, Chaibadan District, Lopburi 2. A 213 –square-wah plot of land			The Company leased land and buildings from Mr. Chatchai Kaewbootta as the following details: <ul style="list-style-type: none"> • The land and office in Lopburi Province was used as the Company's office and a parking and a place for confiscated vehicles. As most of confiscated vehicles were vehicles for agricultural use and tractors, a large area was needed. • The land and building in Saraburi was used as the Company's branch office, located at a community area by the main road. Part of



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2017	2018	
	<p>and a two-storey commercial offices located on Sudbanthat Rd, Pakpreaw Sub-district, Mueng District, Saraburi</p> <ul style="list-style-type: none"> Rent 	1,921,284	1,921,284	<p>the space was used as a show room for motorcycles and as a separate place for keeping foreclosed assets. Also, there was a car park on the back to facilitate customers.</p> <p>The current rental rates of both properties were lower than the rate appraised by the independent appraiser who conducted the appraisal for public interest.</p> <p>In addition, the landlord and the tenant agreed to sign a lease addendum indicating that after the lease contract is ended, the landlord is able to hike the rental rate by not more than 12 percent of the current rate and the contract can be extended for at least three years.</p> <p><u>Comment from the Audit Committee</u></p> <p>The lease of both properties was necessary</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2017	2018	
				<p>for business operation, in which the Company not only used them as branch offices but also made the best use of them.</p> <p>The transaction was aimed at supporting the Company's core business operation. The rental rate was lower than the rate appraised by the independent appraiser who conducted the appraisal for public interest. The lease conditions were in accordance with the nature of business and the characteristics of the leased assets were necessary and appropriate. Hence, the transaction was justified.</p>
	<p><u>Guarantee</u></p> <p>Mr. Chatchai Kaewbootta guaranteed and put his personal assets as collaterals for the loans taken out from a commercial bank</p>			<p>SAWAD Group received loans from commercial bank for use as working capital for core business operation. The loans were guaranteed by Mr. Chatchai Kaewbootta and his personal assets; the guarantee was</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2017	2018	
	for the Company. <ul style="list-style-type: none"> Guarantee - Overdrafts - Short-term loans 	- 500,000,000	- 500,000,000	based on the terms and conditions specified by the commercial bank. No expenses arose from the guarantee. Note that the Company already withdrew the guarantee for full amount . <u>Comment from the Audit Committee</u> The transaction was intended for the benefit of the Company and the Company did not book any expenses from the transaction.
7. Ms. Thida Kaewbootta <u>Relationship with the Company</u> - The Company's major shareholder with 31.79% holding - Daughter of Mr. Chatchai Kaewbootta, a 3.75%-shareholder, a director and the Chief Executive Officer of the Company and Mrs. Jariya Kaewbootta holding 6.22%	<u>Leased building</u> SAWAD Group leased two blocks of a four-storey commercial building with usable space of 55.3 square wah, located on Ramintra Rd, kannayaw, Bangkok, for use as the Company's office, with a lease contract duration of three years, starting in January 2016 and ending			SAWAD Group leased the building from Ms. Thida Kaewbootta for use as a branch office for the Company's core business operation. The rental rate was lower than the rental rate appraised by the independent appraiser. The appraisal was conducted for public interest. In addition, the landlord and the tenant agreed to sign a lease addendum indicating



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2017	2018	
<p>shares in the Company</p> <p>- Younger sister of Ms DOUNGCHAI Kaewbootta, a shareholder of 7.68%, a director, a member of Executive Committee of the Company</p>	<p>December 2018</p> <ul style="list-style-type: none"> Rent 	577,068	577,068	<p>that after the lease contract is ended, the landlord is able to hike the rental rate by not more than 12 percent of the current rate and the contract can be extended for at least three years.</p> <p><u>Comment from the Audit Committee</u></p> <p>The transaction was aimed at supporting the Company's core business operation. The characteristics of leased assets were necessary and appropriate compared with other offices leased from outside landlords. The rental rate was lower than the rate appraised by the independent appraiser who conducted the appraisal for public interest. The lease conditions were in accordance with the nature of business. Hence, the transaction was necessary justified.</p>
8. Mrs. Jariya Kaewbootta	<u>Leased building</u>			SAWAD Group leased the building from Mrs.



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2017	2018	
<p><u>Relationship with the Company</u></p> <ul style="list-style-type: none"> - Mother of Ms. Doungchai Kaewbootta, holding 7.68% shares and being a director, a member of Executive Committee of the Company - Mother of Ms Thida Kaewbootta, a major shareholder holding 31.79% shares of the Company - Wife of Mr. Chatchai Kaewbootta, holding 3.75% shares and being a director and a Chief Executive Officer of the Company 	<p>SAWAD Group leased three commercial buildings for the lease contract duration of three years, starting in January 2016 and ending December 2018</p> <p>1. Two blocks of a four-storey commercial building with usable area of 36.7 square wah. Located on Teparak Road, Teparak Sub-district, Samutprakan</p> <p>2. Two blocks of a three-storey commercial building with usable space of 64 square wah, located on Rangsit-Pathumthani Rd, Prachathipat Sub-district, Thanyaburi, Pathumthani</p> <p>3. Three blocks of a four-storey building with space of 54 square</p>			<p>Jariya Kaewbootta for use as branch offices. The rental rate was lower than the rental rate appraised by the independent appraiser who conducted the appraisal for public interest.</p> <p>In addition, the landlord and the tenant agreed to sign a lease addendum indicating that after the lease contract is ended, the landlord is able to hike the rental rate by not more than 12 percent of the current rate and the contract can be extended for at least three years.</p> <p><u>Comment from the Audit Committee</u></p> <p>The transaction was aimed at supporting the Company's core business operation. The characteristics of leased assets were necessary and appropriate compared with other offices leased from outside landlords. The rental rate was lower than the rate</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2017	2018	
	<p>wah, located on Sukhumvit Rd, Nakrue Sub-district, Banglamung District, Chonburi</p> <p>4. Vacant land, space 10 square wah located on Jangwattana Road, Tungsonghong, Bangkok, rental began since February 2016</p> <ul style="list-style-type: none"> Rent 	2,809,688	2,819,688	appraised by the independent appraiser who conducted the appraisal for public interest. The lease conditions were in accordance with the nature of business. Hence, the transaction was necessary and justified.
<p>9. Mr. Chotipong Surasingsarit</p> <p><u>Relationship with the Company</u></p> <p>Father of Mr. Watchabooraya Surasingsarit, the vice president of Marketing Department</p>	<p><u>Leased building</u></p> <p>SAWAD Group leased one commercial building with one block and two stories, located at No. 353, Charoenmueng Rd, Vieng Sub-district, Mueng District, Prae. The building came with the area of 32 square meters and lease contract</p>			SAWAD Group leased the building from Mr. Chotipong Surasingsarit for use as a branch office. The rental rate was appropriate when compared with the rates at nearby properties. Then payment condition was set in line with the normal transactions done with other people. The transaction was necessary and justified.



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2017	2018	
	<p>duration of three years, starting May 2016 and ending April 2018.</p> <ul style="list-style-type: none"> Rent 	75,164	75,164	<p><u>Comment from the Audit Committee</u></p> <p>The transaction was aimed at supporting the Company's core business operation. The characteristics of leased assets were necessary and appropriate. The rental rate and lease conditions were set in accordance with normal business operation. Hence, the transaction was necessary and justified.</p>
<p>10. CIMB Thai Plc.</p> <p><u>Type of Business</u></p> <p>Banking and finance</p> <p><u>Relationship with the Company</u></p> <p>- Mr. Sukhont Kanjanahuttkit, the chairman of the Board of Directors, was the vice chairman and the chairman of the Audit Committee and an independent director of CIMB Thai Plc.</p>	<p><u>Long-term Borrowing</u></p> <p>The Company received 3 years loan from CIMB</p> <ul style="list-style-type: none"> - Long-term borrowing from a related party - Interest expense - Accrued interest - Front-ended fee 	5,077,138		<p>The Company need long term loans as a funding source for expansion and the interest rate was market rate.</p> <p><u>Comment from the Audit Committee</u></p> <p>- The transaction was aimed at supporting the Company's core business operation. The rate equated to the rate of transactions the Company dealt with other financial institutions. Hence, the transaction was</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2017	2018	
<i>Note: Mr. Sukont Kanjanahuttakit had resigned from bank director since 24 April 2017</i>				necessary and justified.
	<u>Underwriting Fee and Registrar Fee</u> The Company issued and offered unsecure debentures to high net worth and institution investors. - Underwriting fee - Registrar fee - Prepaid expense	1,114,662 30,350 1,368,146		The Company issued and offered debentures to investors, there were many financial institutions co-underwritten and bond registrar fee so underwriting fee and registrar fee were the same rate as other financial institutions. <u>Comment from the Audit Committee</u> The transaction was aimed at supporting the Company's core business operation. The rate equated to the rate of transactions the Company dealt with other financial institutions. Hence, the transaction was necessary and justified.



12.2 Necessity and justification of the connected transactions

Reviewing the aforementioned connected transactions, the Audit Committee opined that the connected transactions were necessary, justified and beneficial for the Company (Details of each transaction were disclosed in 12.1).

12.3 Measures and procedure to approve the connected transactions

The Company's Board of Directors Meeting No. 6/2013, held on 14 June 2013, announced the measures and procedure to approve connected transactions. Management members or stakeholders are not allowed to take part in approval of any connected transactions, made between the Company, subsidiaries or related parties, which may cause conflicts of interests. The Audit Committee shall provide comments in regard to the necessity of the transactions as well as the justification and the appropriateness in terms of pricing, considering whether terms of conditions of the transactions were in line with those for normal trade transactions in the market. The Audit Committee shall also compare the prices with transactions done with outsiders. If the Audit Committee has no expertise in considering potential connected transactions that may arise, the Company will seek opinions from independent experts, e.g., an auditor, an independent appraiser, a legal firm, and etc. These people shall independent from the Company and from people with possible conflicts of interests. Such independent opinions from the experts shall be used as part of a decision making process of the Audit Committee and/or the Board of Directors and/or shareholders, whichever the case may be. Note that the Company also discloses the connected transactions in the note to the financial statement which was reviewed by the Company's Authorized Auditor.

Moreover, the Company approved in principles of the trading agreements that include general trading conditions for connected transactions between the Company and its subsidiaries and the directors, the management and related parties. The management is entitled to approve the connected transactions between the Company and its subsidiaries and/or the management or related parties (for both existing and potential transactions), without an approval from the Company's Board of Directors Meetings or the Shareholders Meetings. The management shall complete reports on connected transactions, which come in forms of trade agreements similar to what responsible men agree with general trade partners in similar situations and without power as the management, directors or related parties, to the Audit Committee and the Company's Board of Directors on a quarterly basis. .

12.4 Policies for future connected transactions



The Board of Directors Meeting No. 6/2013, held on 14 June 2013, announced the policies to carry out future connected transactions. The connected transactions shall have characteristic as normal business transactions supporting the Company's core business. The transactions shall not unfairly transfer benefits to related parties who hold possible conflicts of interests with the Company. The Audit Committee and the Company shall work together to examine whether the potential connected transactions are necessary and justified and whether they will contain fair returns. Approval of potential connected transactions shall comply with the rules, regulations, announcements, and orders imposed by the Capital Market Supervisory Board and Stock Exchange of Thailand, as well as guidelines on information disclosure regarding the connected transactions according to the accounting standards of Accountants Association and Thailand's Certified Accountants Association.

12.5 Potential connected transactions

The connected transactions among the Company, the subsidiaries and related parties with possible conflict of interests will be done for the Company's core business operation to bring maximum benefits to shareholders. Potential connected transactions are as follows:

- The leases of buildings used for the Company's branches are necessary to the Company's core business operation. The rental rates that the Company pays to related parties who hold possible conflicts of interests are comparable to the market rates or the rates appraised by an independent appraiser who carry out the appraisal to calculate the market-based rental rates used for public interest. In addition, the terms and conditions for the leases are in line with the core business operation.
- The guarantees of financial institutions' loans by directors and related parties were done in accordance with terms and conditions specified by the financial institutions. The Company already withdrew the guarantees for full amount and such transactions will not occur in the future.
- The loan management service agreement between Srisawad Finance Plc. and Srisawad Power 2014 Co., Ltd. for business expansion.



Part 3

Financial Information and Performance

13.Key Financial Information

13.1Financial Statement

13.1.1 Audit Report

Financial statement ending 31December 2016.

Pricewaterhousecoopers ABAS Co. Ltd with Mr. Boonlert Kamolchanokkul as an authorized auditor No. 5339 carried out the audit in compliance with the accounting standard. The auditor opined that the financial statement the financial statement for the fiscal year ending 31 December 2016 correctly showed financial position, operating results, and cash flow of the Company, in accordance with the accounting standard.

Financial statement ending 31December 2017.

Pricewaterhousecoopers ABAS Co. Ltd with Mr. Boonlert Kamolchanokkul as an authorized auditor No. 5339 carried out the audit in compliance with the accounting standard. The auditor opined that the financial statement the financial statement for the fiscal year ending 31 December 2017 correctly showed financial position, operating results, and cash flow of the Company, in accordance with the accounting standard.

Financial statement ending 31December 2018.

Pricewaterhousecoopers ABAS Co. Ltd with Mr. Boonlert Kamolchanokkul as an authorized auditor No. 5339 carried out the audit in compliance with the accounting standard. The auditor opined that the financial statement the financial statement for the fiscal year ending 31 December 2018 correctly showed financial position, operating results, and cash flow of the Company, in accordance with the accounting standard.



13.1.2 Financial Summary 2015 –2017

Statement of Financial Position	Audited Financial Statement					
	31 December 2016		31 December 2017		31 December 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Cash and cash equivalent	713.11	3.21	1,853.07	5.55	2,409.50	6.13
Temporary Investment	302.96	1.36	2,312.46	6.93	512.17	1.31
Hire purchase receivables due 1 year - net	1,750.15	7.87	2,830.10	8.48	1,628.00	4.15
Loan receivables and personal loan receivables due 1 year - net	11,094.63	49.89	14,369.13	43.05	21,461.42	54.73
Loans to customers and accrued interest receivable due 1 year – net			551.58	1.65	411.54	1.05
Short-term loans to financial institutions			1,350.00	4.04	600.00	1.53
Other receivables	276.85	1.25	242.19	0.73	496.22	1.27
Foreclosed assets	660.44	2.97	335.24	1.00	658.11	1.68
Other current assets	7.32	0.03	11.61	0.03	76.33	0.19
Total current assets	14,805.45	66.58	23,855.38	71.47	28,253.29	72.04
Available-for-sale investments, net	251.98	1.13	347.52	1.04	198.41	0.51
Hire purchase receivables due more than 1 year - net	1,472.56	6.62	1,841.42	5.52	1,033.28	2.64
Loan receivables and personal loan receivables due more than 1 year - net	2,763.07	12.43	2,570.71	7.70	4,686.63	11.95
Loans to customer and accrued interest receivable – net			753.91	2.26	352.31	0.90
Loan receivables from purchase of loan, net	2,309.00	10.38	2,738.76	8.21	3,184.37	8.12
Premises renovation and equipment – net	463.13	2.08	490.60	1.47	629.31	1.60
Intangible assets	8.32	0.04	563.41	1.69	568.24	1.45
Deferred Tax Assets	62.12	0.28	125.90	0.38	179.32	0.46
Other non-current assets	101.06	0.45	89.27	0.27	131.97	0.34
Total non-current assets	7,431.25	33.42	9,521.50	28.53	10,963.84	27.96
Total assets	22,236.70	100.00	33,376.88	100.00	39,217.14	100.00
Liabilities						
Short-term deposits			4,848.50	14.53	7,273.97	18.55
Debt securities issued			6.00	0.02	6.00	0.02
Short-term borrowings from financial institutions	5,650.00	25.41	2,300.00	6.89	4,050.00	10.33
Long-term borrowings from financial institutions due in 1 year	55.92	0.25	-	-	338.83	0.86
Long-term borrowings for investment in receivables due in 1 year	451.39	2.03	1,921.94	5.76	2,703.89	6.90



Statement of Financial Position	Audited Financial Statement					
	31 December 2016		31 December 2017		31 December 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Short-term loans from financial institutions for purchase of loans	156.79	0.71	-	-		
Liabilities on financial leases and hire purchases due in 1 year – net	21.19	0.10	28.28	0.08	29.17	0.07
Other payable	-	-			742.47	1.89
Tax payables	281.04	1.26	301.50	0.90	481.09	1.23
Unsecured debenture	2,200.00	9.89	2,465.00	7.39	1,258.50	3.21
Other current liabilities	515.83	2.32	578.91	1.66	84.79	0.10
Total current liabilities	9,332.16	41.97	12,450.13	37.30	16,968.70	43.27
Long-term deposits			1,219.28	3.65		
Long-term borrowings from financial institution	2,250.00	10.12	2,197.50	6.58	741.94	1.89
Long-term loans from the related party	400.00	1.80	-	-		
Deferred tax liabilities			141.23	0.42	139.42	0.36
Liabilities on financial leases and hire purchases – net	46.58	0.21	42.46	0.13	19.28	0.05
Unsecured debenture	3,340.00	15.02	6,100.00	18.28	7,679.58	19.58
Employee benefit obligations	10.71	0.05	29.42	0.09	40.01	0.10
Other non-current liabilities			22.31	0.07	-	
Total non-current liabilities	6,047.29	27.20	9,752.21	29.22	8,620.24	21.98
Total liabilities	15,379.44	69.16	22,202.33	66.52	25,588.94	65.26
Shareholders' Equity						
Registered capital	1,086.49	4.89	1,129.95	3.39	1,249.71	3.19
Paid-up capital	1,045.50	4.70	1,087.37	3.26	1,147.77	2.93
Premium on ordinary shares	1,421.80	6.39	1,424.76	4.27	1,424.76	3.63
Appropriated retained earnings : Legal reserve	108.65	0.49	112.99	0.34	124.97	0.32
Unappropriated retained earnings	4,154.62	18.68	6,769.01	20.28	9,457.37	24.12
Premium on share from share-based payment ³	36.19	0.16	36.19	0.11	36.19	0.09
Discount from changes in the ownership interests in a subsidiary					(321.62)	(0.82)
Other component of equity	75.47	0.34	(3.49)	(0.01)	(6.59)	(0.02)
Non-controlling interests	15.03	0.07	1,747.71	5.24	1,765.34	4.50
Total shareholders' equity	6,857.26	30.84	11,174.54	33.48	13,628.20	34.75
Total liabilities and shareholders' equity	22,236.70	100.00	33,376.88	100.00	39,217.14	100.00



Statement of Financial Position	Audited Financial Statement					
	2016		2017		2018	
	Million Baht	percentage	Million Baht	percentage	Million Baht	percentage
Revenue						
Interests from hire purchase contracts	747.53	14.01	1,278.90	18.27	954.36	12.11
Interests from loans	3,260.61	61.11	3,664.65	52.36	4,842.15	61.44
Other revenue	1,327.21	24.88	2,055.14	29.36	2,054.81	26.45
Total revenue	5,335.35	100.00	6,998.69	100.00	7,881.32	100.00
Expenses						
Service expenses	174.32	3.27	191.01	2.73	179.45	2.28
Administrative expenses	2,123.48	39.80	2,474.80	35.36	2,866.73	36.37
Bad debts and doubtful debts	158.12	2.96	393.81	5.63	388.35	4.93
Total expenses	2,455.92	46.03	3,059.62	43.72	3,434.53	43.58
Earnings before funding cost and income tax	2,879.43	53.97	3,939.07	56.28	4,446.80	56.42
Funding cost	(368.77)	(6.91)	(608.44)	(8.69)	(720.93)	(9.15)
Tax expenses	(501.97)	(9.41)	(615.48)	(8.79)	(724.98)	(9.20)
Net profit	2,008.69	37.65	2,715.15	38.80	3,000.89	38.08
Primary earnings per share						
Net profit (Baht/share)		1.84		2.45		2.41
Weighted average number of share (share)		1,045,496,492		1,087,319,939		1,147,771,588
Par value (Baht)		1.00		1.00		1.00



Statement of Cash flows (Unit : Million Baht)	Audited Financial Statement		
	2016	2017	2018
Cash flows from operating activities			
Before tax gain	2,510.66	3,330.63	3,725.87
Adjusting the Entries:			
Depreciation and amortization	151.38	186.34	212.84
Gain from investment revaluation	0.01	(2.98)	2.87
Gain from divestment	(1.55)	(19.19)	(9.95)
Gain on reclassification of investment	-	(102.06)	-
Loss (gain) from equipment amortization	3.15	6.27	4.76
Gain from sale of premises and equipment	(1.54)	(1.87)	(3.87)
Loss (gain) from depreciation of foreclosed assets	(3.80)	0.04	(20.11)
Loss on impairment of loans receivable from purchase of loans	-	0.67	
Loss (gain) for sale of foreclosed assets	12.26	(232.07)	(52.90)
Bad debts and doubtful debts	158.12	393.81	338.35
Projected employee benefit obligations	3.32	7.95	11.35
Interest income	(4,008.14)	(4,943.55)	(5,802.35)
Other interest income	(1.66)	(3.96)	
Interest expense	368.77	608.44	720.93
Amortization of discount in investment in bonds	-	(1.73)	0.88
Amortization of debt issuance costs	-	-	1.79
Decommissioning cost	-	3.00	0.37
Gain on Purchase Price allocation (PPA)	-	(185.65)	-
Dividend income	-	-	(2.37)
Changes in operating assets and liabilities :			
Hire purchase receivables	(439.74)	(1,492.37)	1,996.63
Loan receivables and personal loan receivables	(5,535.54)	(171.93)	(9,354.83)
Investment in receivables – net	(603.99)	(3,372.11)	339.71
Loans to customer and accrued interest receivable	-	301.99	341.86
Other receivables	(90.31)	34.66	(253.63)
Net foreclosed assets	(574.59)	557.22	(249.86)
Other current assets	(1.26)	(16.66)	(64.72)
Other non-current assets	(34.74)	11.91	(42.70)
Deposits	-	2,903.14	1,206.20
Short-term loans to financial institutions		100.00	750.00
Debt securities issued		(0.41)	-



Statement of Cash flows (Unit : Million Baht)	Audited Financial Statement		
	2016	2017	2018
Other Payables	160.98	27.54	153.32
Other current liabilities	6.89	(16.79)	58.43
Other non-current liabilities	-	-	(22.31)
Employee benefit obligations	-	(4.67)	(0.77)
Cash received (used) from operating activities	(7,918.68)	(2,094.37)	(5,964.20)
Interest income	3,957.73	4,899.76	5,775.98
Interest expense	(356.16)	(573.97)	(690.70)
Tax expense	(415.83)	(833.50)	(599.73)
Net cash received (used) in operating activities	(4,732.93)	1,404.13	(1,478.66)
Cash flows from investment activities			
Cash paid for temporary investment	(0.50)	0.00	0.00
Cash received from sales of trading securities	-	8,900.00	6,705.19
Cash paid for securities for trading	(297.32)	(10,900.00)	(4,900.00)
Cash paid for purchase of available-for-sale investments	157.71	2,111.14	145.98
Cash paid for purchase of investments in subsidiaries	-	(359.19)	(521.36)
Cash received from sale of equipment	15.57	19.58	7.86
Cash paid for purchase of premises, property and equipment	(202.58)	(223.14)	(342.81)
Cash paid for purchase of intangible assets	(4.01)	(4.13)	(8.58)
Cash received from other interest income	1.54	-	-
Cash received from dividend	-	-	2.37
Net cash received (used) from investment activities	(645.00)	(455.76)	1,088.64
Cash flows from financing activities			
Increase in short-term loans from financial institutions	11,467.64	9,861.24	7,850.00
Decrease in short-term loans from financial institutions	(6,827.69)	(13,211.24)	(6,100.00)
Cash paid for short term borrowings from financial institutions for purchase of loans	(387.04)	-	(447.61)
Cash received from issuance of senior unsecured bonds	1,340.00	5,225.00	3,184.59
Cash paid for issuance of senior unsecured debentures	(200.00)	(2,200.00)	(2,812.30)
Repayment of hire purchase loans	(15.34)	(24.55)	(30.07)
Cash received from long-term borrowings from financial institutions	2,000.00	1,900.00	1,460.00
Cash paid for long-term borrowings from financial institutions	(798.61)	(881.94)	(2,133.61)
Cash paid for long-term borrowings from financial institutions for purchases of loans	(822.67)	(472.00)	-
Cash received from exercise warrant	-	3.01	-



Statement of Cash flows (Unit : Million Baht)	Audited Financial Statement		
	2016	2017	2018
Cash received for non-controlling interests from increase in investments in subsidiaries		1.13	-
Cash received from sale of investment	5.00	-	-
Dividend payment	(3.06)	(9.05)	(21.63)
Net cash received (used) from financing activities	5,758.23	191.60	948.37
Increase (decrease) in cash and cash equivalent – net	380.30	1,133.76	558.35
Exchange (loss) gains on cash and cash equivalent	0.00	6.21	(1.93)
Beginning cash and cash equivalent	332.80	713.10	1,853.07
Ending cash and cash equivalent	713.10	1,853.07	2,409.50



13.2 Financial Ratios

Important Financial Ratios		2016	2017	2018
Profitability Ratio				
Interest Income Ratio (%) ^{/1}	%	28.33	25.21	22.87
Interest Expense Ratio (%) ^{/2}	%	3.22	3.53	3.19
Net Interest Margin (%)	%	25.11	21.68	19.68
Net Profit Margin (%)	%	37.65	38.80	38.08
Return on Equity (%)	%	34.55	30.12	24.20
Efficiency Ratio				
Return on Assets (%)	%	11.20	9.76	8.27
Total Asset Turnover (times)	times	0.30	0.25	0.22
Financial Ratio				
Debt to Equity Ratio (times)	times	2.24	1.99	1.88
Interest bearing debts to equity ratio	times	2.13	1.89	1.77
Net debt to EBITDA ratio	times	4.57	4.67	4.65
Interest coverage ratio : ICR ^{/3}	times	-11.12	4.90	-1.42
Debt service coverage ratio : DSCR ^{/4}	times	0.36	0.36	0.30
Deposits to interest bearing debts ratio	times	-	0.29	0.30
Short term interest bearing debts to interest bearing debts ratio	times	0.59	0.55	0.65
Loans from financial institutions to total debts	times	0.58	0.29	0.28
B/E size to interest bearing debt ratio	times	0.22	0.03	0.03
Current ratio	times	1.59	1.92	1.67
Total Loans to Total Borrowing (times)	times	1.33	1.10	1.38
Dividend Payout Ratio(%) ^{/8}	%	2.42	4.67	39.72

Note ^{/1} Interest income ratio means interest and fee income/ average hire purchase receivables and loan receivables

^{/2} Interest expense ratio means funding cost/loans from financial institutions plus loans from related parties

^{/3} Interest coverage ratio means earnings before interest, tax expense/ interest expense

^{/4} Debt service coverage ratio means earnings before interest, tax expense, depreciation and amortization (EBITDA)/ current portion of long term debt (CPLTD) and interest expense

^{/5} Dividend payout ratio is calculated from the net profit as shown in the separated financial statement.



14. Analysis and Management Discussion

14.1 Discussion and Analysis of Financial position and Operational Performance

14.1.1 Overview of the past operational performance

During the early stage, SAWAD Group was engaged in loans collateralized by vehicle registration documents, both with actual ownership transfer and floating transfer, ("auto title loan"), including home-backed loans. Since its first operation, the Company continued to expand its branch office network as well as customer base to cover all regions across the country. Seeing risk and competition for hire purchase loans for new motorcycles (hire purchase loans), the Company had freeze this business and non-secured personal loan ("personal loan") in May 2015 the Company began to launch nano finance. The services include two types of legal transactions, i.e., i) hire purchase contracts for loans with transfer of vehicle registration documents and ii) loan agreements for auto-backed loans with floating transfer of vehicle registration documents, personal loans and nano finance loans.

In addition, SAWAD group operate debt collection service and mange non-performing loans. The group operates debt collection service under group's network and experience, which including by telephone call collection and collateral confiscation. In addition, SAWAD expanded our financial service advisory and agricultural credit sales to neighboring country. At present, for preparation to be financial group, the Group had to suspense credit sales business.

The core revenue is generated by interest income from hire purchase contracts and loan agreements. The Company realizes interest income on the installment basis, with the income amount being calculated by the exact interest approach. For auto-backed loans including home-backed loans, for which loan repayment is based on a monthly installment basis, the revenue realization is discontinued when customers default on loan repayment longer than 120 consecutive days or four installment periods, starting from the specified due date or when it is clearly indicated that the customers are unable to repay loans. Similar to the loans with quarterly installment basis, the revenue realization is discontinued when the customers default on loan repayment longer than 120 consecutive days. As for loans which serviced by Srisawad Finance, personal loans and nano finance loans, the Company stops realizing revenue when customers default on loan repayment longer than 90 days or three monthly installment periods onwards. During 2016-18, SAWAD's revenue increased from Baht 5,335.35 million to Baht 7,881.33 million, equivalent to a CAGR of 21.54 percent on the back of the expansion of branch office network from 2,130 branches in 2016 to 2,490 branches in 2017 and 2,870 branches as of the end of 2018. As a result, the Group's loan portfolio grew by 29.80 percent per annum from Baht 17,469.23 million in 2016 to Baht 22,148.95 million in 2017 and to Baht 29,433 million in 2018.



In 2017, the Company had acquired 36.35% of paid-up capital of Srisawad Finance Plc. (former Bangkok First Investment & Trust Plc.), that made gain on reclassification on investments amounted Baht 102.06 million, and also gain from business acquisition amounted Baht 186 million which compared acquisition price with fair value. In 2018, the Company had additional acquired Srisawad Finance shares that made the Company held 45.34% of registered capital of Srisawad Finance.

The before-tax earnings increased from Baht 2,510.66 million in 2016 to Baht 3,330.63 million in 2017 and Baht 3,725.87 million in 2018, translating to a CAGR of 21.82 percent. The strong earnings can be attributable to the Company's ability to expand its loan growth, cost control and smaller bad debts. Meanwhile, the net profit rose from Baht 2,008.69 million in 2016 to Baht 2,715.15 million in 2017, and to Baht 3,000.89 in 2018, implying a CAGR of 22.23 percent.

14.1.2 Analysis of Operational Performance

1) Revenue

Core revenue

Revenue	Audited financial statement					
	2016		2017		2018	
	million	percentage	Million	percentage	million	percentage
Interest income from hire purchase contracts	747.53	14.01	1,278.90	18.27	954.36	12.11
Interest income from loans	3,260.61	61.11	3,664.65	52.36	4,842.15	61.44
Other revenue	1,327.21	24.88	2,055.14	29.36	2,084.81	26.45
Total revenue	5,335.35	100.00	6,998.69	100.00	7,881.32	100.00

During 2016 and 2018, the Company's core revenue came from interest income, including interests from auto loans backed by the floating transfer of collaterals, including all kinds of vehicles as well as home and land deeds. This income accounted for around 52-61 percent of the Company's total revenue. Meanwhile, the revenue from interests from auto-backed loans with ownership transfer of vehicle registration documents and hire purchase contracts accounted for about 12-18 percent of the total revenue. Other revenue included fee income, finance charges and revenue from sales of fixed assets and foreclosed assets, accounting for 24-29 percent of the total revenue.

The Company realizes interest income based on the installment basis, with the income amount being calculated by the exact interest approach. For auto title loans including home-backed loans, for which the loan repayment is based on the monthly installment basis, the revenue realization is discontinued when customers default on loan repayment longer than 120 consecutive days or four installment periods, starting from the specified due date, or when it is clearly indicated that the customers are unable to repay loans. Similar to the loans with quarterly installment basis, the revenue realization is discontinued when the customers default on loan repayment longer than consecutive 120 days. As for loans serviced by Srisawad Finance, personal loans and



nano finance loans, the Company stops realizing revenue when customers default on loan repayment longer than 90 days or three monthly installment periods onwards.

(Unit: Million)	2016	2017	2018	CAGR (2016-2017) %
Hire purchase and loan receivables	17,469.23	22,148.95	29,433.00	29.80
Revenue from hire purchasing and lending	4,008.14	4,943.55	5,796.51	20.26

The Group's total interest income growth achieved a CAGR of 20.26 percent in 2016 -2018. The growth drivers included growth in receivables portfolio, following the expansion of the branch office network that expanded at an average of 29.80 percent per annum. Approximately 40 percent of such receivables portfolios were loans collateralized by four-wheel vehicles, followed by loans secured by home and land deeds, commercial cars and motorcycles. The loans contained interest rates of around 22.87-28.33 percent per annum. FM offered personal loans and nano finance loans, under control by Bank of Thailand which this business segment could add a total of Baht 3,247.47million to the Company's total loan portfolio.

The total interest income grew from Baht 4,008.14 million in 2016 to Baht 4,943.55 million in 2017, equivalent to a growth rate of 23.34 percent. The growth was driven by the Company's aggressive expansion to add its branch network from 2,130 branches in 2016 to 2,490 branches in 2017. With the enlarged branch office network, the Company managed to serve a wider customer base, covering larger service areas and expanding the loan portfolio from Baht 17,469.23 million in 2016 to Baht 22,148.95 million in 2017. Meanwhile, the number of contracts also increased from 412,437 contracts to 553,519 contracts. As a consequence, the interest income from hire purchase contracts rose by 71.08 percent and the interest income from loans surged by 12.39 percent.

In 2018, the interest income grew by 17.25 percent to Baht 5,796.51 million from the level seen in 2017. The growth was underpinned by the rolling out of 380 new branches to make a total of 2,870 branches, with the number of contracts rising by 476,303 contracts to 1,029,822 contracts. As a result, the portfolios of hire purchase receivables, loan receivables, and personal loan receivables increased significantly.

Other Revenue

Other revenue by types	Audited financial statement					
	2016		2017		2018	
	million	percentage	million	percentage	million	percentage
Fee income	610.07	45.97	705.71	34.34	902.04	43.32
Penalty fee income	353.21	26.61	421.17	20.49	602.51	28.93



Collection fee income	264.74	19.95	284.66	13.85	247.63	11.89
Interest income from banks/related businesses	1.66	0.13	3.96	0.19	5.84	0.28
Bad debt recoveries	48.59	3.66	39.22	1.91	88.45	4.25
Sales revenue	6.37	0.48	9.01	0.44	-	-
Gain (loss) from sale of foreclosed assets	-	-	232.07	11.29	52.90	2.54
Revenue from services	1.80	0.14	3.96	0.19	0.99	0.05
Gain on reclassification on investments	-	-	102.06	4.07	-	-
Others	40.77	3.07	253.33	12.33	182.08	8.74
Total other revenue	1,327.21	100.00	2,055.14	100.00	2,082.44	100.00

The growth in other revenue had a core relation with the growth in core revenue. In 2016, the other revenue increased from Baht 1,327.21 million to Baht 2,084.81 million in 2018, implying a CAGR of 25.33 percent. The figure also rose, driven mainly by the increase in higher contributions from the increases in number of contracts and/or loan values, including the loan application fee, the penalty fee income for late repayment at MRR+10% per annum of the outstanding balance, (MRR is Minimum Retail Rate of Krungthai Bank Public Company Limited) and the collection fee income at around Baht 200-3,000 per one collection case, depending on types of collaterals. These revenue items accounted for approximately 68-93 percent of total other revenue. Meanwhile, SAWAD Group saw other revenue, i.e. the service income, sale revenue in the year 2016, were results from the Company's new businesses and included collection fee and gain on selling foreclose assets, however from 2018 the Company had suspense these business in order to transform to financial group. In 2017, there was gain on reclassification on investments amounted Baht 102.06 million, from acquisition of Srisawad Finance Plc. (prior Bangkok First Investment & Trust Plc.) up to 36.35% from 9.84%.

2) Operating Expenses

Operating Expenses	Audited financial statement					
	2016		2017		2018	
	Million	percentage	Million	percentage	Million	percentage
	Baht		Baht		Baht	
Service expenses	174.32	7.10	191.01	6.24	179.45	5.22
Administration expense	2,123.48	86.46	2,474.80	80.89	2,866.73	83.47
Bad debts and doubtful debts	158.12	6.44	393.81	12.87	388.35	11.31
Total expenses	2,455.92	100.00	3,059.62	100.00	3,434.53	100.00
<i>Percentage to total revenue</i>		<i>46.03</i>		<i>43.72</i>		<i>43.58</i>

The operating expenses consisted of service expenses, administration expenses, and bad debts and doubtful debts. The service expenses include expenses related to the marketing equipment, e.g., branches' signs, promotional expenses, advertising expenses etc. The Company's service expenses continued to increase during 2016- 2018 in line with the expansions of branch office network as well as growing receivable portfolios. Meanwhile, the administration expenses included personnel expenses, rental expenses, management fees, and etc.



In 2016 – 2018 the Group booked operating expenses amounting to approximately Baht 2,456 – 3,435 million. The uptrend was caused mainly by the continued increase in operating expenses in line with larger branch office network. Meanwhile, the Company managed to control its cost as well as systematically offering loans. In addition, the Company also managed loans and collect debts more effectively. Given these favorable factors, the service expenses, the management fees and bad debt expenses continued to grow at slower paces than revenue growth.

Administration Expenses

Administration Expenses	2016		2017		2018	
	Million	percentage	Million	percentage	Million	percentage
Advisory fee and professional fee	18.31	0.82	30.53	1.23	29.31	1.02
Expenses	1,141.85	53.77	1,312.69	53.04	1,531.46	53.42
Rental Expenses	315.13	14.84	372.92	15.07	424.35	14.80
Depreciation and amortization expenses	151.38	7.13	186.34	7.53	213.58	7.45
Utilities expenses	92.47	4.36	109.14	4.41	125.87	4.39
Fuel expenses	38.02	1.79	42.01	1.70	41.83	1.46
Specific business tax	132.40	6.24	153.63	6.21	199.16	6.95
Loss from sale of foreclosed assets	8.46	0.40	0.04	0.00	8.89	0.31
Foreclosing expenses	18.39	0.87	15.36	0.62	12.13	0.42
Costs of goods sold	6.27	0.29	-	-	-	-
Others	200.78	9.46	252.14	10.19	280.16	9.77
Total administration expenses	2,123.48	100.00	2,474.80	100.00	2,866.73	100.00
<i>Percentage vs. total revenue</i>		39.80		35.36		36.37

The administration expenses included personnel expenses, i.e., employees' salaries, advisory fees and professional fee, e.g., auto fees, legal advisory fees, financial advisory fee, and etc. These expenses accounted for 53-55 percent of the total administration expenses. Other expenses included rental expenses for offices and branches, depreciation and amortization expenses, utilities expenses, fuel expenses and management fees, accounting for 28 -29 percent of the total administration expenses. The remaining expenses included other management expenses including specific business tax, loss from sale of foreclosed assets and other items, e.g., bank fees, transportation expenses, postal service fees, training expenses, meeting allowance, and etc.

In 2016 – 2018, the Group booked total administration expenses at approximately Baht 2,124 – 2,867 millions. The expenses continued on an uptrend owing mainly to higher personnel expenses and rental expenses in line with the business expansion, adding the number of branch offices from 2,130 branches as of the end of 2016 to 2,490 branches at the end of 2017 and 2,870 branches as of end 2018. The increase in number of employees helped to support the business expansion. The number rose from 5,590 employees in 2016 to 6,140 employees in 2017 and 7,016 employees in 2018. Moreover, the Group also saw other expenses increase. For example,



the specific tax rose in line with the interests from loan agreements. The loss from sale of foreclosed assets has been trending downward because of the better manage in foreclosed asset.

Regarding the total administration expenses to revenue ratio, the ratio did not change much in the past three years, staying at around 35-40 percent. The year-on-year ratio are almost at the same ratio that the group maintain to control the expense at this ratio. Regarding the administration expenses mainly causes from the expansion of office branch network in order to rose the group's revenue.

Cost of funding

The cost of funding is the interest expense arising from short-term loans taken out from financial institutions, bills of exchanges, payables from the related party, short-term loans from the related party, liabilities under financial leases and hire purchase contracts, debentures and long-term loans. The major objective for borrowing is to take short-term loans to fund the Group's financing services, with interest rate of around MLR-1.5% or MOR-1.75%. Further details can be obtained from the issue on interest bearing debts

3) Profitability

	Audited financial statement					
	2016		2017		2018	
	Million	percentage	Million	percentage	Million	percentage
Interest income	4,008.14	75.12	4,943.55	70.63	5,796.51	73.55
Financial cost	(368.77)	(6.91)	(608.44)	(8.69)	(720.93)	(9.15)
Net interest margin	3,639.37	68.21	4,335.11	61.94	5,075.58	64.40
Other revenue	1,327.21	24.88	2,055.14	29.36	2,084.81	26.45
Operating expenses	(2,455.92)	(46.03)	(3,059.62)	(43.72)	(3,434.52)	(43.58)
Operating profit	2,510.66	47.06	3,330.63	47.59	3,725.87	47.27
Net profit	2,008.69	37.65	2,715.15	38.80	3,000.89	38.08
No. of diluted shares		1,045		1,087		1,148
(million)						
Diluted earnings per share		1.84		2.45		2.41
(Baht)						

Note 1) Percentage means percentage vs. total revenue

Operating profit

In 2016 – 2018, the Company's profitability held up well and continued to increase, evidenced by the operating profit and the operating profit to total revenue that continued to increase significantly. The operating profit improved from Baht 2,510.66 million in 2016 to Baht 3,330.63 million and Baht 3,725.87 million in 2017 and 2018, respectively, equivalent to a CAGR of 21.82 percent. Meanwhile, the operating profit margin to total revenue rose respectively. The improvement in operating profit was a result of the significant increases in interest income from hire purchase contracts and lending services following the huge expansion in receivable portfolios. As a result, the Company also booked higher fee income and penalty fee for late payment



accordingly. In addition, the Company managed to better control expenses, with bad debt and doubtful debt expenses falling due to better loan management.

Net profit

The net profit and net profit margin accounted approximately 37.65-38.80 percent during 2016 – 2018. The net profit rose from Baht 2,008.69 million in 2016 to Baht 2,715.15 million, and Baht 3,000.89 million in 2017 and 2018, respectively, implying a CAGR of 22.23 percent. The net profit margin reflected that its operating expenses to revenue decline continuously. The corporate income tax rate is still at the same rate of 20%.

Profitability ratio

Ratio (%)	2016	2017	2018
Interest income ^{/1} vs. average loans	28.33	25.21	22.87
Interest expense vs. average loans	3.22	3.53	3.19
Net interest margin	25.11	21.68	19.68
Net profit margin to total revenue	37.65	38.80	38.08

Note ^{/1} Interest income and fee

In 2016, SAWAD Group continued to see its profitability improve, with wider net interest margins at around 25 percent. The interest income and fee income ratio stood at around 28 percent. However the Company's interest expense slightly dropped as a result of repayment the loans from financial institutions which higher interest expenses. The Company made borrowing from bills of exchange, debentures and funding from stock market that contained lower cost than banks' loans. Thus, the interest expense rate dropped to 3.22 percent.

In 2017-2018, SAWAD group had adjusted interest rate in line with market situations, that made net interest margin dropped to 21.68 and 19.68 respectively. However SAWAD group also seek for lower sources of funding such as public deposits that made the interest expense rate dropped to 3.19 percent in 2018.

However, in terms of the Group's profitability, the net profit margin accounted approximately 37.65-38.80 percent in 2016- 2018. The key drivers included a continued increase in revenue as well as better cost control, resulting in declines in service expenses, bad debt expenses and tax expenses.

Dividend and Dividend Payment Policy

(Unit: million baht)	2016	2017	2018
Dividend payment	47.05	68.50	134.93
After-tax net profit (Separated financial statement) ^{/1}	1,947.41	1,467.78	339.68
<i>Dividend Payout (%)</i>	2.42	4.67	39.72
After-tax net profit (Consolidated financial statement) ^{/1}	2,008.69	2,715.15	3,000.89
<i>Dividend Payout (%)</i>	2.34	2.52	4.50

Note ^{/1} Data from the audited financial statement



The Company paid stock and cash dividend worth Baht 68.50 million from performance of 2016 to shareholders in May 2018.

The Company announced to pay stock and cash dividend worth Baht 134.93 million from performance of 2018 to shareholders in May 2019.

The Company and its subsidiaries have a dividend payout policy at not less than 40 percent of the net profit after tax according to the Company financial statements and after legal reserves. The dividend payment may be changed, depending on the Company's needs of cash

12.1.3 Analysis of Financial Position

1) Assets

From the end of 2016 to 2018, the Company's core assets consisted of hire purchase receivables, loan receivables and personal loan receivables, accounting for approximately 64 – 77 percent of the total assets. These were followed by investment in receivables, other assets including premises and foreclosed asset. The Company's total assets continued to increase from Baht 22,237 million as of the end of 2016 to Baht 39,217 million at the end of 2018. The increase was attributable mainly to the expansions of loan portfolios, which will be discussed under the item hire purchase receivables, loan receivables and personal loan receivables. And in 2017, the Company's assets also included loans to customers, which increased from acquisition of Srisawad Finance Plc.

Hire purchase receivables, Loan receivables and Personal Loan receivables

The purchase receivables, loan receivables and personal loan receivables existed from the Company's four financing services, namely auto title loans and home-backed loans, hire purchase loans for new motorcycles, non-secured personal loans and nano finance loans.

The net receivables were calculated by the amount of loans under contracts, deduced by the interests not yet booked as income and allowance for doubtful accounts. The structure of net receivable classified by types of contracts is as follows:

Receivables from lending services	Audited financial statement					
	31 December 2016		31 December 2017		31 December 2018	
	Million Baht	percentage	Million Baht	percentage	Million Baht	Percentage
Hire purchase receivables- net	3,223	18.87	4,671	21.61	2,661	9.24
Loan and Personal Loan Receivables - net	13,857	81.13	16,940	78.38	26,148	90.76
Total receivables - net	17,080	100.00	21,611	100.00	28,809	100.00
Total assets	22,237		33,377		39,217	



In 2016 to the end of 2018, the Company saw net loan receivables continue to increase. The increase was due largely to the continued expansion of branch office network from 2,130 branches in 2016 to 2,870 branches as of the end of 2018. As a result, the Company's loan portfolio continued to grow steadily.

From 2016 to the end of 2018, the net loan receivables expanded by 30 percent per annum, from Baht 17,080 million as of the end of 2016 to Baht 28,809 million as of the end of 2018. The increase was made possible by the growing number of loan agreements from 412,437 agreements with a total debt value of Baht 17,080 million to 1,029,822 contracts with a total debt value of Baht 28,809 million, representing average loan amount of Baht 28,000 per contract.

Receivables structure classified by collaterals

Receivables classified by collaterals	Audited financial statement					
	31 December 2016		31 December 2017		31 December 2018	
	Million	%	Million	%	Million	%
Motorcycles	3,008	17.22	3,665	16.54	2,367	8.04
Commercial cars	1,864	10.67	2,041	9.22	2,033	6.91
Vehicles used for agricultural purposes	397	2.23	694	3.13	441	1.50
House and condo deeds	4,354	24.92	6,489	29.30	10,994	37.35
Four-wheel cars	7,670	43.90	8,670	39.14	10,350	35.16
Personal loans	1	0.00	0	0.00	0	0.00
Nano finance loans	165	0.95	589	2.66	3,247	11.03
New motorcycles	10	0.06	1	0.01	0	0.00
Total hire purchase and loan receivables	17,469	100.00	22,149	100.00	29,433	100.00
<u>Deducted by</u> income with unspecified receiver	-	-	-	-	-	-
Allowance for doubtful accounts	(389)	(2.23)	(538)	(2.43)	(624)	(2.12)
Hire purchase and loan receivables – net	17,080	97.77	21,611	97.57	28,809	97.88

The table above suggests that most receivables at approximately 37.35 percent were those with loans collateralized by deed of land home and condo, the total debt value as of end of 2018 amounted to Baht 10,994 million. The second largest portion of receivables was those with loans secured by four-wheel cars, especially pick-up trucks at 35.16 percent. Meanwhile, the receivables from nano finance loans stood at 11.03 percent, the receivables with loans backed by motorcycles stood at 8.04 percent, while those with commercial cars as collaterals accounted for 6.91 percent of the total debt value.

By contracts, the number of nano finance loan agreements totaled 430,628 contracts as of the end of 2018, accounting for 42 percent of the total contracts, followed by the contracts collateralized by motorcycles at 411,031 contracts accounting for 40 percent of the total contracts.



Quality of Receivables

SAWAD Group sets aside allowance for doubtful accounts according to the duration of outstanding balance deducted by interests not yet booked as income and the collateral. The collateral is equivalent to 0-75 percent of the outstanding financial lease receivables deducted by interests not yet booked as income. The Company takes into account the possibility to receive the repayment from the receivables and the sale of collaterals. The criteria for setting aside allowance for doubtful accounts are as follows:

Overdue Duration	Hire purchase contracts and loans collateralized by motorcycles		Hire purchase contracts and loans collateralized by other items		Personal loans
	Percentage of allowance for doubtful accounts	Value of collaterals (%)	Percentage of allowance for doubtful accounts	Value of collaterals (%)	Percentage of allowance for doubtful accounts
Not overdue	1	75	1	75	1
Overdue up to 1 month	2	75	2	75	1
Overdue 1 to 3 months	2	55-65	2	55-65	2
Overdue 3 to 6 months	100	0	20	25-45	100
Overdue 6 to 12 months	100	0	100	15	100
Overdue longer than 12 months	100	0	100	0	100

Note Allowance for doubtful accounts= Percentage of allowance for doubtful accounts X (outstanding finance lease receivables-interests not yet booked as income- the value of collaterals as calculated in the above table).

The analysis details of hire purchase receivables and loan receivables are as follows:

Balance due	31 December 2016		31 December 2017		31 December 2019	
	Million Baht	percentage	Million Baht	percentage	Million Baht	percentage
Hire purchase receivables – the balance due not exceeding 1 year	2,473.17	58.13	3,726.42	62.69	2,160.25	63.61
<u>deducted by</u> the interests not yet booked as income	(585.55)	(13.76)	(784.76)	(13.20)	(453.29)	(13.35)
Total hire purchase receivables	1,887.62	44.37	2,941.66	49.49	1,706.96	50.26
Allowance for doubtful accounts	(137.47)	(3.23)	(111.56)	(1.88)	(78.95)	(2.32)
Hire purchase receivables – the balance due not exceeding 1 year – net	1,750.15	41.14	2,830.10	47.61	1,628.00	47.94
Hire purchase receivables – the balance due 1 – 5 years	1,751.30	41.16	2,217.63	37.31	1,235.93	36.39
<u>deducted by</u> the interests not yet booked as income	(286.80)	(6.74)	(352.07)	(5.92)	(188.92)	(5.56)
Total hire purchase receivables	1,494.50	35.13	1,865.56	31.39	1,047.01	30.83
<u>deducted by</u> allowance for doubtful accounts	(21.94)	(0.52)	(24.14)	(0.41)	(13.72)	(0.40)
Hire purchase receivables – the balance due 1 – 5 years – net	1,472.56	34.61	1,841.42	30.98	1,033.28	30.42



Balance due	31 December 2016		31 December 2017		31 December 2019	
	Million Baht	percentage	Million Baht	percentage	Million Baht	percentage
Total hire purchase receivables	4,254.47	100.00	5,944.05	100.00	3,396.18	100.00
<u>deducted by</u> the interests not yet booked as income	(872.35)	(20.50)	(1,136.84)	(19.13)	(642.22)	(18.91)
Total hire purchase receivables	3,382.12	79.50	4,807.22	80.87	2,753.96	81.09
<u>deducted by</u> allowance for doubtful accounts	(159.41)	(3.75)	(135.70)	(2.28)	(92.68)	(2.73)
Total hire purchase receivables – net	3,222.71	75.75	4,671.52	78.59	2,661.28	78.36

According to the hire purchase receivables classified by the durations of balance due, 58-63 percent of the receivables saw the balance due of up to one year because the Company provided hire purchase services for used cars and new motorcycles, with the hire purchase durations ranging from 12 to 36 months or one to three years.

Hire Purchase Receivables	31 December 2016		31 December 2017		31 December 2018	
	Million Baht	percentage	Million Baht	percentage	Million	percentage
Not overdue or overdue up to 1 month	2,026.95	59.93	2,754.41	57.30	1,495.11	54.29
Overdue 1-3 months	1,050.75	31.07	1,672.39	34.70	1,027.06	37.29
Overdue 3-6 months	171.35	5.07	291.11	6.06	144.67	5.25
Overdue 6-12 months	53.43	1.58	44.77	0.93	53.88	1.96
Overdue more than 12 months	79.63	2.35	44.54	0.93	33.24	1.21
Total	3,382.12	100.00	4,807.22	100.00	2,753.96	100.00
<u>deducted by</u> allowance for doubtful accounts	(159.41)	(4.71)	(135.70)	(2.82)	(92.68)	(3.37)
Hire Purchase Receivables - net	3,222.71	95.29	4,671.52	97.18	2,661.28	96.63

According to hire purchase receivables classified by the durations of overdue balance, most receivables were of high quality; in other words, they did not leave the balance overdue or the overdue outstanding balances lasted not more than one month; this accounted for 54 – 60 percent of the total receivables. Meanwhile, the overdue outstanding balance of one to three months accounted for 31-37 percent of the total hire purchase receivables. In regard to the adequacy of the allowances for doubtful accounts, at the end of 2016, the Company set aside the allowances for doubtful accounts amounting to Baht 159.41 million, accounting for 4.71 percent of total hire purchase receivables. At the end of 2017 the Company set aside the allowances for doubtful accounts amounting to Baht 135.70 million declining to 2.82 percent of total hire purchase receivables that shown the better quality of account receivables. At the end of 2018, the Company set aside the allowances for doubtful accounts amounting Baht 92.68 million, accounting for 3.37 percent of total hire purchase receivables which slightly difference from the prior years.

Amount due – Loan receivables	31 December 2016		31 December 2017		31 December 2018	
	Million Baht	percentage	Million Baht	percentage	Million Baht	percentage
Loan receivables – due not more than 1 year	13,190.47	79.83	16,601.48	84.26	25,026.61	81.63
<u>Deducted by</u> interests not yet booked as income	(1,883.35)	(11.40)	(1,893.10)	(9.61)	(3,067.41)	(10.01)
Total loan receivables	11,307.12	68.43	14,708.37	74.65	21,959.20	71.62



Amount due – Loan receivables	31 December 2016		31 December 2017		31 December 2018	
<u>Deducted</u> by allowance for doubtful debts	(212.49)	(1.29)	(339.24)	(1.72)	(497.78)	(1.62)
Loan receivables overdue not more than 1 year - net	11,094.63	67.15	14,369.13	72.93	21,461.42	70.00
Loan receivables overdue 1-5 years	3,331.91	20.17	3,103.05	15.74	5,632.09	18.37
<u>deducted by</u> interest not yet booked as income	(551.92)	(3.34)	(468.69)	(2.38)	(912.25)	(2.98)
Total loan receivables	2,779.99	16.83	2,633.36	13.36	4,719.84	15.39
<u>deducted by</u> allowance for doubtful debts	(16.91)	(0.10)	(62.65)	(0.32)	(33.21)	(0.11)
Loan receivables overdue 1 – 5 years – net	2,763.08	16.73	2,570.71	13.05	4,686.63	15.29
Total loan receivables	16,522.39	100.00	19,703.53	100.00	30,658.70	100.00
<u>deducted by</u> allowance for doubtful debts	(2,435.28)	(14.74)	(2,361.79)	(11.99)	(3,979.66)	(12.98)
Total loan receivables	14,087.11	85.26	17,341.74	88.01	26,679.04	87.02
<u>deducted by</u> allowance for doubtful debts	(229.41)	(1.39)	(401.89)	(2.04)	(530.99)	(1.73)
Total loan receivables – net	13,857.70	83.87	16,939.85	85.97	26,148.05	85.29

Regarding the loan receivables classified by the balance due, most receivables were due not more than one year, accounting for 80 percent of the total loan receivables. This was because the largest proportion of the Company's loans were loans collateralized by general cars, motorcycles and house or land deeds; most of which were allowed the repayment periods of not more than 24 months.

Loan receivables	31 December 2016		31 December 2017		31 December 2018	
	Million Baht	percentage	Million Baht	percentage	Million Baht	percentage
Not overdue or overdue not more than 1 month	11,669.45	82.84	13,533.64	78.04	22,133.30	82.96
Overdue 1-3 months	2,087.50	14.82	3,316.01	19.12	3,878.64	14.54
Overdue 3-6 months	187.36	1.33	337.20	1.94	500.75	1.88
Overdue 6-12 months	63.99	0.45	81.15	0.47	110.28	0.41
Overdue more than 12 months	78.81	0.56	73.73	0.43	56.06	0.21
Total	14,087.11	100.00	17,341.74	100.00	26,679.04	100.00
<u>deducted by</u> allowance for doubtful accounts	(229.41)	(1.63)	(401.89)	(2.32)	(530.99)	(1.99)
Loan receivables - net	13,857.70	98.37	16,939.85	97.68	26,148.05	98.01

In regard to loan receivables classified by overdue outstanding balance, most receivables were deemed as high quality, with overdue balance of not more than one month, representing 78-83 percent of the total. Meanwhile, the balance overdue from one to three months accounted for 14-19 percent while those overdue three to twelve months represented only two percent. There was only one percent for receivables overdue more than 12 months. The Company set aside allowance for doubtful accounts according to the aforementioned overdue durations. As of ends of 2018, 2017 and 2016, the Company set aside allowance for doubtful accounts amounting to Baht 530.99 million, 401.89 million and Baht 229.41 million, representing 1.99, 2.32 percent and 1.63 percent of total receivables, which the lower allowances shown the better quality of account receivables.



Loans to Customers and Accrued Interest Receivable

Loans to customers are commercial loans and project loans which the Company provides project loans to fill the need for expansion or new business development. Project loans can be provided as a short-term, medium-term, or long-term loan to match with the necessity and suitability of each project.

Outstanding of loans to customers and accrued interest receivable as at the end of 2018 shown as follows:

Loans to Customers (unit :Million Baht)	31 Dec 2017	31 Dec 2018
Loans to customers	1,678.19	1,133.97
Accrued Interest	1.61	3.62
Loans to customers and accrued interest	1,679.80	1,137.59
Less Allowance for doubtful accounts	(373.09)	(373.29)
Less Allowance for troubled debt restructuring	(1.23)	(0.46)
Loans to customers and Accrued Interest - net	1,305.48	763.85

Quality of Receivable

SAWAD Group had classified loans to customers and accrued interest and provision as at 31 December 2018 according to Bank of Thailand guideline shown as follows:

Loans to Customers	31 Dec 2017		31 Dec 2018		Percentage used for allowance
	Million	%	Million	%	%
Normal	1,416.51	84.33	882.22	77.55	1
Special mention	13.55	0.81	26.75	2.35	2
Sub-standard	27.95	1.66	0.80	0.07	100
Doubtful	-	-	9.28	0.82	100
Doubtful of loss	221.80	13.20	218.54	19.21	100
Total	1,679.80	100.00	1,137.59	100.00	
<u>Less</u> Allowance for doubtful accounts	(374.32)	(22.28)	(387.75)	(32.85)	
Loans to customers and accrued interest - net	1,305.48	77.72	763.85	67.15	

In regard to loan to customer classified by qualification outstanding balance, most receivables were deemed as high quality, with normal quality, representing 78 percent of the total. Meanwhile, the balance amount from special mention accounted for 2.35 percent while those sub-standard amount represented 0.07 percent. There was 19.21 percent for doubtful receivables. The Company set aside allowance for doubtful accounts according



to the aforementioned quality. As of ends of 2018, the Company set aside allowance for doubtful accounts amounting to Baht 373.75 million, representing 32.85 percent of total receivables, which covered the doubtful of loss account receivables.

Loan Receivables from Purchase of Loan

The loan receivables from purchase of loan came from the purchase of non-performing loans from financial institutions. The movement and outstanding of loan receivables from purchase of loan shown as follows:

Loan Receivables from Purchase of Loan (unit: million)	2016	2017	2018
Loan receivables from purchase of loan- beginning	1,264.68	2,311.62	2,311.62
Additions	1,222.62	585.88	1,048.58
Amortization from collection	(175.68)	(155.45)	(601.85)
Loan receivables from purchase of loan - ending	2,311.62	2,742.05	3,188.78
Less Allowance for impairment	(2.62)	(3.29)	(4.41)
Loan receivables from purchase of loan-net	2,309.00	2,738.76	3,184.76

In 2016, the Company purchased distress assets at cost totaled Baht 1,222.62 million, and collection received during the year, amounted Baht 175.68 million, set aside of allowance for impairment amounted Baht 2.62 million that made the end of 2016 the outstanding loan receivables from purchase of loan amounted Baht 2,309.00 million, calculated to 10.38 percent of total assets. In 2017, the Company purchased distress assets at cost totaled Baht 585.88 million, and collection received during the year amounted Baht 155.45 million, and set aside of allowance for impairment amounted Baht 3.29 million that made the end of 2017 the outstanding loan receivables from purchase of loan amounted Baht 2,738.76 million, calculated to 8.21 percent of total assets.

In 2018, the Company purchased distress assets at cost totaled Baht 1,048.58 million, and collection received during the year amounted Baht 601.85 million, and set aside of additional allowance for impairment amounted Baht 4.41 million that made the end of 2018 the outstanding loan receivables from purchase of loan amounted Baht 3,184.76 million, calculated to 8.12 percent of total assets.

Available for Sales Investments

During 2016, the Company has acquired 9.84 percent of paid-up shares of Bangkok First Investment & Trust Public Company Limited valued Baht 157.71 million and at the end of 2016, the fair value of this available for sales investments was Baht 251.98 million. In 2017, the Company had reclassified this investment to investment in subsidiary after increased percentage of shareholding in Bangkok First Investment & Trust Plc.



During 2017-2018, the Company had realized BFIT's investments as at the end of 2017 and 2018, amounted Baht 347.52 million and Baht 198.41 million, respectively.

Premise Renovation Part and equipment - net

The Company rents office buildings for its head office and branch offices. Hence, the firm does not own land and buildings as its own operating assets. The Company owns the renovation parts and office deco items, office supplies, computers, vehicles, and computer programs. Most assets at around 55 percent of the total fixed assets as of the end of 2018 were office deco items amounted Baht 347.30 million, followed by vehicles used for branch offices and management, the office deco items and office supplies including computers that accounted for 17 and 16 percent, respectively. The net value of the offices and equipment totaled approximately Baht 490 million, accounting for 1.47 percent of total assets.

Intangible Assets-net

After the Company acquired Srisawad Finance Plc. (prior Bangkok First Investment & Trust Plc.), the Company engaged the expert to evaluate the identifiable net assets acquired which consisted of loans to customers, intangible assets, other assets and liabilities, and deferred tax liabilities. The fair value of net assets from valuation worth more than purchase value amounted Baht 554.00 million.

Liabilities

As of the ends of 2016 – 2018, the Company's major liabilities consisted of long-term loans, short-term loans from financial institutions, and debentures. The Company's liabilities continued to increase from Baht 15,379 million as of the end of 2016 to Baht 25,589 million as of the end of 2018, representing a CAGR of 28.99% per annum. The main reason behind the increase was the Company's borrowing in order to fund its financing services based on hire purchases, loan agreements and personal loans.

Interest bearing debts

Interest bearing debt structure	Audited financial statement					
	31 December 2016		31 December 2017		31 December 2018	
	Million	percentage	Million	Percentage	Million	percentage
	Baht		Baht		Baht	
Deposits	-	-	6,067.78	28.72	7,273.97	30.18
Debt securities issued			6.00	0.03	6.00	0.02
Short-term loan from financial institutions	2,380.00	16.33	1,700.00	8.05	3,400.00	14.11
Bills of exchanges	3,270.00	22.44	600.00	2.84	650.00	2.70
Liabilities from finance leases	67.77	0.47	70.74	0.33	48.45	0.20
Short term loan for investment in receivables	55.92	0.38	-	-	338.83	1.41
Long-term loan for investment in receivables	156.79	1.08	-	-	-	-



Senior debenture and unsecured bonds	5,540.00	38.02	8,565.00	40.54	8,938.08	37.08
Long-term loan from the related party	400.00	2.74	-	-	-	-
Long term loan from financial institutions	2,701.39	18.54	4,119.44	19.49	3,445.83	14.30
Total interest bearing debts	14,571.87	100.00	21,128.96	100.00	24,101.16	100.00

The Company's interest bearing debts consisted of short-term loans from financial institutions, bills of exchange, payables from the related party and short-term loans from the related party, which the Company borrowed from or had outstanding debt liabilities with CIMB (Thailand) Bank, long-term loans from investment in receivables, debts from finance leases and hire purchase contracts, senior debenture and unsecured bonds and long term loan from financial institutions, deposits and debt securities issued.

The Company's interest bearing debts continued to increase from Baht 14,571.87 million as of the end of 2016 to Baht 24,101.16 million as of the end of 2018, accounting for a CAGR of 28.61 percent. The increase was attributable mainly to the borrowing to support the Group's expansion of its lending business. However, as of the end of 2018, the ratio from senior debenture and unsecured bond had widely increases regarding to reduce short-term borrowings to relate to the installment periods and lower cost of funding.

In 2013 the Company was allowed to sell short-term bills of exchange to institutional investors or high net worth investors, at the total value of Baht 2,000 million. The bills of exchange had life of not exceeding 270 days. The Company then raised the value for the short-term bills of exchange to Baht 3,000 million and raised the value for the short term bills of exchange to Baht 4,000 million in 2016. As of the end of 2018, the sold bills of exchange amounted to Baht 650 million. The Company issued senior, unsecured bond offered to institution investors and high net worth investors amounted Baht 8,951.70 million with interest rate around 3.10-4.15 percent per annum and tenor of bond is around two years to four years. The Company also received long term credit line from financial institution amounted Baht 3,446 million.

After the Company acquired Srisawad Finance Plc. which can raise fund from deposits, that accounting deposits amounted Baht 6,067.78 million at the end of 2017 and amounted 7,273.97 million at the end of 2018.

As of 31 December 2018, the debt to equity ratio and interest bearing debt to equity ratio stood at 1.88 times and 1.77 times, respectively.

Shareholders' equity

	Unit	As of end- 2016	As of end-2017	As of end- 2018
Shareholders' equity	million	6,842.23	9,426.83	11,862.86
Weighted average number of share	Million share	1,045.50	1,087.32	1,147.77
Book value per weighted average share	Baht/share	6.54	8.67	10.33
Number of fully-diluted shares	Million share	1,045.50	1,087.31	1,147.77
Fully-diluted Book Value per share	Baht / share	6.54	8.67	10.33
Return of Equity	%	34.55	30.12	24.20



As of the end of 2016, the Company had shareholders' equity amounting to Baht 6,842.23 million, increasing from Baht 2,076.40 million at the end of 2015 as a result of increasing from net profit from operating. During 2016 the Company paid stock dividend amounted 25.50 million shares at the par value of Baht 1, worth Baht 25.50 million and cash dividend amounted Baht 3.06 million.

At the end of 2017, the Company had shareholders' equity amounting to Baht 9,426.83 million, increasing Baht 2,584.60 million, as a result of increasing from net profit from operating and during the year 2017, the Company paid stock dividend amounted 41.82 million shares at the par value of Baht 1, worth Baht 41.82 million and cash dividend amounted Baht 5.23 million to shareholders. And in 2017, warrant holders had exercised 50,200 units of warrants to 53,513 shares.

As of the end of 2018, the Company had shareholders' equity amounting to Baht 11,862.86 million, increasing Baht 2,436.03 million from the end of 2017 as a result of increasing from net profit from operating. During 2018 the Company paid cash and stock dividend amounted Baht 68.50 million and the Company had increased proportion of holding in Srisawad Finance from 36.35 percent to 45.34 percent that caused discount from changes in the ownership interests in a subsidiary amounted Baht 321.62 million.

2) Liquidity

The objectives for liquidity management were: i) to prepare capital for the Company to be able to run business in compliance with both existing and potential financial obligations; and ii) to seek appropriate marketing opportunities. The Company's financial obligations occurred when the debts were due or when the Company needed funding for working capital purposes.

(Unit: Million Baht)	Audited financial statement		
	2016	2017	2018
Net cash flow received (used) from operating activities	(4,732.93)	1,404.13	(1,478.66)
Net cash flow received (used) from operating activities --adjusted ^{/1}	1,846.33	6,440.54	5,539.83
Net cash flow received (used) from investing activities	(645.00)	(455.76)	1,088.64
Net cash flow received (used) from financing activities	5,758.23	191.60	948.37
Cash and cash equivalent increase (decrease) – net	380.30	1,139.97	558.35

Note: ^{/1} The operating cash flow was adjusted, excluding hire purchase receivables, loan receivables, loans receivable from the purchase of loans

Operating cash flow

In 2016 – 2018 the Company used operating cash flow worth Baht 4,733 million, received cash flow worth Baht 1,404 million, and used operating cash flow worth Baht 1,479 million, respectively. This pattern was quite



normal for the lending business operated by non-financial institutions, which expanded their investment in loan receivables. The Group's loan growth achieved a 30 percent CAGR, raising its loan portfolio from Baht 17,469 million in 2016 to Baht 29,433 million at the end of 2018, as discussed in the item about the hire purchase and loan receivables. In addition, during 2018 the Company received cash flow from deposits amounted Baht 1,206 million.

Excluding the increase in receivables from both hire purchase and lending as well as receivables for related parties, which may have deemed as asset investment, the Company's operating cash flow held up fairly well with annual improvements, from Baht 1,846 million in 2016 to Baht 6,440 million and Baht 5,540 million in 2017 and 2018, respectively.

Operating cash flow from investment

From 2016 to the end of 2018, the Company saw its operating cash flow amount to Baht 456 – 645 million given that the Company increased the asset investment by around Baht 203 million, and Baht 223 million in 2016, and 2017, respectively. The asset investment included investment in the computer systems, office deco items, and vehicles in order to support the Company's business operation and enhance operation.

In 2016, the Company had invested in Bangkok First Investment & Trust Plc. for 9.84% of paid-up capital worth Baht 158 million and in 2017, had additional invested in Bangkok First Investment & Trust Plc. for 26.51 percent of paid-up capital worth Baht 556 million. In 2018, the Company received cash flow from selling trading and available for sale investments amounted Baht 1,088 million, however during 2018, the Company also increased investments in fixed asset and increased the investment in Srisawad Finance amounted Baht 592 million, in this regard, the Company held 45.34 percent of Srisawad Finance's registered capital.

Cash flow from financing activities

From 2016 to 2018, the Company's cash flow from financing activities ranged from Baht 191 - 5,758 million. The major funding source, a part from the operating cash flow, was short-term and long-term loans from financial institutions, bills of exchanges and debentures. In 2017 the Company raised fund from exercise of warrant. The Group increased the borrowing as well as increasing capital in order to fund its expansion of branch office network, enlarging hire purchase loans, auto- backed and home-backed loans and personal loans going forward.

3) Funding Sources

The funding came from loans from financial institutions mainly in forms of overdrafts and promissory notes, short-term and long-term borrowings from financial institutions followed by debentures, deposits and bill of exchange. Over 40 percent of the funding consisted of interest bearing debts with repayment durations of 1-3 years. As of 31 December 2018, the company's interest bearing debts totaled Baht 24,101.16 million. Apart



from this, the funding also came from the equity: as of 31 December 2018 the Company's paid-up capital amounted to Baht 1,147.77 million.

Capital Structure

As of the ends of 2016 and 2017 and 2018, the Company's debt to equity ratios stood at 2.24 times, 1.99 times, and 1.88 times, respectively. The figure continued on a uptrend given that the Company launched capital increase programs to support the growth in lending services and that the Company's retained earnings continued to grow significantly, resulting in gradual increases in shareholders' equity.

The relationship of sources and use of funding

Sources and use of funds classified by the due durations	Audited financial statement					
	2016		2017		2018	
	Million	%	Million	%	Million	%
<u>Sources of funds</u>						
Short-term loans	8,535.29	39.86	11,569.71	37.85	15,660.35	43.16
Long-term loans	6,036.58	28.19	9,559.25	31.27	8,440.81	23.26
Shareholders' equities						
-Paid-up capital	1,045.50	4.88	1,087.37	3.56	1,147.77	3.16
-Retained earnings	4,338.74	20.26	6,878.51	22.52	9,575.76	26.39
- Premiums on common shares	1,421.80	6.64	1,424.76	4.66	1,424.76	3.93
-Premium on shares from share-based payment	36.19	0.17	36.19	0.12	36.19	0.10
Sources of funding- total	21,414.10	100.00	30,555.79	100.00	36,285.64	100.00
<u>Use of funds</u>						
Up to 1 year	12,844.78	66.25	17,750.81	69.19	23,500.96	71.74
1 year onwards	6,544.64	33.75	7,904.80	30.81	9,256.59	28.26
Use of funds- total	19,389.42	100.00	25,655.61	100.00	32,757.55	100.00

In regard to the relation between the sources of funds and use of funds, the two items showed relation at a certain degree. In 2016-2017, the Company still considered the balance of short-term and long-term sources of fund to the used of fund. And there will be some series of debenture will be mature in 2017, this shown short-term borrowing increased from 2016.

In 2018, short-term and long-term portion of borrowings were not different from the year 2017, as a result of the combination of fund related with loans. And there will be some series of debenture will be mature, the Company seek for appropriated sources, term and timing of funding.



As for the liquidity based on the loan to debt ratios, from 2016 to 2018, the Company managed to maintain comfortable levels of loan to debt ratios at around 1.28 – 1.38 times because the Company used most of the loans for lending.

	Audited financial statement		
	2016	2017	2018
Loan to debt ratio (time))	1.33	1.28	1.38

4) Off Balance Sheet Obligations

Potential obligations and liabilities	End-2016	End-2017	End-2018
Within 1 year	232.57	286.50	352.92
From 1 to 5 years	227.60	254.30	338.67
Total	460.17	540.80	691.59

As of 31 December 2016, 31 December 2017 and 31 December 2018, the off balance sheet obligations amounted to Baht 460.17 million, Baht 540.80 million and Baht 691.59 million, respectively. The obligations from the lease for the Group's offices accounted for 6.73 percent, 5.74 percent and 5.83 percent, respectively versus the Company's shareholders' equity.

14.2 Audit Fee

In the fiscal year 2016, the Company paid the audit fee to Pricewaterhousecoopers ABAS Co., Ltd for a total amount of Baht 2,800,000 and for the fiscal year 2017 the audit fee amounted to Baht 5,200,000. The 2018 Annual General Meeting approved the payment of Baht 5,860,000 for the audit fee and the review fee for the interim separated and consolidated financial statements. Apart from such fee, the Company did not have other fees to pay to the auditor or the auditor's company.



Statement of the Board of Directors' Responsibility for Financial Statements

The Board of Directors is responsible for the Company's financial statements including all accuracy, adequate financial information. The financial statements have been prepared in accordance with generally accepted accounting standards applicable in Thailand, which are based on appropriate accounting policies, consistently applied and practiced, prudent judgment and accounting estimates. All material information was sufficiently disclosed in the notes to financial statements and audited and expressed with unqualified by an independent auditor.

The Board of Directors has set up an appropriated internal control system to ensure the accuracy of financial information.

In this regard, The Board of Directors has appointed the Audit Committee which comprised independent directors, to oversee the quality of financial reports and internal control system. The Audit Committee opined that the Company's internal control system are satisfactory and assure the reliability of the Company's financial statements as of December 31, 2018.

Mr. Sukhont Kanjanahuttakij

Chairman

Mr. Chatchai Kaewbootta

Chief Executive Officer



Audit Committee Report

The Company's Board of Directors appointed the Audit Committee. As of 31 December 2018, the Audit Committee consisted of three independent directors, two of whom possess accounting and financial background. All directors did not involve the Company's management. The list of independent directors is as follows:

Mr. Vinai Vittavasgarnvej	Chairman of Audit Committee
Pol.Lt.Gen. Pharnu Kerdlarpphon	Member of Audit Committee
Mr. Weerachai Ngamdeevilaisak	Member of Audit Committee

The members of the Audit Committee carried out their duties under the scope and responsibility as assigned by the Boards of Director. The Committee placed emphasis on working with ethics, transparency, balance of power, and ability to be scrutinized. In addition, the Committee also assessed the adequacy of the internal control system covering various areas, including the organization and environment, the control over performance of the management, the reviews of connected transactions or conflicts of interests, the compliance of the Company's rules and regulations, the information and communication, and the monitoring activities. The Audit Committee opined that the Company's internal control was adequate.

During the year 2018, the Audit Committee convened a total of five meetings, where the Company's management, the authorized auditor, the internal auditor, and independent financial advisor attended, with appropriate agenda being proposed to the Company's Boards of Directors for acknowledgement and further procedure on a quarterly basis. The details of agendas can be summarized below.

1. To review the quarterly financial statement; review and approve the proposal of the annual financial statement to the Company's Board of Directors.
2. To acknowledge and provide opinions in regard to the Audit Committee report
3. To consider the audit results and suggestions from the internal auditor in regard to the operation system and the internal control system; such results and suggestions shall be proposed to the management for improvement or adjustment as appropriate, with the results of the improvement and adjustment being monitored regularly



-
4. To ensure regular evaluations of the internal control system
 5. To consider reasons and comment on connected transactions between the Company, subsidiaries, and related parties. Most of these connected transactions were aimed to support the Company's core business operation which necessary and justified. To consider and ensure the adequate and concise conflict of interest policy.
 6. To select and propose Mrs. Anothai Leekijwatana, the certified public accountant No. 3442 and/or Mr.Paiboon Tankoon, the certified public accountant No. 4298 and/or Ms Sinsiri Thangsombat, the certified public accountant No. 7352 from PricewaterhouseCoopers ABAS Co., Ltd. as the Company's auditor for the fiscal year 2018; to propose the audit fee for the Board of Directors' approval; and to propose the appointment of the Company's auditor as well as the audit fee to the 2019 Annual General Meeting of Shareholders for approval.
 7. To select the P & L Internal Audit Co., Ltd as an internal auditor; and to review and ensure that the internal control plans cover all operation systems.

In 2018 the Audit Committee received full co-operation from all relevant parties. Hence, the Audit Committee would like to express our gratitude for such a good co-operation.

Mr. Vinai Vittavasgarnvej

Chairman of the Audit Committee

**SRISAWAD CORPORATION PUBLIC COMPANY LIMITED
(FORMERLY NAMED
“SRISAWAD POWER 1979 PUBLIC COMPANY LIMITED”)**

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2018

Independent Auditor's Report

To the Shareholders and the Board of Directors of Srisawad Corporation Public Company Limited
(Formerly named "Srisawad Power 1979 Public Company Limited")

My opinion

In my opinion, the consolidated financial statements of Srisawad Corporation Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p>Allowance for doubtful accounts of hire-purchase receivables, loans receivables, and personal loans receivables</p> <p>Refer to Note 10 to the financial statements for 'hire-purchase receivables' and Note 11 to the financial statements for 'loans receivables and personal loans receivables'.</p> <p>Hire-purchase receivables contributed 7% of the Group's total assets, while loans and personal loans receivables contributed 67% of the Group's total assets. The hire-purchase receivables, loans receivables, and personal loans receivables consist of retail customers with small loan values. The Group monitors the repayment of these receivables and classifies them based on aging into portfolios. The same approach is applied to assess the allowance for doubtful accounts. The Group sets up an allowance for doubtful accounts based on the outstanding receivable aging, after offsetting unearned interest income and the collateral value (if any), using a fixed allowance rate in accordance with the Group's accounting policy.</p> <p>I considered the allowance for doubtful accounts of hire-purchase receivables, loans receivables and personal loans receivables to be a significant matter. This is because management needs to use judgement and subjective assumptions to value the collateral. The Group recognises the allowance for doubtful accounts of hire-purchase receivables, loans receivables, and personal loans receivables consistently in accordance with the Group's accounting policy. The allowance is estimated based on the valuation of collateral, the aging of the receivables, and the type of collateral.</p>	<p>I inquired management to understand the basis it used to determine the allowances for doubtful accounts of hire-purchase receivables, loans receivables, and personal loans receivables. I did a reasonableness test on the basis that the management used, by benchmarking it against the ones used by companies in the same industry and business environment. This was to assess the reasonableness of the allowance for doubtful accounts.</p> <p>I assessed the basis and data used to value the collateral by comparing samples with appraisal reports by independent valuers. If an independent valuers' valuation was not available, I investigated samples of information provided by the Group about the selling price history from the disposal of similar collateral to verify if the valuation of collateral was within an appropriate range.</p> <p>I tested the accuracy of the aging report generated from the IT system with supporting documents, such as hire-purchase contracts, loan and personal loan agreements, invoices and receipts, on a sample basis.</p> <p>I recomputed management's calculation of the allowance for doubtful accounts of hire-purchase receivables, loans receivables, and personal loans receivables. I also checked the accuracy of the data on the accounting records.</p> <p>Overall, the results of my tests were consistent with management's assessment.</p>
<p>Valuation of loans receivable from the purchase of receivables</p> <p>Refer to Note 18 to the financial statements for 'loans receivable from the purchase of receivables'.</p> <p>Loans receivable from the purchase of receivables contributed 8% of the Group's total assets. The Group assesses the valuation of loans receivable from the purchase of receivables annually, in accordance with the accounting policy stated in Note 2.8. This assessment of the estimated amount recoverable from loans receivable from the purchase of receivables is based on the fair value of collateral less costs of disposal or the estimated cash collection as per the approved debt restructuring agreements discounted by the market interest rate.</p> <p>I focussed on this area because the valuation of loans receivable from the purchase of receivables involves significant judgement by management. In this regard, the management would assess the period of debt collection and estimated cash collection in the future based on the fair value of collateral or the estimated cash collection as per the approved debt restructuring agreements in accordance with the accounting policy stated in Note 4.</p>	<p>I inquired management to understand the basis used for the valuation of loans receivable from the purchase of receivables.</p> <p>I assessed the method and data used to estimate the timing of recognition and cash collection. Also, I evaluated the appropriateness of the estimated collection and verified the following inputs with the supporting documentation on a sample basis:</p> <ul style="list-style-type: none"> • Checking the fair value of collateral by referring to the appraisal report by the independent valuer; • Checking the estimated cash collection by referring to the approved restructuring agreements (if any); and • Checking the estimated period of collection by benchmarking these against other companies in the same industry. <p>I recalculated the valuation of the loans receivable from the purchase of receivables based on the discounted present value of estimated future cash collection using the effective interest rate.</p> <p>I tested the market interest rate used in computing the fair value of collateral by benchmarking it against the ones used by other companies in the same industry. The market interest rate used by management was within an acceptable range.</p>

Key audit matter	How my audit addressed the key audit matter
<p><i>Impairment assessment of intangible asset from business combination</i></p> <p>Refer to Note 4 to the financial statements for ‘critical accounting estimates and judgements related to intangible asset from business combination’.</p> <p>The Group has intangible assets from business combination of Baht 554 million as at 31 December 2018, which is the value of finance license. The Group is required to, at least annually, perform the impairment test on the finance license.</p> <p>I focussed on this area due to the size of finance license balance of around 1.4% of total assets. And the annual assessment of recoverable amount from cash flow projection process involves significant management judgement, which is based on assumptions that are affected by expected future market and economic conditions as follows:</p> <ul style="list-style-type: none"> • the growth rate of the loan portfolio • interest cost rate • fee income rate • the discount rate calculated from the cost of equity <p>Based on the annual assessment of impairment, the management concluded there is no impairment of finance license as at 31 December 2018.</p>	<p>Overall, the results of my testing were consistent with management’s assessment.</p> <p>I inquired management to understand the basis and information used by management for assessing the impairment of finance license.</p> <p>I compared current year actual results with the figures included in the forecasts to consider whether any forecasts included the optimistic assumptions that exceeded the actual results.</p> <p>I assessed management’s key assumptions by comparing them to actual performance and checked the accuracy of the current cost of equity, which is used as the discount rate applied to calculate the value of finance license.</p> <p>I evaluated that management’s key assumptions used in assessing the impairment of finance license are appropriate.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company’s financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group and 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 consolidated and separate 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee 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 the audit committee with a statement that I 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

PricewaterhouseCoopers ABAS Ltd.

Boonlert Kamolchanokkul

Certified Public Accountant (Thailand) No. 5339

Bangkok

26 February 2019

Srisawad Corporation Public Company Limited
(Formerly named “Srisawad Power 1979 Public Company Limited”)
Statement of Financial Position
As at 31 December 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Assets					
Current assets					
Cash and cash equivalents	8	2,409,501	1,853,075	378,287	237,841
Short-term investments, net	9	512,174	2,312,464	306,236	1,009,734
Current portion of hire-purchase receivables, net	10	1,628,003	2,830,095	-	-
Current portion of loans receivable and personal loans receivable, net	11	21,461,421	14,369,135	-	-
Current portion of loans to customers and accrued interest receivable, net	12	411,538	551,576	-	-
Current portion of receivable from related party from sales of loans receivable and accrued interest receivable	39 g)	-	-	245,238	2,709,955
Accrued interest receivable from long-term loans to related party	39 i)	-	-	17,082	20,237
Short-term loans to related parties and accrued interest receivable	39 h)	-	-	5,401,823	2,682,322
Short-term loans to financial institutions		600,000	1,350,000	-	-
Other receivables	14	496,218	242,187	16,296	24,355
Properties foreclosed, net	15	658,108	335,237	-	-
Other current assets		76,329	11,610	3,115	2,365
Total current assets		28,253,292	23,855,379	6,368,077	6,686,809
Non-current assets					
Long-term investments, net	16	198,409	347,522	-	-
Investments in subsidiaries	17	-	-	3,921,497	2,949,532
Hire-purchase receivables, net	10	1,033,281	1,841,421	-	-
Loans receivable and personal loans receivable, net	11	4,686,630	2,570,714	-	-
Loans to customers and accrued interest receivable, net	12	352,308	753,909	-	-
Loans receivable from purchase of loans, net	18	3,184,374	2,738,760	-	-
Receivable from related party from sales of loans receivable and accrued interest receivable	39 g)	-	-	2,864,967	6,339,943
Long-term loans to related party	39 i)	-	-	8,000,000	2,500,000
Property, plant and equipment, net	19	629,308	490,597	-	-
Intangible assets, net	20	568,241	563,406	1,030	1,311
Deferred tax assets	21	179,324	125,903	1,853	1,386
Other non-current assets	22	131,969	89,266	3,287	2,977
Total non-current assets		10,963,844	9,521,498	14,792,634	11,795,149
Total assets		39,217,136	33,376,877	21,160,711	18,481,958

The accompanying notes on page 16 to 80 are an integral part of these consolidated and separate financial statements.

Srisawad Corporation Public Company Limited
(Formerly named “Srisawad Power 1979 Public Company Limited”)
Statement of Financial Position (Cont’d)
As at 31 December 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity					
Current liabilities					
Deposits	23.1	7,273,973	6,067,776	-	-
Debt securities issued	23.2	6,000	6,000	-	-
Short-term borrowings from financial institutions	24.1	4,050,000	2,300,000	3,050,000	1,300,000
Short-term borrowings from financial institutions for purchase of loans	24.2	338,826	-	-	-
Current portion of long-term borrowings from financial institutions	24.3	2,703,889	1,921,944	330,556	150,000
Current portion of obligations under long-term lease liabilities	25	29,166	28,275	-	-
Other payables	26	742,467	552,563	91,964	104,273
Current portion of senior debentures	27	1,258,500	2,465,000	1,258,500	2,465,000
Income tax payable		481,091	301,496	17,962	15,095
Other current liabilities		84,786	26,352	2,176	2,023
Total current liabilities		16,968,698	13,669,406	4,751,158	4,036,391
Non-current liabilities					
Long-term borrowings from financial institutions	24.3	741,944	2,197,500	250,000	200,000
Deferred tax liabilities	21	139,424	141,231	-	-
Obligations under long-term lease liabilities	25	19,280	42,462	-	-
Senior debentures	27	7,679,583	6,100,000	7,679,583	6,100,000
Employee benefit obligations	28	40,009	29,422	9,265	6,931
Other non-current liabilities		-	22,312	-	-
Non-current liabilities		8,620,240	8,532,927	7,938,848	6,306,931
Total liabilities		25,588,938	22,202,333	12,690,006	10,343,322

The accompanying notes on page 16 to 80 are an integral part of these consolidated and separate financial statements.

Srisawad Corporation Public Company Limited
(Formerly named “Srisawad Power 1979 Public Company Limited”)
Statement of Financial Position (Cont’d)
As at 31 December 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
1,249,710,379 ordinary shares					
at par value Baht 1	29	1,249,710	1,129,952	1,249,710	1,129,952
(2017: 1,129,951,865 ordinary shares)					
Issued and paid-up share capital					
1,147,771,588 ordinary shares					
at par value Baht 1					
(2017: 1,087,368,907 ordinary shares)	29	1,147,772	1,087,368	1,147,772	1,087,368
Share premium	29	1,424,760	1,424,760	1,424,760	1,424,760
Share premium from share-based payment	29	36,190	36,190	36,190	36,190
Retained earnings					
Appropriated - Legal reserve	31	124,971	112,995	124,971	112,995
Unappropriated		9,457,375	6,769,011	5,737,012	5,477,323
Discount from changes in the ownership					
interests in a subsidiary		(321,618)	-	-	-
Other components of equity					
		(6,590)	(3,493)	-	-
Equity attributable to owners of the parent		11,862,860	9,426,831	8,470,705	8,138,636
Non-controlling interests		1,765,338	1,747,713	-	-
Total equity		13,628,198	11,174,544	8,470,705	8,138,636
Total liabilities and equity		39,217,136	33,376,877	21,160,711	18,481,958

The accompanying notes on page 16 to 80 are an integral part of these consolidated and separate financial statements.

Srisawad Corporation Public Company Limited
(Formerly named “Srisawad Power 1979 Public Company Limited”)
Statement of Comprehensive Income
For the year ended 31 December 2018

		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Revenues					
Interest income		5,796,510	4,943,551	688,447	374,200
Gain on transfer of investment		-	102,064	-	102,064
Dividend income		2,372	49,641	174,116	20,354
Other income	32	2,082,443	1,903,433	3,470	8,505
Total revenues		7,881,325	6,998,689	866,033	505,123
Expenses					
Servicing expenses	33	179,451	191,013	865	1,834
Administrative expenses	33	2,866,725	2,474,801	91,808	133,279
Bad and doubtful debts expense		388,349	393,807	-	-
Total expenses		3,434,525	3,059,621	92,673	135,113
Profit before finance costs and income tax expense					
Finance costs		(720,926)	(608,440)	(392,278)	(298,987)
Profit before income tax expense		3,725,874	3,330,628	381,082	71,023
Income tax expense	34	(724,984)	(615,478)	(41,397)	(13,964)
Net profit for the year from continuing operations		3,000,890	2,715,150	339,685	57,059
Net profit for the year from partial business transfer	38	-	-	-	1,410,720
Net profit for the year		3,000,890	2,715,150	339,685	1,467,779
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of employment benefit obligations	28	-	3,568	-	(3,746)
Income tax relating to items that will not be reclassified subsequently to profit or loss	21	-	(714)	-	749
Items that will not be reclassified subsequently to profit or loss		-	2,854	-	(2,997)
Items that will be reclassified subsequently to profit or loss					
Change in value of available-for-sales investments	16	(2,255)	15,164	-	7,797
Currency translation differences		(1,952)	(6,378)	-	-
Other comprehensive income transferred to profit or loss		(2,175)	(102,064)	-	(102,064)
Income tax relating to items that will be reclassified subsequently to profit or loss	21	886	17,380	-	18,853
Items that will be reclassified subsequently to profit or loss		(5,496)	(75,898)	-	(75,414)
Total comprehensive income for the year		2,995,394	2,642,106	339,685	1,389,368

The accompanying notes on page 16 to 80 are an integral part of these consolidated and separate financial statements.

Srisawad Corporation Public Company Limited
(Formerly named "Srisawad Power 1979 Public Company Limited")
Statement of Comprehensive Income (Cont'd)
For the year ended 31 December 2018

		Consolidated financial statements		Separate financial statements	
		2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Note					
Profit attributable to:					
Owners of the parent		2,768,360	2,666,599	339,685	1,467,779
Non-controlling interests		232,530	48,551	-	-
		<u>3,000,890</u>	<u>2,715,150</u>	<u>339,685</u>	<u>1,467,779</u>
Total comprehensive income attributable to:					
Owners of the parent		2,765,263	2,586,821	339,685	1,389,368
Non-controlling interests		230,131	55,285	-	-
		<u>2,995,394</u>	<u>2,642,106</u>	<u>339,685</u>	<u>1,389,368</u>
Earnings per share					
Basic earnings per share (Baht per share)	35	<u>2.41</u>	<u>2.32</u>	<u>0.30</u>	<u>1.28</u>

The accompanying notes on page 16 to 80 are an integral part of these consolidated and separate financial statements.

Srisawad Corporation Public Company Limited
(Formerly named “Srisawad Power 1979 Public Company Limited”)
Statement of Changes in Equity
For the year ended 31 December 2018

Consolidated financial statements													
		<div>Other components of equity</div> <div>Other comprehensive income</div>											
		Issued and paid-up share capital	Share Premium	Share from share-based payment	Legal reserve	Retained earnings Unappropriated	Discount from changes in the ownership interests in a subsidiaries	Available-for-sale investment	Currency translation differences	Total other components of equity	Total owners of the parent	Non-controlling interests	Total equity
Notes		Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance as at 1 January 2017													
		1,045,496	1,421,801	36,190	108,649	4,154,615	-	75,414	61	75,475	6,842,226	15,029	6,857,255
Proceeds from ordinary shares issued	29	53	2,959	-	-	-	-	-	-	-	3,012	-	3,012
Stock dividend	29, 30	41,819	-	-	-	(41,819)	-	-	-	-	-	-	-
Dividend paid	30	-	-	-	-	(5,228)	-	-	-	-	(5,228)	(35,644)	(40,872)
Total comprehensive income for the year		-	-	-	-	2,665,789	-	(73,271)	(5,697)	(78,968)	2,586,821	55,285	2,642,106
Increase in non-controlling interest from business combinations		-	-	-	-	-	-	-	-	-	-	1,679,999	1,679,999
Increase in non-controlling interest from investment in subsidiary		-	-	-	-	-	-	-	-	-	-	33,044	33,044
Appropriated - legal reserve	31	-	-	-	4,346	(4,346)	-	-	-	-	-	-	-
Closing balance as at 31 December 2017		1,087,368	1,424,760	36,190	112,995	6,769,011	-	2,143	(5,636)	(3,493)	9,426,831	1,747,713	11,174,544
Opening balance as at 1 January 2018													
Stock dividend	30	1,087,368	1,424,760	36,190	112,995	6,769,011	-	2,143	(5,636)	(3,493)	9,426,831	1,747,713	11,174,544
Dividend paid	30	60,404	-	-	-	(60,404)	-	-	-	-	-	-	-
Dividend paid	30	-	-	-	-	(7,616)	-	-	-	-	(7,616)	-	(7,616)
Total comprehensive income for the year		-	-	-	-	2,768,360	-	(1,358)	(1,739)	(3,097)	2,765,263	230,131	2,995,394
Change in process from ordinary shares issued		-	-	-	-	-	(321,618)	-	-	-	(321,618)	(199,742)	(521,360)
Increase in non-controlling interest from investment in subsidiary		-	-	-	-	-	-	-	-	-	-	1,250	1,250
Dividend paid from subsidiary to non-controlling interest		-	-	-	-	-	-	-	-	-	-	(14,014)	(14,014)
Appropriated - legal reserve	31	-	-	-	11,976	(11,976)	-	-	-	-	-	-	-
Closing balance as at 31 December 2018		1,147,772	1,424,760	36,190	124,971	9,457,375	(321,618)	785	(7,375)	(6,590)	11,862,860	1,765,338	13,628,198

The accompanying notes on page 16 to 80 are an integral part of these consolidated and separate financial statements.

Srisawad Corporation Public Company Limited

(Formerly named “Srisawad Power 1979 Public Company Limited”)

Statement of Changes in Equity (Cont'd)

For the year ended 31 December 2018

Separate financial statements								
						Other components of equity		
		Issued and paid-up share capital	Share Premium	Share Premium from share-based payment	Legal reserve	Retained earnings Unappropriated	Other comprehensive income Available-for-sale investment	Total
Notes		Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance as at 1 January 2017		1,045,496	1,421,801	36,190	108,649	4,063,934	75,414	6,751,484
Proceeds from ordinary shares issued	29	53	2,959	-	-	-	-	3,012
Stock dividend	29, 30	41,819	-	-	-	(41,819)	-	-
Dividend paid	30	-	-	-	-	(5,228)	-	(5,228)
Total comprehensive income for the year		-	-	-	-	1,464,782	(75,414)	1,389,368
Appropriated - legal reserve	31	-	-	-	4,346	(4,346)	-	-
Closing balance as at 31 December 2017		1,087,368	1,424,760	36,190	112,995	5,477,323	-	8,138,636
Opening balance as at 1 January 2018		1,087,368	1,424,760	36,190	112,995	5,477,323	-	8,138,636
Stock dividend	30	60,404	-	-	-	(60,404)	-	-
Dividend paid	30	-	-	-	-	(7,616)	-	(7,616)
Total comprehensive income for the year		-	-	-	-	339,685	-	339,685
Appropriated - legal reserve	31	-	-	-	11,976	(11,976)	-	-
Closing balance as at 31 December 2018		1,147,772	1,424,760	36,190	124,971	5,737,012	-	8,470,705

The accompanying notes on page 16 to 80 are an integral part of these consolidated and separate financial statements.

Srisawad Corporation Public Company Limited
(Formerly named “Srisawad Power 1979 Public Company Limited”)
Statement of Cash Flows
For the year ended 31 December 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from operating activities					
Profit before income tax expense		3,725,874	3,330,628	381,082	71,023
Adjustments:					
Loss (Gain) on revaluation of trading securities	9	2,875	(2,978)	1,037	(1,101)
Gain on sales of trading securities		(7,771)	(6,517)	(2,539)	(6,173)
Gain on sales of available-for-sales securities		(2,175)	(12,672)	-	-
Gain on reclassification of investment		-	(102,064)	-	(102,064)
Depreciation and amortisation	19, 20	212,842	186,343	281	134
Loss on impairment of loans receivable from purchase of loans		-	674	-	-
Loss on write-off of equipments		4,760	6,267	-	-
Gain on sale of equipments		(3,871)	(1,872)	-	-
(Reversal) Loss on impairment of properties foreclosed		(20,113)	41	-	-
Gain on disposal of properties foreclosed		(52,897)	(232,066)	-	-
Bad debts and doubtful accounts		388,349	393,807	-	-
Employee benefit obligations	28	11,353	7,949	2,334	1,876
Interest income		(5,802,346)	(4,947,507)	(689,785)	(374,200)
Finance costs		720,926	608,440	392,278	298,987
Amortisation of premium (discount) in investment in bonds		881	(1,733)	-	-
Amortisation of debt issuance costs		1,791	-	-	-
Decommissioning cost		371	3,000	-	-
Gain on Purchase Price allocation (PPA)	37	-	(185,645)	-	-
Dividend income		(2,372)	-	(174,116)	(20,354)
Changes in operating assets (increase) decrease					
Hire-purchase receivables		1,996,626	(1,492,370)	-	-
Loans receivable and personal loans receivable		(9,354,834)	(171,934)	-	-
Loans receivable from purchase of loans		339,707	(3,372,111)	-	-
Loans to customers and accrued interest receivable		341,864	301,988	-	-
Receivable from related party from sales of loans receivable		-	-	5,939,693	1,584,986
Other receivables		(253,630)	34,659	7,744	260,682
Properties foreclosed, net		(249,861)	557,224	-	71,225
Other current assets		(64,719)	(16,658)	(750)	4,761
Other non-current assets	22	(42,703)	11,912	(310)	100,101
Changes in operating liabilities increase (decrease)					
Deposits		1,206,197	2,903,143	-	-
Short-term loans to financial institutions		750,000	100,000	-	-
Debt securities issued		-	(410)	-	-
Other current liabilities		58,434	(16,787)	153	(20,434)
Other payables		153,319	27,545	(13,374)	48,160
Other non-current liabilities		(22,312)	-	-	-
Employee benefit paid		(766)	(4,668)	-	-
Cash flows used in operating activities		(5,964,201)	(2,094,372)	5,843,728	1,917,609
Interest received		5,775,977	4,899,765	659,180	112,114
Interest paid		(690,701)	(573,970)	(391,213)	(385,012)
Income tax expense		(599,731)	(833,504)	(38,997)	(603,469)
Partial business transfer	38	-	-	-	4,159,666
Net cash flows (used in) generated from operating activities		(1,478,656)	1,397,919	6,072,698	5,200,908

The accompanying notes on page 16 to 80 are an integral part of these consolidated and separate financial statements.

Srisawad Corporation Public Company Limited
(Formerly named “Srisawad Power 1979 Public Company Limited”)
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities					
Cash paid from short-term investments	9	(5)	(5)	-	-
Cash received from sales of trading securities		6,705,191	8,900,000	3,905,000	8,700,000
Cash paid of purchase of trading securities	9	(4,900,000)	(10,900,000)	(3,200,000)	(9,400,000)
Cash received from loans to related parties	39 i)	-	-	1,519,574	2,238,000
Cash paid for loans to related parties	39 i), 39 j)	-	-	(9,705,000)	(4,907,491)
Cash received from sales of available-for-sales securities		145,977	2,111,135	-	-
Cash paid for purchase of investments in subsidiaries	17	(521,360)	(359,194)	(990,138)	(2,521,613)
Cash received from sales of equipments		7,856	19,577	-	2,999
Cash paid for purchase of property, plant and equipment		(342,814)	(223,142)	-	(101,868)
Cash paid for purchase intangible assets	20	(8,580)	(4,133)	-	(1,716)
Cash received from dividend		2,372	-	192,289	2,181
Partial business transfer	38	-	-	-	(102,180)
Net cash flows provided by (used in) investing activities		1,088,637	(455,762)	(8,278,275)	(6,091,688)
Cash flows from financing activities					
Cash received from short-term borrowings from financial institutions	24.1	7,850,000	9,255,000	7,850,000	8,655,000
Cash paid for short-term borrowings from financial institutions	24.1	(6,100,000)	(12,605,000)	(6,100,000)	(12,405,000)
Cash paid for short-term borrowings from financial institutions for purchase of loans	24.2	(447,612)	-	-	-
Cash received from issuance of senior debentures	27	3,184,592	5,225,000	3,186,383	5,225,000
Cash paid for redemption of senior debentures	27	(2,813,300)	(2,200,000)	(2,813,300)	(2,200,000)
Cash received from long-term borrowings from financial institutions	24.3	1,460,000	1,900,000	500,000	1,900,000
Cash paid for long-term borrowings from financial institutions	24.3	(2,133,611)	(881,945)	(269,444)	(393,889)
Cash paid for long-term borrowings from financial institutions for purchase of loans		-	(471,998)	-	-
Cash paid for obligation under long-term lease liabilities		(30,067)	(24,546)	-	-
Cash received from exercise warrant		-	3,012	-	3,012
Cash received from additional investment in subsidiary for non-controlling interests		-	1,128	-	-
Dividend paid		(21,630)	(9,050)	(7,616)	(5,228)
Partial business transfer	38	-	-	-	(69,460)
Net cash provided by financing activities		948,372	191,601	2,346,023	709,435

The accompanying notes on page 16 to 80 are an integral part of these consolidated and separate financial statements.

Srisawad Corporation Public Company Limited
(Formerly named “Srisawad Power 1979 Public Company Limited”)
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht'000	Baht'000	Baht'000	Baht'000
Net increase (decrease) in cash and cash equivalents		558,353	1,133,758	140,446	(181,345)
Exchange (loss) gains on cash and cash equivalents		(1,927)	6,212	-	-
Cash and cash equivalents at beginning of the year		1,853,075	713,105	237,841	419,186
Cash and cash equivalents at the end of the year	8	<u>2,409,501</u>	<u>1,853,075</u>	<u>378,287</u>	<u>237,841</u>
Additional information - Non-cash transactions					
Purchase equipment under finance lease		7,776	24,162	-	-
Write-off of equipment		-	6,267	-	2,497
Issues promissory note for purchases of loans receivable from financial institutions	24.2	786,438	258,497	-	-
Stock dividend	30	60,404	73,643	60,404	41,818
Transfer of properties foreclosed to company's assets		-	(352)	-	-
Reclassification investment in available-for-sales securities to investment in subsidiaries	17, 37	-	259,776	-	259,776
Partial business transfer		-	-	-	1,296,495
Revaluation from partial bussiness transfer		-	185,647	-	-
Provision for decommissioning cost		6,359	-	-	-
Unrealize loss from revaluation of available-for-sales investment		2,255	-	-	-

The accompanying notes on page 16 to 80 are an integral part of these consolidated and separate financial statements.

1 General information

Srisawad Corporation Public Company Limited (Formerly named “Srisawad Power 1979 Public Company Limited”) (“the Company”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

99/392 Srisawad Building, 4, 6 floor, Chaeng Watthana 10 Alley, 3 Sub Alley, Chaeng Watthana Road, Thungsonghong, Laksi, Bangkok, 10210

On 25 July 2017, Srisawad Corporation Public Company Limited (formerly named “Srisawad Power 1979 Public Company Limited”) registered to change its name with Ministry of Commerce from Srisawad Power 1979 Public Company Limited to Srisawad Corporation Public Company Limited.

The Company is held 49.43% of shares by Kaewboota family who is the majority shareholder. The rest 50.57% of shares is held by individuals.

For reporting purposes, the Company and its subsidiaries are referred to as ‘the Group’.

The main operation of the Group are financial service specifically hire-purchase, loan, non-performing assets management, investments in other companies, management and consulting services for retail credit systems in local and foreign country and credit sale in foreign country.

The consolidated and separate financial statements were authorised by the Board of Directors on 26 February 2019.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai financial reporting standards issued under the Accounting Profession Act B.E. 2547 and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

In the notes all amounts are shown in Thai Baht (thousands) unless otherwise stated.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group

TAS 7 (revised 2017)	Statement of cash Flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The Group's management assessed and considered that the above revised standards do not have a significant impact on the Group except for disclosure.

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective (Cont'd)

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management is currently assessing the impact from initial application of this standard.

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.

TFRS 2 (revised 2018)

Share-based Payment

TFRS 2, the amendments clarify;

- The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective (Cont'd)

2.2.2.3 The Group of financial reporting standards related to financial instruments is effective for annual periods beginning on or after 1 January 2020. They comprise accounting standards and financial reporting standards as shown below. The early application is permitted only for the period beginning on or after 1 January 2019.

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

The above new standards and interpretations will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follows:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective (Cont'd)

2.2.2.3 The Group of financial reporting standards related to financial instruments is effective for annual periods beginning on or after 1 January 2020. They comprise accounting standards and financial reporting standards as shown below. The early application is permitted only for the period beginning on or after 1 January 2019. (Cont'd)

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow: (Cont'd)

- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

2 Accounting policies (Cont'd)

2.3 Group accounting - Investments in subsidiaries

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in statement of comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

2 Accounting policies (Cont'd)

2.3 Group accounting - Investments in subsidiaries (Cont'd)

Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree in the proportion of interests under common control at the carrying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attribute to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements while immediately recognised as expenses in the consolidated financial statements in the period of which the business combination occurs.

The difference between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as “Surplus arising from business combination under common control” in equity and is derecognised when the investment is disposed (transfer to retained earnings).

Separate financial statement

In the separate financial statement, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2.4 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Baht, which is the Company's functional and the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as other comprehensive income.

2 Accounting policies (Cont'd)

2.5 Cash and cash equivalents

In the consolidated and separate's statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Which is used for cash management of the Group. Bank overdraft is presented in current liabilities instatement of financial position.

2.6 Securities purchased under resale agreements

The private repurchase agreement has definite date and future settlement price. The amount paid for securities purchased under resale agreements in the future is presented as part of short-term loans to financial institutions. Securites under resale agreements are treated as collateral for loans.

2.7 Investments

Investments other than investments in subsidiaries are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- (1) Trading investments are investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price. Trading investments are traded in active markets and included in short-term investment.
- (2) Held-to-maturity investments are investments with fixed maturity that the management has the intent and ability to hold to maturity, and are classified as held-to-maturity and included in long-term investment, except for maturities within 12 months from the statement of financial position date which are classified as short-term investment.
- (3) Available-for-sale investments are investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, and are included in long-term investment unless management has expressed the intention of holding the investment for less than 12 months from the statements of financial position date or management has intention to sell to increase working capital, in which case they are included in short-term investment.
- (4) General investments are investments in non-marketable equity securities.

All 4 categories of investment are initially recorded at cost which is fair value of considerations transferred to acquire investment including transaction cost.

Trading and available-for-sale investments are subsequently carried at fair value. Unrealised gains and losses of trading investments are recognised in profit or loss. Unrealised gain and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in other comprehensive income. Fair values are calculated on the following basis:

- For marketable debt securities, fair values are calculated by referencing the last bid prices on the last business day of the period. The rates are announced by the Thai Bond Market Association (Thai BMA).
- For marketable equity securities, fair values are calculated by referencing the last bid prices quoted on the Stock Exchange of Thailand on the last business day of the reporting period.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest rate method less allowance for impairment.

2 Accounting policies (Cont'd)

2.7 Investments (Cont'd)

General investments are carried at cost less allowance for impairment.

The Group tests for allowance of impairment when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, the Group will record allowance of impairment loss which included in to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount in charged or credited to profit or loss. When disposing of part of the Group's holding of a partial investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.8 Loans receivable from purchase of loans

Loans receivable from purchase of loans purchased from financial institutions are valued at acquisition cost and subsequently amortised based on effective interest rate less allowance for impairment (if any). The Group records loss on impairment of investments in statements of comprehensive income. The Group determines allowance for impairment of loans receivable from purchase of loans based on the present value of expected future cash flows from collateral disposal or expected debt collection from receivables under approved debt restructuring agreements discounted using market interest rate.

2.9 Hire-purchase receivables, loans receivable and personal loans receivable

Hire-purchase receivables, loans receivable and personal loans receivable would initially be recognised at an amount equal to the net investment in the contract. Subsequently, they are stated at net realisable value from the contract value net of unearned interest income and allowance for doubtful accounts. The Group sets up allowance for doubtful accounts from the aging period of outstanding receivables, after netting unearned interest income and collateral value (if any). The collateral value is ranged from 0%-75% of the contract value, depending on the chance of debt collectability and the sales of collateral. The basis of allowance for doubtful is as follows:

Aging months	Percentage of allowance for doubtful accounts		
	Hire-purchase receivables and loans receivable - Motor cycles	Hire-purchase receivables and loans receivable - Others	Personal loans receivable
Current or overdue not over than 1 month	1	1	1
Overdue more than 1 month to 3 months	2	2	2
Overdue more than 3 months to 6 months	100	20	100
Overdue more than 6 months to than 12 months	100	100	100
More than 12 months	100	100	100

2 Accounting policies (Cont'd)

2.10 Loans to customers

Loans to customers are stated at the principal balances, including accrued interest receivables.

The Group sets aside an allowance for doubtful accounts and an allowance for revaluation of debt restructuring based on the guidelines laid down in the Bank of Thailand's Notification (“BOT”) No. SorNorSor.5/2559 on determining rule of classified by loan classification and allowance for doubtful accounts of financial institutions, and by analysing and evaluating debtors' status based on the collateral valuation and risk assessment.

The Group has implemental a policy not to reverse the excess allowance for doubtful accounts that are able to settle their debt under debt restructuring agreement signed with the Group.

Interest income on loans to customer are recognised as income on an accrual basis, except in the case of interest on loans to customer which is over three months past due from the due date where interest is recognised on collection basis. The Group reverses accrued interest income on loans to customer when its principal or interest payment has become over three months past due to comply with the BOT's Notification. The Group will recognise income only when cash is received and the Group continues its income recognition on the accrual basis when the entire amount of the principal and overdue interest has been paid.

2.11 Properties foreclosed

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

The Group will recognise gain (loss) on sales of properties foreclosed as income or expenses in the whole amount in the Statement of Comprehensive Income.

2.12 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

2 Accounting policies (Cont’d)

2.12 Property, plant and equipment (Cont’d)

Land is not depreciated. Depreciation on other assets is calculated using the straight line to allocate their cost to their residual values over their estimated useful lives, as follows:

Land	Not depreciated
Building	20 years
Building improvement	3 years
Furniture and fixture	5 years
Equipment	5 years
Vehicles	5 years
Decoration	18 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset’s carrying amount is written-down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (note 2.14).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Intangible assets

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use or sell;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 5 years.

Finance license

Finance license acquired from business combination are recognised at fair value at the acquisition date. The license have an indefinite useful life and are not revalued in the accounts as they are not traded in an active market. Finance license will not subject to amortisation and are tested annually for impairment.

2 Accounting policies (Cont'd)

2.14 Impairment of assets

Assets that have an indefinite useful life, for example finance license and available lending capacity, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.15 Leases

Leases - where the Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset or the lease term.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned interest income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.16 Troubled debt restructuring - where the Group is the creditor

The Group records assets or equities received in settlement of debts at the lower of the fair values of the assets or equities, less estimated selling expenses (if any), and the amount of investment in receivables (including accrued interest income).

Where the debt restructuring involves modification of the terms of receivables, the fair value of investment in receivables after restructuring is based on the net present value of the expected future cash flows, discounted by effective interest rate prevailing at the restructuring date.

Losses arising from restructuring, less recorded provision for doubtful accounts, are recognised in profit or loss when incurred.

Legal fees and other direct costs incurred to effect the debt restructuring are expensed when incurred.

2 Accounting policies (Cont'd)

2.17 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.18 Current and deferred income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in Thailand where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Employee benefits

The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that is a retirement benefit not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

2 Accounting policies (Cont'd)

2.19 Employee benefits (Cont'd)

The retirement benefit liability recognised in the statement of financial position at the present value of the defined benefit obligation at the end of the reporting period. The retirement benefit liability is calculated by independent actuaries using the projected unit credit method. The present value of the retirement benefit liability is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement benefit plan.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity.

2.20 Share-based payment

The Company records a share-based payment for director remuneration. The Company receives services from the director as consideration for selling the Company's shares below fair value. The difference between the selling price and the fair value is recognised as an expense in the statement of comprehensive income and increase in the equity.

2.21 Provisions

The Group recognises provision for decommission when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.22 Share capital

Ordinary shares with discretionary dividends is classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.23 Revenues and expenses recognition

a) Interest income from hire purchase, loan contract and personal loans contract

The Group recognises interest income from hire purchase, loan contract and personal loans contract and using the effective interest rate method.

Recognition of interest income is discontinued when hire-purchase and loans receivable are more than 3 - 4 months past due except when there is an indicator that the debtor may not be able to repay, the Group has to stop recognising interest income.

On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease for accounts receivable which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. The Company has a policy to cease recognising revenue from hire purchase receivables and loan receivables which are overdue by more than 4 installments.

2 Accounting policies (Cont'd)

2.23 Revenues and expenses recognition (Cont'd)

b) Interest income from purchase of loans

Interest income from purchase of loans is recognised using effective interest rates method which is based on the expected future cash flows from collateral disposal or expected debt collection from receivables under approved debt restructuring agreements. When the loan receivables from purchase of loan has already made full payment but the Group still has right to demand performance by debtor according to agreement, the Group will recognise such difference when payment is made by debtor as gain on loan receivables from purchase of loan in statement of comprehensive income.

c) Fee and service income

Fee and service income are recognised when services have been rendered on an accrual basis. Fee income from late payment is recognised when received.

d) Revenue from sales of properties foreclosed

Revenue from sales of properties foreclosed is presented at cash from sales net with value added tax, returns, refunds, and discount which is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

e) Other income and expense

Other income and expense are recognised on an accrual basis.

2.24 Dividend distribution and dividend recognition

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

Dividend income is recognised when the right to receive payment is established.

2.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

3 Financial risks management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including exchange rate risk, fair value risk resulting from change in interest rate, cash flow risk resulting from change in interest rate, and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the fluctuation of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Operation risk management is carried out by management by identifying, evaluating and hedging the overall financial risks that is described in Note 36 to the financial statements.

3.2 Fair value estimation

The approximate fair values of financial assets and liabilities with a maturity of less than one year is close to net book value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future cash flows that available to the Group for similar financial instruments at the current market interest rate which is disclosed in Note 6 to the financial statements.

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Allowance for doubtful accounts of hire-purchase, loans receivable and personal loan

The Group maintains an allowance for doubtful accounts to reflect impairment of hire-purchase and loans receivable and personal loan. Management uses judgment in estimating the allowance for doubtful accounts by considering overdue period of receivables and type of collateral. The assessment is based on historical debt collection experiences, historical default, and future market trends.

(b) Allowance for impairment of properties foreclosed

The Group assesses allowance for impairment of properties foreclosed when net realisable value falls below the book value. The management uses judgment to estimate impairment losses, taking into consideration the latest appraised value of assets, the type and nature of the assets, and the latest sales price of assets (if any). However, the use of different estimates and assumptions could affect the amounts of the allowance for impairment. Therefore, allowance for impairment may be adjusted in the future.

(c) Retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations. The Group determines the appropriate discount rate at the end of each year.

Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 28 to the financial statements.

(d) Recognition of interest income from loans receivable from purchase of loan

The Group recognises interest income from loan receivables from purchase of loan based on present value of expected future cash flows from collateral disposal or expected debt collection from receivables under approved debt restructuring agreements discounted using effective interest rate. The Group uses judgment to estimate the amount and period of time expected to receive cash collection from receivables.

(e) Estimation of impairment of loans receivable from purchase of loans

The Group annually assesses allowance for impairment of loan receivables from purchase of loan. According to Note 2.8, net realisable value of loan receivables from purchase of loan is determined by the present value of expected future cash flows discounted using market interest rate at the last day of reporting period.

(f) Fair value on business combination and estimated impairment

The Group estimates fair value of net assets acquired under business acquisition by engaging professional valuer, applying appropriate valuation method based on financial assumptions to derive fair value of net assets acquired. The valuation was made based on management's judgement by referring to various assumptions such as the business growth rate, interest rate, fee income rate, interest cost rate and discount rate.

The Group tests annually whether intangible asset has suffered any impairment, in accordance with the accounting policy stated in note 2.14. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates based on management assumption.

5 Capital risk management

The objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

6 Fair value estimation

The following table presents the Group and Company’s financial assets that are measured at fair value at 31 December 2018 and 2017.

Consolidated financial statements				
2018				
	Level 1 Baht’000	Level 2 Baht’000	Level 3 Baht’000	Total Baht’000
Assets				
Short-term investments (Note 9)	-	512,174	-	512,174
Available-for-sale investments (Note 16)	-	181,628	-	181,628
Total assets	-	693,802	-	693,802
Consolidated financial statements				
2017				
	Level 1 Baht’000	Level 2 Baht’000	Level 3 Baht’000	Total Baht’000
Assets				
Short-term investments (Note 9)	-	2,312,464	-	2,312,464
Available-for-sale investments (Note 16)	-	330,741	-	330,741
Total assets	-	2,643,205	-	2,643,205
Separate financial statements				
2018				
	Level 1 Baht’000	Level 2 Baht’000	Level 3 Baht’000	Total Baht’000
Assets				
Short-term investments (Note 9)	-	306,236	-	306,236
Total assets	-	306,236	-	306,236
Separate financial statements				
2017				
	Level 1 Baht’000	Level 2 Baht’000	Level 3 Baht’000	Total Baht’000
Assets				
Short-term investments (Note 9)	-	1,009,734	-	1,009,734
Total assets	-	1,009,734	-	1,009,734

6 Fair value estimation (Cont'd)

The following table presents the Group's financial assets and liabilities that are not measured at fair value as at 31 December 2018 and 2017.

Consolidated financial statements				
2018				
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets				
Cash and cash equivalents	2,409,192	-	-	2,409,192
Loans receivable and personal loans receivable	-	31,165,850	-	31,165,850
Loans to customers and accrued interest receivable	-	938,515	-	938,515
Short-term loans to financial institutions	-	600,000	-	600,000
Other receivables	-	84,559	-	84,559
Loans receivable from purchase of loans	-	3,948,214	268,398	4,216,612
Total assets	2,409,192	36,737,138	268,398	39,414,728
Liabilities				
Deposits	-	7,320,280	-	7,320,280
Debt securities issued	-	6,000	-	6,000
Short-term borrowings from financial institutions	-	4,050,000	-	4,050,000
Short-term borrowings from financial institutions for purchase of loan	-	338,826	-	338,826
Other payables	-	341,852	-	341,852
Long-term borrowings from financial institutions	-	3,340,403	-	3,340,403
Senior debentures	-	9,051,531	-	9,051,531
Total liabilities	-	24,448,892	-	24,448,892
Consolidated financial statements				
2017				
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets				
Cash and cash equivalents	1,853,075	-	-	1,853,075
Loans receivable and personal loans receivable	-	17,411,482	-	17,411,482
Loans to customers and accrued interest receivable	-	1,305,485	-	1,305,485
Short-term loans to financial institutions	-	1,350,000	-	1,350,000
Other receivables	-	139,813	-	139,813
Loans receivable from purchase of loans	-	3,575,446	262,152	3,837,598
Total assets	1,853,075	23,782,226	262,152	25,897,453
Liabilities				
Deposits	-	6,049,757	-	6,049,757
Debt securities issued	-	6,000	-	6,000
Short-term borrowings from financial institutions	-	2,300,000	-	2,300,000
Other payables	-	51,598	-	51,598
Long-term borrowings from financial institutions	-	3,957,212	-	3,957,212
Senior debentures	-	8,634,427	-	8,634,427
Total liabilities	-	20,998,994	-	20,998,994

6 Fair value estimation (Cont'd)

The following table presents the Company's financial assets and liabilities that are not measured at fair value as at 31 December 2018 and 2017.

Separate financial statements				
2018				
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets				
Cash and cash equivalents	378,287	-	-	378,287
Receivable from related party from sales of loans receivable	-	2,995,353	-	2,995,353
Short-term loans to related parties	-	5,401,823	-	5,401,823
Accrued interest receivable from long-term loans to related party	-	17,205	-	17,205
Other receivables	-	8,861	-	8,861
Long-term loans to related party	-	7,639,058	-	7,639,058
Total assets	378,287	16,062,300	-	16,440,587
Liabilities				
Short-term borrowings from financial institutions	-	3,050,000	-	3,050,000
Other payables	-	89,829	-	89,829
Long-term borrowings from financial institutions	-	562,356	-	562,356
Senior debentures	-	9,051,531	-	9,051,531
Total liabilities	-	12,753,716	-	12,753,716
Separate financial statements				
2017				
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets				
Cash and cash equivalents	237,841	-	-	237,841
Receivable from related party from sales of loans receivable	-	8,661,225	-	8,661,225
Short-term loans to related parties	-	2,682,322	-	2,682,322
Other receivables	-	15,246	-	15,246
Long-term loans to related party	-	2,369,369	-	2,369,369
Total assets	237,841	13,728,162	-	13,966,003
Liabilities				
Short-term borrowings from financial institutions	-	1,300,000	-	1,300,000
Other payables	-	93,826	-	93,826
Long-term borrowings from financial institutions	-	338,017	-	338,017
Senior debentures	-	8,634,427	-	8,634,427
Total liabilities	-	10,366,270	-	10,366,270

There were no transfers between levels 1 and 2 during the year.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

6 Fair value estimation (Cont'd)

The following table presents the Company's financial assets and liabilities that are not measured at fair value as at 31 December 2018 and 2017. (Cont'd)

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include the following:

- The fair value of short-term investments is net assets value per share which was quoted by the Asset Management Company at the last business day of financial position date;
- The fair value of loans receivable and personal loans receivable is estimated future cash flows under agreements discounted by using the market interest rate;
- The fair value of loans receivable from purchase of loans is estimated future cash flows from disposal of collateral or debt collection from receivables under the approved debt restructuring agreements discounted using the market interest rate plus risk that reflects the quality of loans receivable from purchase of loans at the date of the financial statements;
- The fair value of financial assets and liabilities with short-term maturity and high liquidity, including other receivables, held to maturity, other payables, short-term loans and short-term borrowings, borrowings from related party are their carrying amounts in the statements of financial position;
- The fair value of long-term borrowings is estimated future contractual cash out flows discounted by using the current market interest rate for similar financial instruments available to the Group;
- The fair value of senior unsecured debentures is estimated future contractual cash out flows discounted by using the current risk free and the Group's risk premium rate for similar financial instruments available to the Group.
- The fair value of deposits with due less than 1 year is equivalent to their carrying amounts as presented in the statement of financial position. The fair value of deposits with due over than 1 year is estimated by using discounted cash flow applying market interest rates offered for fixed deposits of similar remaining maturities.
- The fair value of debt securities issued and borrowings with short-term maturity is equivalent to their carrying amounts in the statement of financial position. The fair value of debt securities issued and borrowings with long-term maturity is estimated by discounted cash flow by average market interest rates.

Valuation processes

For the financial reporting purpose, the Debt Collection Department assessed fair value of loans to customer and report to Finance and Accounting Department every six months. The fair value report is approved by the Chief Executive Officer.

The input data use for financial instruments in level 3 valuation are estimated using future cash flow from collection discounted by default interest rate.

7 Segment information

The Group presents segment information by presenting business segment as the primary reporting format based on the type of business in determining business segment.

The main operation of the Group is financial service specifically hire-purchase, loan, non-performing assets management, investments in other companies, management and consulting services for retail credit systems in local and foreign country and credit sale in foreign country.

The Group did not have income from investments in other companies for the years ended 31 December 2018 and 2017. Income from business segment operation is from domestic customers which comprises of retailed customers.

The consolidated financial statement by segments for the years ended 31 December 2018 and 2017 are as follows:

	2018			
	Hire- purchase Baht'000	Loan Baht'000	Finance Business Baht'000	Total Baht'000
Interest income	954,359	2,118,134	2,724,017	5,796,510
Dividend income				2,372
Other income				2,082,443
Total revenue				7,881,325
Servicing expenses				(179,451)
Administrative expenses				(2,866,725)
Bad and doubtful debts expense	(32,455)	(156,119)	(199,775)	(388,349)
Profit before finance costs and income tax expense				4,446,800
Finance costs				(720,926)
Profit before income tax expense				3,725,874
Income tax expenses				(724,984)
Net profit for the year				3,000,890
As at 31 December 2018				
Hire-purchase receivables, net (Note 10)	2,661,284	-	-	2,661,284
Loans receivable and personal loans receivable, net (Note 11)	-	26,148,051	-	26,148,051
Loans to customers and accrued interest receivable, net (Note 12)	-	-	763,846	763,846
Loans receivable from purchase of loans, net (Note 18)	-	3,184,374	-	3,184,374
Unallocated assets				6,459,581
Total consolidated assets				39,217,136
Deposits and securities issued (Note 23)	-	-	7,279,973	7,279,973
Borrowings from financial institutions (Notes 24)				7,834,659
Senior debentures (Note 27)				8,938,083
Unallocated liabilities				1,536,223
Total consolidated liabilities				25,588,938

7 Segment information (Cont'd)

The consolidated financial statement by segments for the years ended 31 December 2018 and 2017 are as follows:
(Cont'd)

	2017			Total Baht'000
	Hire- purchase Baht'000	Loan Baht'000	Finance Business Baht'000	
Interest income	1,278,903	3,598,456	66,192	4,943,551
Gain on transfer of investment				102,064
Dividend income				49,641
Other income				1,903,433
Total revenue				6,998,689
Servicing expenses				(191,013)
Administrative expenses				(2,474,801)
Bad and doubtful debts expense	(73,861)	(319,946)	-	(393,807)
Profit before finance costs and income tax expense				3,939,068
Finance costs				(608,440)
Profit before income tax expense				3,330,628
Income tax expenses				(615,478)
Net profit for the year				2,715,150
As at 31 December 2017				
Hire-purchase receivables, net (Note 10)	4,671,516	-	-	4,671,516
Loans receivable and personal loans receivable, net (Note 11)	-	16,939,849	-	16,939,849
Loans to customers and accrued interest receivable, net (Note 12)	-	-	1,305,485	1,305,485
Loans receivable from purchase of loans, net (Note 18)	-	2,738,760	-	2,738,760
Unallocated assets				7,721,267
Total consolidated assets				33,376,877
Deposits and securities issued (Note 23)	-	-	6,073,776	6,073,776
Borrowings from financial institutions (Notes 24)				6,419,444
Senior debentures (Note 27)				8,565,000
Unallocated liabilities				1,144,113
Total consolidated liabilities				22,202,333

8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Cash	5,343	7,219	3	3
Saving deposits	929,625	904,021	119,423	143,256
Deposits held at call with banks	1,022,533	701,835	258,861	94,582
Short-term fixed deposits	452,000	240,000	-	-
Total cash and cash equivalents	2,409,501	1,853,075	378,287	237,841

As at 31 December 2018, saving deposits carry interest rate of 0.37% - 0.75% per annum (2017: 0.37% - 0.50% per annum).

9 Short-term investments, net

	Consolidated financial statements			
	2018		2017	
	Cost/ Amortised cost Baht'000	Fair value Baht'000	Cost/ Amortised cost Baht'000	Fair value Baht'000
Trading securities - investment unit	511,554	511,660	2,308,974	2,311,955
Add Revaluation surplus	106	-	2,981	-
Trading securities, net	511,660	511,660	2,311,955	2,311,955
Fixed deposits	514	514	509	509
Total short-term investments, net	512,174	512,174	2,312,464	2,312,464

	Separate financial statements			
	2018		2017	
	Cost/ Amortised Cost Baht'000	Fair value Baht'000	Cost/ Amortised cost Baht'000	Fair value Baht'000
Trading securities - investment unit	306,168	306,236	1,008,629	1,009,734
Add Revaluation surplus	68	-	1,105	-
Trading securities, net	306,236	306,236	1,009,734	1,009,734
Total short-term investments, net	306,236	306,236	1,009,734	1,009,734

As at 31 December 2018, short-term investments was 12-month fixed deposits which had interest rate 0.90% – 1.375% per annum (2017: interest rate 0.90% - 1.375% per annum).

The movement of trading securities during the years ended 31 December 2018 and 2017 are as follows:

	Consolidated financial statement	
	2018	2017
	Trading securities Baht'000	Trading securities Baht'000
Opening net book balance	2,311,955	302,460
Additions	4,900,000	10,900,000
Disposals	(6,697,420)	(8,893,482)
Change in fair value of securities	(2,875)	2,977
Closing net book balance	511,660	2,311,955

	Separate financial statement	
	2018	2017
	Trading securities Baht'000	Trading securities Baht'000
Opening net book balance	1,009,734	302,460
Additions	3,200,000	9,400,000
Disposals	(3,902,461)	(8,693,827)
Change in fair value of securities	(1,037)	1,101
Closing net book balance	306,236	1,009,734

10 Hire-purchase receivables, net

As at 31 December 2018 and 2017, the Group’s contract period of hire-purchase receivables are as follows:

	Consolidated financial statements					
	2018			2017		
	Amounts due under contracts			Amounts due under contracts		
	Less than 1 year Baht’000	1 - 5 years Baht’000	Total Baht’000	Less than 1 year Baht’000	1 - 5 years Baht’000	Total Baht’000
Hire-purchase receivables	2,160,251	1,235,926	3,396,177	3,726,422	2,217,633	5,944,055
Unearned interest income	(453,294)	(188,921)	(642,215)	(784,765)	(352,074)	(1,136,839)
Total	1,706,957	1,047,005	2,753,962	2,941,657	1,865,559	4,807,216
<u>Less</u> Allowance for doubtful accounts	(78,954)	(13,724)	(92,678)	(111,562)	(24,138)	(135,700)
Hire-purchase receivables, net	<u>1,628,003</u>	<u>1,033,281</u>	<u>2,661,284</u>	<u>2,830,095</u>	<u>1,841,421</u>	<u>4,671,516</u>

As at 31 December 2018 and 2017, the Group’s hire-purchase receivables were classified by aging as follows:

	Consolidated financial statements	
	2018 Baht’000	2017 Baht’000
Current or overdue not over than 1 month	1,495,108	2,754,404
Overdue more than 1 month to 3 months	1,027,061	1,672,392
Overdue more than 3 months to 6 months	144,669	291,114
Overdue more than 6 months to 12 months	53,883	44,765
Overdue more than 12 months	33,241	44,541
Total	2,753,962	4,807,216
<u>Less</u> Allowance for doubtful accounts	(92,678)	(135,700)
Hire-purchase receivables, net	<u>2,661,284</u>	<u>4,671,516</u>

10 Hire-purchase receivables, net (Cont'd)

As at 31 December 2018 and 2017, the Group's hire-purchase receivables and allowance for doubtful accounts were classified by aging as follows:

Consolidated financial statements				
2018				
	Hire-purchase receivables and unearned interest income Baht'000	Net balance after collateral used for setting allowance for doubtful account Baht'000	Minimum percentage %	Allowance for doubtful accounts Baht'000
Current or overdue not over than 1 month	1,495,108	158,916	1	1,589
Overdue more than 1 month to 3 months	1,027,061	148,239	2	2,965
Overdue more than 3 months to 6 months	144,669	63,195	20	12,639
Overdue more than 6 months to 12 months	53,883	42,244	100	42,244
Overdue more than 12 months	33,241	33,241	100	33,241
Total	2,753,962	445,835		92,678
Consolidated financial statements				
2017				
	Hire-purchase receivables and unearned interest income Baht'000	Net balance after collateral used for setting allowance for doubtful account Baht'000	Minimum percentage %	Allowance for doubtful accounts Baht'000
Current or overdue not over than 1 month	2,754,404	688,601	1	6,886
Overdue more than 1 month to 3 months	1,672,392	541,638	2	10,833
Overdue more than 3 months to 6 months	291,114	176,580	20, 100	35,345
Overdue more than 6 months to 12 months	44,765	38,095	100	38,095
Overdue more than 12 months	44,541	44,541	100	44,541
Total	4,807,216	1,489,455		135,700

As at 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease for accounts receivable which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. The Company has a policy to cease recognising revenue from hire-purchase receivables which are overdue by more than 4 installments.

As at 31 December 2018, the Group had outstanding hire-purchase receivables for which installment payments are overdue more than 3 periods but for which revenue is still being recognised in the consolidated financial statements amounting to Baht 293.53 million (2017: Baht 488.91 million).

In addition, if the Group had discontinued recognised interest income and followed this accounting guideline, the amount of interest from hire-purchase receivables recognised in the consolidated statement of total comprehensive income for the year ended 31 December 2018 was reduced by Baht 4.44 million (2017: Baht 7.20 million).

11 Loans receivable and personal loans receivable, net

As at 31 December 2018 and 2017, the Group's loans receivable and personal loans receivable were classified by contract due as follows:

	Consolidated financial statements					
	2018			2017		
	Amounts due under contracts			Amounts due under contracts		
	Less than 1 year Baht'000	1 - 5 years Baht'000	Total Baht'000	Less than 1 year Baht'000	1 - 5 years Baht'000	Total Baht'000
Loans receivable and personal loans receivable	25,026,609	5,632,089	30,658,698	16,601,477	3,102,050	19,703,527
Unearned interest income	(3,067,407)	(912,251)	(3,979,658)	(1,893,103)	(468,686)	(2,361,789)
Total	21,959,202	4,719,838	26,679,040	14,708,374	2,633,364	17,341,738
<u>Less</u> Allowance for doubtful accounts	(497,781)	(33,208)	(530,989)	(339,239)	(62,650)	(401,889)
Loans receivable and personal loans receivable, net	21,461,421	4,686,630	26,148,051	14,369,135	2,570,714	16,939,849

As at 31 December 2018 and 2017, the Group's loans receivable and personal loans receivable were classified by aging as follows:

	Consolidated financial statements	
	2018 Baht'000	2017 Baht'000
Current or overdue not over than 1 month	22,133,297	13,533,643
Overdue more than 1 month to 3 months	3,878,645	3,316,006
Overdue more than 3 months to 6 months	500,754	337,203
Overdue more than 6 months to 12 months	110,279	81,152
Overdue more than 12 months	56,065	73,734
Total	26,679,040	17,341,738
<u>Less</u> Allowance for doubtful accounts	(530,989)	(401,889)
Loans receivable and personal loans receivable, net	26,148,051	16,939,849

11 Loans receivable and personal loans receivable, net (Cont'd)

As at 31 December 2018 and 2017, the Group's loans receivable and personal loans receivable, and allowance for doubtful accounts were classified by aging as follows:

Consolidated financial statements				
2018				
	Loans receivable and personal loans receivable and unearned interest income Baht'000	Net balance after collateral used for setting allowance for doubtful account Baht'000	Minimum percentage %	Allowance for doubtful accounts Baht'000
Current or overdue not over than 1 month	22,133,297	11,993,488	1	119,935
Overdue more than 1 month to 3 months	3,878,645	1,690,770	2	33,815
Overdue more than 3 months to 6 months	500,754	254,925	20, 100	240,300
Overdue more than 6 months to 12 months	110,279	80,874	100	80,874
Overdue more than 12 months	56,065	56,065	100	56,065
Total	26,679,040	14,076,122		530,989
Consolidated financial statements				
2017				
	Loans receivable and personal loans receivable and unearned interest income Baht'000	Net balance after collateral used for setting allowance for doubtful account Baht'000	Minimum percentage %	Allowance for doubtful accounts Baht'000
Current or overdue not over than 1 month	13,533,643	7,131,461	1	71,315
Overdue more than 1 month to 3 months	3,316,006	2,436,395	2	114,623
Overdue more than 3 months to 6 months	337,203	218,553	20, 100	72,297
Overdue more than 6 months to 12 months	81,152	69,920	100	69,920
Overdue more than 12 months	73,734	73,734	100	73,734
Total	17,341,738	9,930,063		401,889

As at 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease for accounts receivable which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. The Company has a policy to cease recognising revenue from hire-purchase receivables which are overdue by more than 4 installments.

As at 31 December 2018, the Group had outstanding loans receivable and personal loans receivable for which installment payments are overdue more than 3 installments but for which revenue is still being recognised in the consolidated financial statements amounting to Baht 171.83 million (2017: Baht 539.69 million).

In addition, if the Group had discontinued recognised interest income and followed this accounting guideline, the amount of interest from loans receivable and personal loans receivable recognised in the consolidated statement of total comprehensive income for the year ended 31 December 2018 was reduced by Baht 1.96 million (2017: Baht 7.22 million).

12 Loans to customers and accrued interest receivable, net

As at 31 December 2018 and 2017, the Group's loans to customers and accrued interest receivable of a subsidiary from business acquisition were classified by amounts due under contracts as follows:

Consolidated financial statements				
2018				
Amounts due under contracts				
	Less than 1 year Baht'000	1 - 5 years Baht'000	More than 5 years Baht'000	Total Baht'000
Loans to customers	601,305	511,073	21,596	1,133,974
<u>Add</u> Accrued interest receivable	3,619	-	-	3,619
Total loans to customers and accrued interest receivable	604,924	511,073	21,596	1,137,593
<u>Less</u> Allowance for doubtful accounts	(193,386)	(11,530)	(21,176)	(226,092)
<u>Less</u> Allowance for troubled debt restructuring	-	(458)	-	(458)
Total	411,538	499,085	420	911,043
<u>Less</u> Surplus reserve				(147,197)
Total loans to customers and accrued interest receivable, net				763,846

Consolidated financial statements				
2017				
Amounts due under contracts				
	Less than 1 year Baht'000	1 - 5 years Baht'000	More than 5 years Baht'000	Total Baht'000
Loans to customers	777,491	899,015	1,688	1,678,194
<u>Add</u> Accrued interest receivable	1,609	-	-	1,609
Total loans to customers and accrued interest receivable	779,100	899,015	1,688	1,679,803
<u>Less</u> Allowance for doubtful accounts	(227,524)	(9,711)	(17)	(237,252)
<u>Less</u> Allowance for troubled debt restructuring	-	(1,226)	-	(1,226)
Total	551,576	888,078	1,671	1,441,325
<u>Less</u> Surplus reserve				(135,840)
Total loans to customers and accrued interest receivable, net				1,305,485

12 Loans to customers and accrued interest receivable, net (Cont'd)

As at 31 December 2018 and 2017, the Group's loans to customers and accrued interest receivable of a subsidiary from business acquisition were classified by aging as follows:

Consolidated financial statements					
2018					
	Loans outstanding and accrued interest receivables Baht'000	Net balance used for allowance Baht'000	Percentage used for allowance %	Allowance for doubtful accounts	
				Minimum allowance per BOT guideline Baht'000	Amount already set up by the Company Baht'000
Normal	882,220	878,600	1	8,786	18,280
Special mention	26,754	26,557	2	531	26,376
Sub-standard	803	803	100	803	803
Doubtful	9,277	9,277	100	9,277	9,277
Doubtful of loss	218,539	168,354	100	168,354	171,356
Total loans to customers and accrued interest	<u>1,137,593</u>	<u>1,083,591</u>		187,751	226,092
Surplus reserves				-	147,197
Total				<u>187,751</u>	<u>373,289</u>

Consolidated financial statements					
2017					
	Loans customers and accrued interest receivables Baht'000	Net balance used for allowance Baht'000	Percentage used for allowance %	Allowance for doubtful accounts	
				Minimum allowance per BOT guideline Baht'000	Amount already set up by the Company Baht'000
Normal	1,416,505	1,414,900	1	14,149	29,036
Special mention	13,552	13,500	2	270	13,470
Sub-standard	27,946	27,946	100	27,946	27,946
Doubtful	-	-	100	-	-
Doubtful of loss	221,800	163,300	100	163,300	166,800
Total loans to customers and accrued interest receivable	<u>1,679,803</u>	<u>1,619,646</u>		205,665	237,252
Surplus reserves				-	135,840
Total				<u>205,665</u>	<u>373,092</u>

As at 31 December 2018, the Group has defaulted loans to customers and accrued interests amounting to Baht 228.62 million for which the Group has ceased accrual interest income on accrual basis according to the Bank of Thailand's notification.

13 Troubled debt restructurings

During the year ended 31 December 2018 and 2017, the Company did not make additional debt restructuring agreement.

Details of customers whose debts have been restructured as at 31 December 2018 and 2017 compared with the total customers are as follows:

	Consolidated financial statements			
	2018		2017	
	Number of debtors	Outstanding balance before restructuring Baht'000	Number of debtors	Outstanding balance before restructuring Baht'000
Restructured debts	1	95,000	1	95,000

The debts restructured referred to above can be classified by the terms of repayment under the restructuring agreements as follows:

	Consolidated financial statements					
	2018			2017		
	Debt balances			Debt balances		
	Number of debtors	Before restructuring Baht'000	After restructuring Baht'000	Number of debtors	Before restructuring Baht'000	After restructuring Baht'000
Year of debts restructuring contracts						
Not over than 1 month	-	-	-	-	-	-
More than 1 month - 3 months	-	-	-	-	-	-
More than 3 months - 6 months	-	-	-	-	-	-
More than 6 months - 12 months	-	-	-	-	-	-
More than 12 months	1	95,000	9,588	1	95,000	15,037
Total	1	95,000	9,588	1	95,000	15,037

Supplemental information relating to the restructured debts for the years ended 31 December 2018 and 2017 are as follows:

	2018 Baht'000	2017 Baht'000
Interest income	1	2

14 Other receivables

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Other receivables - properties foreclosed	82,252	71,308	-	-
Amount due from related parties (Note 37 e))	216	78	8,861	13,563
Interest receivable	2,090	2,939	-	315
Prepaid expenses	50,532	62,314	6,236	7,056
Deposits	23,461	27,041	1,169	1,368
Receivable from legal execution department	228,249	4,570	-	-
Advance	58,820	50,701	30	-
Others	50,598	23,236	-	2,053
Total	496,218	242,187	16,296	24,355

15 Properties foreclosed, net

	Consolidated financial statements	
	2018	2017
	Baht'000	Baht'000
Cost	681,207	378,449
<u>Less</u> Allowance for impairment	(23,099)	(43,212)
Properties foreclosed, net	658,108	335,237

16 Long-term investments, net

	Consolidated financial statements			
	2018		2017	
	Cost Baht'000	Fair value Baht'000	Cost Baht'000	Fair value Baht'000
Available-for-sale investments	178,691	181,628	323,374	330,741
<u>Add</u> Revaluation adjustments	2,937	-	7,367	-
Total available-for-sale investments, net	181,628	181,628	330,741	330,741
Held-to-maturity securities	-	-	1,275	-
<u>Less</u> Allowance for impairment	-	-	(1,275)	-
Total held-to-maturity securities, net	-	-	-	-
General investments	70,533	16,781	70,533	16,781
<u>Less</u> Allowance for impairment	(53,752)	-	(53,752)	-
Total general investments, net	16,781	16,781	16,781	16,781
Total long-term investments, net	198,409	198,409	347,522	347,522

The movement of long-term investments during the years ended 31 December 2018 and 2017 are as follows:

	Consolidated financial statements			
	2018		2017	
	Available- for-sale investment Baht'000	General investment Baht'000	Available- for-sale investment Baht'000	General investment Baht'000
Opening net book balance	330,741	16,781	251,979	-
Additions from business acquisition (Note 37)	-	-	2,364,555	16,781
Disposal	(143,802)	-	(2,041,181)	-
Amortisations of premium on investment	(881)	-	-	-
Change in fair value of available-for- sale securities	(4,430)	-	15,164	-
Reclassify to investment in subsidiary (Note 17, 37)	-	-	(259,776)	-
Closing net book balance	181,628	16,781	330,741	16,781

17 Investments in subsidiaries

The detail of investments in subsidiaries as at the statement of financial position date is as below:

Company name	Nature of business	Country of incorporation	Proportion of ordinary shares directly held by parent (%)		Proportion of ordinary shares held by the Group (%)		Proportion of shares held by non-controlling interests (%)	
			2018 %	2017 %	2018 %	2017 %	2018 %	2017 %
Subsidiaries								
Fast Money Co., Ltd.	Hire-purchase and loan	Thailand	99.99	99.99	99.99	99.99	0.01	0.01
SWP Asset Management Co., Ltd.	Asset management	Thailand	94.99	90.00	94.99	90.00	5.01	10.00
Srisawad International Holding Co., Ltd.	Investment in other companies	Thailand	99.67	90.00	99.67	90.00	0.33	10.00
Srisawad Power 2014 Co., Ltd.	Hire-purchase, loan and debt collection service	Thailand	99.99	99.99	99.99	99.99	0.01	0.01
Srisawad Finance PCL. (Former: Bangkok First Investment & Trust PCL.)	Finance business	Thailand	45.34	36.35	45.34	36.35	54.66	63.65
P Lending Company Limited	Launch a loan providing platform	Thailand	74.99	-	74.99	-	25.01	-
Subsidiaries indirectly under Srisawad International Holding Co., Ltd.								
Srisawad Vietnam LLC	Credit sale	Vietnam	100.00	100.00	99.67	90.00	0.33	10.00
SWP Services Co., Ltd.	Management and consulting services	Thailand	74.99	99.99	74.74	89.99	25.26	10.01
United Coastal Co., Ltd.	Investment in other companies	Thailand	-	97.00	-	87.30	-	12.70
Srisawad Leasing Lao Co., Ltd.	Hire-purchase and loan	Lao PDR	90.00	90.00	89.70	81.00	10.30	19.00

The movements of the investments in subsidiaries for the years ended 31 December 2018 and 2017 are as follows:

	Separate financial statements	
	2018 Baht'000	2017 Baht'000
Opening balance	2,949,532	149,970
Additions from acquisition of subsidiary (Note 37)	-	514,011
Transferred from available-for-sale securities (Note 16, 37)	-	259,776
Addition of investment in subsidiaries	971,965	2,025,775
Closing balance	3,921,497	2,949,532

17.1 Transactions incurred during 2018

Investments in subsidiaries

Srisawad International Holding Company Limited

On 15 March 2018, The Board of Directors Meeting of the Company no.3/2018 approved purchase in ordinary shares of Srisawad International Holding Co., Ltd. for 2,900,000 shares at par Baht 100 each, with the total of Baht 290 million. The Company already paid this purchase in ordinary shares.

SWP Asset Management Company Limited

On 24 April 2018, the Board of Directors Meeting of the Company no.4/2018 approved purchase in ordinary shares of SWP Asset Management Company limited for 49,996 shares at par Baht 100 each, with the total of Baht 4.99 million. The Company already paid this purchase in ordinary shares.

Srisawad Finance Public Company Limited (Formerly named “Bangkok First Investment & Trust PCL.”)

During the period, the Company received stock dividends from Srisawad Finance Public Company Limited for 3,816,282 shares at par Baht 5 each.

17 Investments in subsidiaries (Cont'd)

17.1 Transactions incurred during 2018 (Cont'd)

Investments in subsidiaries (Cont'd)

On 26 June 2018, the Board of Directors Meeting of the Company no.6/2018 approved purchase in ordinary shares of Srisawad Finance PCL. (“BFIT”) for 19,825,276 shares, with the total of Baht 591.39 million. As a result, the proportion of investment has been changed from 36.35% to 45.34%.

Fast Money Company limited

On 17 September 2018, The Board of Directors Meeting of Company no. 9/2018 approved increase in registered capital of Fast Money Company limited by issuing 1,000,000 ordinary shares at par Baht 100 each of which the company invested in 1,000,000 ordinary shares, with the total of Baht 100 million. The Company already paid this purchase in ordinary shares.

P Lending Company Limited

On 12 December 2018, The Board of Directors Meeting of Company no. 12/2018 approved incorporation of P Lending Company Limited to launch a loan providing platform by issuing 50,000 ordinary shares at Baht 100 per share of which Srisawad corporation company limited invested in 37,498 ordinary shares, which represented 74.99% of total share capital.

Investments in subsidiaries which held by Srisawad International Holding Company Limited

Srisawad Vietnam Liability Limited Company

On 27 March 2018 and 19 December 2018, Srisawad International Holding Co., Ltd., a subsidiary, paid-up additional capital injection on investment in Srisawad Vietnam LLC with the total of Baht 20 million and Baht 28.14 million, respectively.

SWP Services Company Limited

On 15 May 2018, The Board of Directors Meeting of Company no. 5/2018 approved increase in registered capital of SWP Services Company Limited by issuing 2,850,000 ordinary shares at par Baht 100 each of which Srisawad International Holding Co., Ltd., a subsidiary, invested in 2,100,000 ordinary shares, with the total of Baht 210 million. As a result, the proportion of investment has been changed from 99.99% to 74.99%.

United Coastal Company Limited

On 10 June 2018, the Extraordinary General Meeting of company no. 1/2018, the Shareholders approved unanimously to dissolve the Company. The dissolution was registered on 10 July 2018 and the liquidation was registered on 24 September 2018 with the Ministry of Commerce.

17.2 Transactions incurred during 2017

Investments in subsidiaries

Srisawad Finance PCL. (Formerly named “Bangkok First Investment & Trust PCL.”)

On 9 March 2017, the Company invested in ordinary shares of Srisawad Finance PCL. (“BFIT”) for 53,011,000 shares, in total trading value Baht 514.01 million which represented 26.51% of total paid-up share capital of BFIT and included with previously purchasing of investment in BFIT at 9.84% on 27 June 2016. As a result, the Company has 36.35% of total paid-up share capital of BFIT. The available-for-sale investment has been reclassified to investment in subsidiaries because the Company has control over BFIT. The Company has fully paid for the increase in those investments.

Srisawad Power 2014 Co., Ltd.

On 9 May 2017, The Board of Directors Meeting of the Company no. 5/2017 approved capital increase of Srisawad Power 2014 Co., Ltd. by issuing 19,990,000 ordinary shares at par Baht 100 each. The Company already paid-up for additional share capital.

17 Investments in subsidiaries (Cont'd)

17.2 Transactions incurred during 2017 (Cont'd)

Investments in subsidiaries which held by Srisawad International Holding Company Limited

Srisawad Leasing Lao Co., Ltd.

On 9 May 2017, The Board of Directors Meeting of Company no. 5/2017 approved incorporation of Srisawad Leasing Lao Co., Ltd. to conduct leasing business in the Lao People's Democratic Republic by issuing 1,000,000 ordinary shares at LAK 3,000 per share of which Srisawad International Holding Co., Ltd., a subsidiary, invested in 900,000 ordinary shares, which represented 90.00% of total share capital by fully paid-up for the ordinary shares amounting to Baht 10.98 million.

Srisawad Vietnam LLC

On 5 January 2017, Srisawad International Holding Co., Ltd., a subsidiary, paid-up additional capital injection on investment in Srisawad Vietnam LLC with the total of Baht 26.90 million.

17.3 Non-controlling interests

The total non-controlling interests as of 31 December 2018 is Baht 1,765.34 million (2017: Baht 1,747.71 million), of which Baht 1,674.61 million is for Srisawad Finance PCL. (2017: Baht 1,715.77 million). The remaining non-controlling interests are considered immaterial to the Group's equity.

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for subsidiary are before inter-company eliminations.

Summarised statement of financial position

	Srisawad Finance Public Company Limited	
	2018	2017
	Baht'000	Baht'000
Assets	19,677,409	11,293,832
Liabilities	(17,160,253)	(9,144,204)
Net assets	<u>2,517,156</u>	<u>2,149,628</u>
Non - controlling interests	1,674,608	1,715,767

Summarised statement of comprehensive income

	Srisawad Finance Public Company Limited	
	2018	2017
	Baht'000	Baht'000
Revenue	<u>1,965,712</u>	<u>744,119</u>
Profit or loss	377,375	234,809
Other comprehensive income	(3,544)	(154,193)
Total comprehensive income	<u>373,831</u>	<u>80,616</u>
Profit allocated to non-controlling interests	224,078	32,185
Dividends paid to non-controlling interests	37,429	35,644

17 Investments in subsidiaries (Cont'd)

17.3 Non-controlling interests (Cont'd)

Summarised financial information on subsidiaries with material non-controlling interests (Cont'd)

Set out below are the summarised financial information for subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for subsidiary are before inter-company eliminations. (Cont'd)

Summarised statement of cash flows

	Srisawad Finance Public Company Limited	
	2018	2017
	Baht'000	Baht'000
Net cash generated from (used in) operating activities	(5,595,398)	(4,024,462)
Net cash generated from (used in) investing activities	8,378	2,107,554
Net cash generated from (used in) financing activities	5,993,697	2,493,588
Net increase (decrease) in cash and cash equivalents, net	406,677	576,680
Cash and cash equivalents at beginning of the year	747,034	170,354
Cash and cash equivalents at end of the year	1,153,711	747,034

17.4 Acquisition of significant additional interest in a subsidiary

During the year ended 31 December 2018, the Company additionally acquired 8.99% of the issued shares of Srisawad Finance PCL (“BFIT”) for a purchase consideration of Baht 591 million to exchange with the non-controlling interests of BFIT at the amount of Baht 259 million. The Group derecognised carrying amount of these non-controlling interests and recorded discount from changes in the ownership interests in a subsidiary of Baht 332 million in parent’s equity.

18 Loans receivable from purchase of loans, net

As at 31 December 2018 and 2017, the Group had outstanding loans receivable from purchase of loans from a subsidiary as follows:

	Consolidated financial statements	
	2018	2017
	Baht'000	Baht'000
Loans receivable from purchase of loans	3,188,783	2,742,052
<u>Less</u> Allowance for impairment	(4,409)	(3,292)
Loans receivable from purchase of loans, net	3,184,374	2,738,760

The movement of loans receivable from purchase of loans for the years ended 31 December 2018 and 2017 are as follows:

	Consolidated financial statements	
	2018	2017
	Baht'000	Baht'000
Loans receivable from purchase of loans at beginning	2,742,052	2,311,621
Additions	1,048,584	585,883
Amortisation from collection	(601,853)	(155,452)
Loans receivable from purchase of loans at ending	3,188,783	2,742,052
<u>Less</u> Allowance for impairment	(4,409)	(3,292)
Loans receivable from purchase of loans, net	3,184,374	2,738,760

19 Property, plant and equipment, net

	Consolidated financial statements					
	Land	Building, improvement	Furniture and fixture	Equipment	Vehicles	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
At 1 January 2017						
Cost	2,355	215,923	147,795	146,192	278,110	790,375
<u>Less</u> Accumulated depreciation	-	(78,788)	(69,166)	(72,414)	(106,875)	(327,243)
Closing net book value	<u>2,355</u>	<u>137,135</u>	<u>78,629</u>	<u>73,778</u>	<u>171,235</u>	<u>463,132</u>
For the year ended 31 December 2017						
Opening net book value	2,355	137,135	78,629	73,778	171,235	463,132
Acquisition of subsidiary (Note 37)	1,548	-	17	617	8,516	10,698
Additions	-	110,053	22,801	42,335	47,953	223,142
Transfers in from properties foreclosed	-	-	-	-	352	352
Disposals/ write off, net	-	(6,216)	-	(16,029)	(1,726)	(23,971)
Depreciation charge	-	(71,460)	(27,614)	(27,863)	(55,819)	(182,756)
Closing net book value	<u>3,903</u>	<u>169,512</u>	<u>73,833</u>	<u>72,838</u>	<u>170,511</u>	<u>490,597</u>
At 31 December 2017						
Cost	3,903	307,224	188,010	177,658	330,529	1,007,324
<u>Less</u> Accumulated depreciation	-	(137,712)	(114,177)	(104,820)	(160,018)	(516,727)
Closing net book value	<u>3,903</u>	<u>169,512</u>	<u>73,833</u>	<u>72,838</u>	<u>170,511</u>	<u>490,597</u>
For the year ended 31 December 2018						
Opening net book value	3,903	169,512	73,833	72,838	170,511	490,597
Additions	-	268,259	39,833	19,201	23,297	350,590
Decommissioning cost	-	6,359	-	-	-	6,359
Disposals/ write off, net	-	(4,737)	-	-	(4,008)	(8,745)
Amortisation for decommission	-	(371)	-	-	-	(371)
Depreciation charge	-	(90,169)	(31,272)	(28,572)	(59,084)	(209,097)
Effects of changes in foreign exchange rates	-	(9)	(3)	(3)	(10)	(25)
Closing net book value	<u>3,903</u>	<u>348,844</u>	<u>82,391</u>	<u>63,464</u>	<u>130,706</u>	<u>629,308</u>
At 31 December 2018						
Cost	3,903	560,934	227,840	196,855	344,555	1,334,087
<u>Less</u> Accumulated depreciation	-	(212,090)	(145,449)	(133,391)	(213,849)	(704,779)
Closing net book value	<u>3,903</u>	<u>348,844</u>	<u>82,391</u>	<u>63,464</u>	<u>130,706</u>	<u>629,308</u>

20 Intangible assets, net

As at 31 December 2018 and 2017, the Group and the Company’s net intangible assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht’000	Baht’000	Baht’000	Baht’000
Finance license (Note 37)	554,000	554,000	-	-
Computer software	14,241	9,406	1,030	1,311
Total intangible assets, net	<u>568,241</u>	<u>563,406</u>	<u>1,030</u>	<u>1,311</u>

The movement of intangible assets for the year ended 31 December 2017 is as follows:

	Computer software	
	Consolidated financial statements	Separate financial statements
	Baht’000	Baht’000
At 1 January 2017		
Cost	20,510	20,109
<u>Less</u> Accumulated amortisation	<u>(12,191)</u>	<u>(12,138)</u>
Closing net book value	<u>8,319</u>	<u>7,971</u>
For the year ended 31 December 2017		
Opening net book value	8,319	7,971
Acquisition of subsidiary (Note 37)	541	-
Transfer out through partial business transfer	-	(6,638)
Additions	4,133	1,716
Amortisation charge	<u>(3,587)</u>	<u>(1,738)</u>
Closing net book value	<u>9,406</u>	<u>1,311</u>
At 31 December 2017		
Cost	26,915	1,405
<u>Less</u> Accumulated amortisation	<u>(17,509)</u>	<u>(94)</u>
Closing net book value	<u>9,406</u>	<u>1,311</u>

20 Intangible assets, net (Cont'd)

The movement of intangible assets for the year ended 31 December 2018 is as follows:

	Consolidated financial statements			Separate financial statements		
	Computer software	Work in process	Total	Computer software	Work in process	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
For the year ended 31 December 2018						
Opening net book value	9,406	-	9,406	1,311	-	1,311
Additions	2,917	5,663	8,580	-	-	-
Amortisation charge	(3,745)	-	(3,745)	(281)	-	(281)
Closing net book value	<u>8,578</u>	<u>5,663</u>	<u>14,241</u>	<u>1,030</u>	<u>-</u>	<u>1,030</u>
At 31 December 2018						
Cost	29,832	5,663	35,495	1,405	-	1,405
<u>Less</u> Accumulated amortisation	<u>(21,254)</u>	<u>-</u>	<u>(21,254)</u>	<u>(375)</u>	<u>-</u>	<u>(375)</u>
Closing net book value	<u>8,578</u>	<u>5,663</u>	<u>14,241</u>	<u>1,030</u>	<u>-</u>	<u>1,030</u>

21 Deferred tax

The analysis of deferred tax assets and deferred tax liabilities at 31 December 2018 and 2017 is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	134,375	100,438	-	-
Deferred tax asset to be recovered after more than 12 months	<u>47,735</u>	<u>27,615</u>	<u>1,853</u>	<u>1,386</u>
	<u>182,110</u>	<u>128,053</u>	<u>1,853</u>	<u>1,386</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(720)	(720)	-	-
Deferred tax liabilities to be settled after more than 12 months	<u>(141,490)</u>	<u>(142,661)</u>	<u>-</u>	<u>-</u>
	<u>(142,210)</u>	<u>(143,381)</u>	<u>-</u>	<u>-</u>
Deferred tax, net	<u>39,900</u>	<u>(15,328)</u>	<u>1,853</u>	<u>1,386</u>

21 Deferred tax (Cont'd)

The movement of deferred tax assets is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
As at 1 January	(15,328)	62,119	1,386	59,832
Decrease from revaluation as at acquisition date	-	(136,000)	-	-
Recognised to profit or loss	54,342	41,887	467	(78,048)
Recognised to other comprehensive income	886	17,380	-	18,853
Charged (credited) directly to equity	-	(714)	-	749
As at 31 December	<u>39,900</u>	<u>(15,328)</u>	<u>1,853</u>	<u>1,386</u>

The movements in deferred tax assets and deferred tax liabilities are as follows:

	Consolidated financial statements					
	Allowance for doubtful accounts Baht'000	Allowance for impairment Baht'000	Employee benefit obligations Baht'000	Prepaid expenses Baht'000	Decommission Cost Baht'000	Total Baht'000
Deferred tax assets						
At 1 January 2018	76,240	554	5,884	45,375	-	128,053
Charged (credited) to profit or loss	(22,567)	1,778	2,095	72,653	98	54,057
At 31 December 2018	<u>53,673</u>	<u>2,332</u>	<u>7,979</u>	<u>118,028</u>	<u>98</u>	<u>182,110</u>
At 1 January 2017	78,286	544	2,142	-	-	80,972
Charged (credited) to profit or loss	(2,046)	10	4,456	45,375	-	47,795
Credited directly to equity	-	-	(714)	-	-	(714)
At 31 December 2017	<u>76,240</u>	<u>554</u>	<u>5,884</u>	<u>45,375</u>	<u>-</u>	<u>128,053</u>

21 Deferred tax (Cont'd)

The movement in deferred tax assets and deferred tax liabilities during the years are as follows: (Cont'd)

	Consolidated financial statements			
	Allowance for doubtful accounts Baht'000	Unrealised gain on available-for-sale Baht'000	Revaluation Baht'000	Total Baht'000
Deferred tax liabilities				
At 1 January 2018	(5,908)	(1,473)	(136,000)	(143,381)
Charged to profit or loss	285	-	-	285
Charged to other comprehensive income	-	886	-	886
At 31 December 2018	(5,623)	(587)	(136,000)	(142,210)
At 1 January 2017	(20,460)	(60,309)	-	(80,769)
Increase from acquisition of subsidiary	-	-	(136,000)	(136,000)
Credited to profit or loss	14,552	-	-	14,552
Charged to other comprehensive income	-	58,836	-	58,836
At 31 December 2017	(5,908)	(1,473)	(136,000)	(143,381)
	Separate financial statements			
	Allowance for doubtful accounts Baht'000	Allowance for impairment Baht'000	Employee benefit obligations Baht'000	Total Baht'000
Deferred tax assets				
At 1 January 2018	-	-	1,386	1,386
Charged to profit or loss	-	-	467	467
At 31 December 2018	-	-	1,853	1,853
At 1 January 2017	76,221	359	2,105	78,685
Credited to profit or loss	(76,221)	(359)	(1,468)	(78,048)
Charged directly to equity	-	-	749	749
At 31 December 2017	-	-	1,386	1,386
	Separate financial statements			
	Unrealised gain on available-for-sale Baht'000		Total Baht'000	
Deferred tax liabilities				
At 1 January 2018	-	-	-	-
Charged to other comprehensive income	-	-	-	-
At 31 December 2018	-	-	-	-
At 1 January 2017	(18,853)	(18,853)	(18,853)	(18,853)
Charged to other comprehensive income	18,853	18,853	18,853	18,853
At 31 December 2017	-	-	-	-

22 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Rental deposits	60,347	51,356	3,287	2,977
Employee retention	48,398	32,504	-	-
Restricted cash	1,436	1,724	-	-
Other deposits	21,788	3,682	-	-
Total other non-current assets	131,969	89,266	3,287	2,977

23 Deposits and debt securities issued

As at 31 December 2018, the summaries of deposits and debt securities issued of a subsidiary from business acquisition are as follows:

23.1 Deposits

Classified by type of deposits

	Consolidated financial statements	
	2018 Baht'000	2017 Baht'000
At call	404,425	67,689
At maturity	6,869,548	6,000,087
Total	7,273,973	6,067,776

Classified by currency and residence of customers

	Consolidated financial statements	
	2018 Baht'000	2017 Baht'000
Domestic Baht	7,273,916	6,067,720
Foreign Baht	57	56
Total	7,273,973	6,067,776

23.2 Debt securities issued

Classified by type of debt securities issued

	Consolidated financial statements	
	2018 Baht'000	2017 Baht'000
At call	6,000	6,000
Total	6,000	6,000

23 Deposits and debt securities issued (Cont'd)

As at 31 December 2018, the summaries of deposits and debt securities issued of a subsidiary from business acquisition are as follows: (Cont'd)

23.2 Debt securities issued (Cont'd)

Classified by currency and residence of customers

	Consolidated financial statements	
	2018	2017
	Baht'000	Baht'000
Domestic Baht	6,000	6,000
Total	6,000	6,000

As at 31 December 2018. The Group have debt securities issued totaling Baht 6 million at 1.75% per annum (2017: Baht 6,000 million at 1.75% per annum).

24 Borrowings from financial institutions

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Current				
Short-term borrowings from financial institutions	4,050,000	2,300,000	3,050,000	1,300,000
Short-term borrowings from financial Institutions for purchase of loans	338,826	-	-	-
Current portion of long-term borrowings from financial institutions	2,703,889	1,921,944	330,556	150,000
Total current borrowings	7,092,715	4,221,944	3,380,556	1,450,000
Non-current				
Long-term borrowings from financial institutions	741,944	2,197,500	250,000	200,000
Total non-current borrowings	741,944	2,197,500	250,000	200,000
Total borrowings from financial institutions	7,834,659	6,419,444	3,630,556	1,650,000

24.1) The movements of short-term borrowings from financial institutions for the years ended 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Opening book balance	2,300,000	5,650,000	1,300,000	5,250,000
Additions of short-term borrowings	7,850,000	9,255,000	7,850,000	8,655,000
Repayments of short-term borrowings	(6,100,000)	(12,605,000)	(6,100,000)	(12,405,000)
Transfer out through partial business transfer	-	-	-	(200,000)
Closing book balance	4,050,000	2,300,000	3,050,000	1,300,000

Short-term borrowings from financial institutions are charged interest rate of 2.10% - 2.65% per annum (2017: 2.00% - 4.00% per annum) and have been fully paid interest and principal at maturity date.

24 Borrowings from financial institutions (Cont'd)

- 24.2) The movements of short-term borrowings from financial institutions for purchase of loans for the years ended 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Opening book balance	-	55,917	-	-
Additions of short-term borrowings	786,438	258,497	-	-
Repayments of short-term borrowings	(447,612)	(314,414)	-	-
Closing book balance	<u>338,826</u>	<u>-</u>	<u>-</u>	<u>-</u>

Short-term borrowings from financial institutions for purchase of loans is non-interest bearing promissory note (2017: non-interest bearing) and have been fully paid principal at maturity date.

- 24.3) The movements of long-term borrowings from financial institutions which included current portion for the years ended 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Opening book balance	4,119,444	2,701,389	350,000	2,701,389
Additions of borrowings	1,460,000	1,900,000	500,000	1,900,000
Reclassification of borrowings from related party	-	400,000	-	400,000
Repayments of borrowings	(2,133,611)	(881,945)	(269,444)	(393,889)
Transfer out through partial business transfer	-	-	-	(4,257,500)
Closing book balance	<u>3,445,833</u>	<u>4,119,444</u>	<u>580,556</u>	<u>350,000</u>

Long-term borrowings from financial institutions are charged interest rate of 3.05% - 4.15% per annum (2017: 3.00% - 5.00% per annum) and have been paid interest and principal on monthly basis and at maturity date.

The Group and the Company have the following undrawn committed borrowing facilities amount of Baht 3,500 million (2017: Baht 16,016 million). These borrowing agreements require the Group and the Company to maintain debts to equity ratio by computing applies annual consolidated financial statements. The Group and the Company comply with the conditions.

25 Obligations under long-term lease liabilities

	Consolidated financial statements	
	2018 Baht'000	2017 Baht'000
Current portion of obligations under long-term lease liabilities	29,166	28,275
Obligations under long-term lease liabilities	19,280	42,462
Total	48,446	70,737

Liabilities under long-term lease agreements - minimum lease payments are as follows:

	Consolidated financial statements	
	2018 Baht'000	2017 Baht'000
Within 1 year	30,614	30,774
Later than 1 year but not later than 5 years	19,852	44,069
<u>Less</u> Future finance charges on long-term leases agreements	(2,020)	(4,106)
Present value of liabilities under long-term lease agreements	48,446	70,737
Representing liabilities under long-term lease agreements:		
- Current	29,166	28,275
- Non-current	19,280	42,462
	48,446	70,737

26 Other payables

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Other payables	321,980	139,005	2,135	1,888
Amounts due to related parties (Note 39 j))	863	849	27,145	43,078
Accrued expenses	260,015	295,639	10,869	8,558
Accrued interest expenses	80,974	50,749	51,814	50,749
Others	78,635	66,321	1	-
Total	742,467	552,563	91,964	104,273

27 Senior debentures

	Consolidated and Separate financial statements	
	2018	2017
	Baht'000	Baht'000
Senior unsecured debentures		
- Expiring within one year	1,258,500	2,465,000
- Expiring more than one year	3,268,200	4,875,000
Senior secured debentures		
- Expiring more than one year	4,411,383	1,225,000
Total senior debentures	8,938,083	8,565,000

The movements of senior secured and unsecured debentures which included current portion for the years ended 31 December 2018 and 2017 are as follows:

	Consolidated and Separate financial statements			
	2018		2017	
	Unsecured Baht'000	Secured Baht'000	Unsecured Baht'000	Secured Baht'000
Opening balance	7,340,000	1,225,000	5,540,000	-
Additions				
Principal (net of debt issuance cost)	-	3,184,592	4,000,000	1,225,000
Repayments	(2,813,300)	-	(2,200,000)	-
Amortisation of debt issuance costs	-	1,791	-	-
Closing balance	4,526,700	4,411,383	7,340,000	1,225,000

Senior unsecured and secured debentures were charged interest rate of 2.80% - 4.75% per annum in accordance with condition of each debenture (2017: 2.50% - 4.50% per annum) and have been paid interest on a quarterly basis and paid principal at maturity date.

These debenture agreements require the Group and the Company to maintain debts to equity ratio by computing from annual consolidated financial statements. The Group and the Company could comply with the conditions.

28 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Statement of financial position				
Pension benefits	40,009	29,422	9,265	6,931
Loss charge included in operating profit				
Pension benefits	11,353	7,949	2,334	4,346
Remeasurement				
Pension benefits	-	(3,568)	-	3,746

The amounts recognised in the statement of financial position are determined as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Present value of obligations	40,009	29,422	9,265	6,931
Liability in the statement of financial position	40,009	29,422	9,265	6,931

28 Employee benefit obligations (Cont'd)

The movements in the employee benefit obligations over the years are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
As at 1 January	29,422	10,709	6,931	10,527
Current service costs	10,475	7,644	2,175	4,169
Interest costs	878	305	159	177
Transfer-in from business acquisition	-	19,000	-	-
Transfer out of obligations from business restructure	-	-	-	(11,688)
Benefit payment	(766)	(4,668)	-	-
Remeasurements:				
Loss (gain) from change in demographic assumptions	-	(5,220)	-	29
Loss from change in financial assumptions	-	2,750	-	776
Experience (gain) loss	-	(1,098)	-	2,941
As at 31 December	40,009	29,422	9,265	6,931

Expense (revenue) for employee benefits were recognised in the statements of comprehensive income as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Current service costs	10,475	7,644	2,175	4,169
Interest costs	878	305	159	177
Remeasurement of employee benefit obligations	-	(3,568)	-	3,746
	11,353	4,381	2,334	8,092

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	2.47% - 3.52%	2.29% - 3.32%	2.47%	2.29%
Salary increase rate	5.50%	7.00%	5.50%	7.00%
Mortality rate	100.00%	100.00%	100.00%	100.00%
Turnover rate	2.00% - 30.00%	3.50% - 20.00%	2.00% - 20.00%	7.00% - 20.00%
Retirement age	60 years old	60 years old	60 years old	60 years old

28 Employee benefit obligations (Cont'd)

Sensitivity analysis

	Increase (decrease) in provisions for employment benefits			
	Consolidated financial statements		Separate financial statements	
	2018 %	2017 %	2018 %	2017 %
Financial Assumptions				
Discount rate				
Increase 1%	(11.52)	(13.05)	(5.48)	(5.59)
Decrease 1%	13.86	15.97	5.98	6.15
Salary increase rate				
Increase 1%	13.01	15.23	5.54	6.14
Decrease 1%	(11.10)	(12.73)	(5.20)	(5.70)
Demographic Assumptions				
Mortality rate				
Increase 1%	(0.81)	(0.70)	(1.38)	(1.14)
Decrease 1%	0.73	0.69	1.25	1.02
Turnover rate				
Increase 10%	(8.15)	(10.65)	(0.85)	(2.34)
Decrease 10%	9.97	13.20	0.90	2.64

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the pension liability recognised within the statement of financial position (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period).

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation are 8 - 23 years (2017: 8 - 24 years).

Analysis of the maturity of the payment of retirement benefits is as follows:

	Consolidated financial statements				
	Less than a year Baht'000	Between 1-3 years Baht'000	Between 3-5 years Baht'000	Over 5 years Baht'000	Total Baht'000
At 31 December 2018					
Pension benefits	-	2,444	13,363	81,076	96,883
Total employee benefit obligations	-	2,444	13,363	81,076	96,883
	Consolidated financial statements				
	Less than a year Baht'000	Between 1-3 years Baht'000	Between 3-5 years Baht'000	Over 5 years Baht'000	Total Baht'000
At 31 December 2017					
Pension benefits	-	143	14,084	248,095	262,322
Total employee benefit obligations	-	143	14,084	248,095	262,322

28 Employee benefit obligations (Cont'd)

Analysis of the maturity of the payment of retirement benefits is as follows: (Cont'd)

	Separate financial statements				
	Less than a year Baht'000	Between 1-3 years Baht'000	Between 3-5 years Baht'000	Over 5 years Baht'000	Total Baht'000
At 31 December 2018					
Pension benefits	-	1,694	10,431	8,672	20,797
Total employee benefit obligations	-	1,694	10,431	8,672	20,797
	Separate financial statements				
	Less than a year Baht'000	Between 1-3 years Baht'000	Between 3-5 years Baht'000	Over 5 years Baht'000	Total Baht'000
At 31 December 2017					
Pension benefits	-	-	13,199	7,287	20,486
Total employee benefit obligations	-	-	13,199	7,287	20,486

29 Share capital and premium on share capital

	Number of ordinary share Shares'000	Number of issued and paid-up shares Shares'000	Issued and paid-up ordinary shares Baht'000	Share premium Baht'000	Share premium from share-base payment Baht'000	Total Baht'000
Opening book balance as at 1 January 2018	1,129,952	1,087,368	1,087,368	1,424,760	36,190	2,548,318
Issuance of ordinary shares	119,758	60,404	60,404	-	-	60,404
Closing book balance as at 31 December 2018	1,249,710	1,147,772	1,147,772	1,424,760	36,190	2,608,722
Opening book balance as at 1 January 2017	1,086,494	1,045,496	1,045,496	1,421,801	36,190	2,503,487
Issuance of ordinary shares	43,458	41,872	41,872	2,959	-	44,831
Closing book balance as at 31 December 2017	1,129,952	1,087,368	1,087,368	1,424,760	36,190	2,548,318

On 24 April 2018, the Annual General Meeting of Shareholders for 2018 approved the following:

1. Approved capital decrease from Baht 1,129,951,865 to Baht 1,129,950,908 by decreasing 957 ordinary shares with par value of Baht 1 per share which remains from stock dividend allocation.
2. Approved capital increase from Baht 1,129,950,908 to Baht 1,192,717,081 by issuing 62,766,173 ordinary shares with par value of Baht 1 per share and allocate shares as follows:
 - Allocation of 60,409,383 shares at par value of Baht 1 per share to accommodate for the dividend payment for ordinary shares.
 - Allocation of 2,356,790 shares at par value of Baht 1 per share to accommodate the exercise of warrants to purchase ordinary shares of the Company no.1 (SAWAD-W1).

29 Share capital and premium on share capital (Cont'd)

On 16 November 2018, the Extraordinary General Meeting of Shareholders 2/2561 approved the following:

1. Approved capital decrease from Baht 1,192,717,081 to Baht 1,192,710,379 by decreasing 6,702 ordinary shares with par value of Baht 1 per share which remains from stock dividend allocation.
2. Approved capital increase from Baht 1,192,710,379 to Baht 1,249,710,379 by issuing 57,000,000 ordinary shares with par value of Baht 1 per share.

On 20 April 2017, the Annual General Meeting of Shareholders for 2017 approved the following:

1. Approved capital decrease from Baht 1,086,493,519 to Baht 1,086,492,172 by decreasing 1,340 ordinary shares with par value of Baht 1 per share which remains from stock dividend allocation.
2. Approved capital increase from Baht 1,086,492,179 to Baht 1,129,951,865 by issuing 43,459,686 ordinary shares with par value of Baht 1 per share and allocate shares as follows:
 - Allocation of 41,819,859 shares at par value of Baht 1 per share to accommodate for the dividend payment for ordinary shares.
 - Allocation of 1,639,827 shares at par value of Baht 1 per share to accommodate the exercise of warrants to purchase ordinary shares of the Company no. 1 (SAWAD-W1).

30 Dividend

On 24 April 2018, the Annual General Meeting of Shareholders for the year 2018 approved dividend payment for the year 2017 to the shareholders amounting to Baht 68.50 million. The dividend payment will be paid in cash and ordinary shares on the following basis:

1. Payment of cash dividend at the rate of Baht 0.007 per share amounting to Baht 7,611,583.
2. Payment of ordinary shares dividend of 60,409,383 shares at par value of Baht 1 per share to the shareholders at the rate of 18 ordinary shares per 1 ordinary share dividend totaling Baht 60,409,383 a dividend of Baht 0.056 per share. In the case of a fraction of shares, the Company will pay cash dividend instead of stock dividend payment at the rate of Baht 0.056 per share which the fraction is 6,702 shares.

The Company paid dividend to the existing shareholders on 21 May 2018 for 60,402,681 shares at par value of Baht 1 per share.

On 20 April 2017, the Annual General Meeting of Shareholders for the year 2017 approved dividend payment for the year 2016 to the shareholders amounting to Baht 47.05 million. The dividend payment will be paid in cash and ordinary shares on the following basis:

1. Payment of cash dividend at the rate of Baht 0.005 per share amounting to Baht 5,227,482.
2. Payment of ordinary shares dividend of 41,819,859 shares at par value of Baht 1 per share to the shareholders at the rate of 25 ordinary shares per 1 ordinary share dividend totaling Baht 41,819,859 a dividend of Baht 0.04 per share. In the case of a fraction of shares, the Company will pay cash dividend instead of stock dividend payment at the rate of Baht 0.04 per share which the fraction is 957 shares.

The Company paid dividend to the existing shareholders on 19 May 2017 for 41,818,902 shares at par value of Baht 1 per share.

31 Legal reserve

	Consolidated and Separate financial statements	
	2018 Baht'000	2017 Baht'000
At 1 January	112,995	108,649
Appropriation during the year	11,976	4,346
At 31 December	124,971	112,995

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

32 Other income

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Fee income	1,752,191	1,411,535	-	-
Gain on bargain purchase	-	185,645	-	-
Gain on sales of properties foreclosed	52,897	232,066	-	-
Gain from loans receivable from purchase of loans	131,492	20,564	-	-
Others	145,863	53,623	3,470	8,505
Total other income	2,082,443	1,903,433	3,470	8,505

33 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Marketing expenses	45,700	64,965	643	631
Marketing incentives	133,751	118,493	222	1,203
Advisory and professional fee	29,313	30,528	8,365	14,973
Personnel expenses	1,531,460	1,312,692	50,034	55,687
Depreciation and amortisation expenses	213,579	186,344	281	94
Rental and servicing expenses	424,349	372,916	8,128	17,418
Specific business tax and other taxes	199,161	153,632	9	-
Utilities expenses	125,866	109,139	468	2,751
Fuel expenses	41,826	42,015	3	14
Impairment loss of properties foreclosed	8,887	41	-	-
Foreclosing expenses	12,127	15,356	-	-
Cost of goods sold	-	7,555	-	-
Other administrative expenses	280,157	252,138	24,520	42,342
Total expense	3,046,176	2,665,814	92,673	135,113

34 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Current tax	779,326	657,365	41,864	325,186
Deferred tax (Note 21)				
Increase in deferred tax assets	(54,342)	(41,887)	(467)	78,048
Decrease from business transfer (Note 38)	-	-	-	(389,270)
Total income tax expense	724,984	615,478	41,397	13,964

34 Income tax expense (Cont'd)

The income tax expense on profit before tax differ from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Profit before tax	3,725,874	3,330,628	381,082	1,871,012
Tax calculated at a tax rate of 20% (2017: 20%)	745,175	666,126	76,216	374,202
Tax effect of:				
Expenses not deductible for tax purpose	3,692	1,429	13	272
Income not subject to tax	(474)	(13,403)	(34,823)	(4,071)
Additional deductible expenses	(27,466)	(1,418)	-	(95)
Tax losses for which no deferred income tax asset was recognised	4,057	(31,411)	(9)	32,926
Utilisation of previously unrecognised tax losses	-	(5,845)	-	-
Decrease from business transfer (Note 38)	-	-	-	(389,270)
Income tax expenses	724,984	615,478	41,397	13,964

35 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net profit attributable to ordinary shareholders of the Company (Thousand Baht)	2,768,360	2,666,599	339,685	1,467,779
Weighted average number of ordinary shares outstanding (Thousand Shares)	1,147,772	1,147,772	1,147,772	1,147,772
Basic earnings per share (Baht per share)	2.41	2.32	0.30	1.28

During the year 2018 and 2017, the Company issued dilutive ordinary share, but they did not give rise to dilutive EPS.

36 Financial instruments

Financial instruments are any contracts that give rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Vietnamese Dong (VND) and Lao Kip (LAK). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has investments in a subsidiary in Vietnam and Lao PDR, whose net assets are exposed to currency translation risk. However, the Vietnamese Dong and Lao Kip have low risk arising from the future commercial transactions.

36 Financial instruments (Cont'd)

Interest rate risk

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The major financial assets and liabilities which bear market interest rate and fixed interest rate that potentially subject the Group to the change of interest rate risk.

Credit risk

Financial assets that potentially subject the Group to credit risk consist principally of hire-purchase receivables, loans receivable, personal loans receivable and loans to customers and loans to customers and accrued interest receivable.

Management manages the risk by adopting appropriate credit control policies and procedures and therefore, the Group does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of hire-purchase receivables, loans receivable, personal loans receivable and loans to customers and accrued interest receivable as stated in the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to pay its debts and obligations when due because of an inability to convert assets into cash timely, or because of its failure to procure enough funds.

Management is responsible for liquidity management, including procurement of both short-term and long-term sources of funds.

Interest rate risk

interest rate risk

Consolidated financial statements							
2018							
Earlier of remaining maturity date or contractual repricing							
Floating interest rate	At call	Less than year	1 - 5 years	Over 5 years	No interest rate	Total	
Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	
Financial assets							
Cash and cash equivalents	930	-	452	-	-	1,027	2,409
Short-term investments, net	-	-	1	-	-	511	512
Hire-purchase receivables, net	-	-	1,707	1,047	-	-	2,754
Loans receivable and personal loans receivable, net	-	-	21,959	4,720	-	-	26,679
Loans to customers and accrued interest receivable, net	-	-	601	511	22	-	1,134
Short-term loans to financial institutions	-	-	600	-	-	-	600
Other receivables	-	-	-	-	-	105	105
Long-term investments, net (Note 16)	-	-	-	198	-	-	198
Loans receivable from purchase of loans, net	-	-	-	3,189	-	-	3,189
	930	-	25,320	9,665	22	1,643	37,580
Financial liabilities							
Deposits	-	404	5,065	1,804	-	-	7,273
Debt securities issued	-	-	6	-	-	-	6
Short-term borrowings from financial institutions	-	-	4,050	-	-	-	4,050
Short-term borrowings from financial institutions for purchase of loans	-	-	339	-	-	-	339
Long-term borrowings from financial institutions	-	-	2,704	742	-	-	3,446
Obligations under long-term lease liabilities	-	-	29	19	-	-	48
Senior debentures	-	-	1,258	7,693	-	-	8,951
	-	404	13,451	10,258	-	-	24,113

36 Financial instruments (Cont'd)

Interest rate risk (Cont'd)

Consolidated financial statements							
2017							
Earlier of remaining maturity date or contractual repricing							
Floating interest rate	At call	Less than year	1 - 5 years	Over 5 years	No interest rate	Total	
Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	
Financial assets							
Cash and cash equivalents	904	-	240	-	-	709	1,853
Short-term investments, net	-	-	1	-	-	2,312	2,313
Hire-purchase receivables, net	-	-	2,942	1,865	-	-	4,807
Loans receivable and personal loans receivable, net	-	-	14,709	2,633	-	-	17,342
Loans to customers and accrued interest receivable, net	-	-	779	901	-	-	1,680
Short-term loans to financial institutions	-	-	1,350	-	-	-	1,350
Other receivables	-	-	-	-	-	101	101
Long-term investments, net (Note 16)	-	-	50	85	193	20	348
Loans receivable from purchase of loans, net	-	-	-	2,742	-	-	2,742
	904	-	20,071	8,226	193	3,142	32,536
Financial liabilities							
Deposits	-	68	4,781	1,219	-	-	6,068
Debt securities issued	-	-	6	-	-	-	6
Short-term borrowings from financial institutions	-	-	2,300	-	-	-	2,300
Long-term borrowings from financial institutions	-	-	1,922	2,197	-	-	4,119
Obligations under long-term lease liabilities	-	-	28	43	-	-	71
Senior debentures	-	-	2,465	6,100	-	-	8,565
	-	68	11,502	9,559	-	-	21,129

36 Financial instruments (Cont'd)

Interest rate risk (Cont'd)

		Separate financial statements					
		2018					
		Earlier of remaining maturity date or contractual repricing					
	Floating interest rate	At call	Less than 1 year	1 - 5 years	Over 5 years	No interest rate	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Financial assets							
Cash and cash equivalents	119	-	-	-	-	259	378
Short-term investments, net	-	-	-	-	-	306	306
Receivable from related party							
from sales of loans receivable	-	-	245	2,865	-	-	3,110
Short-term loans to related parties	-	5,359	-	-	-	-	5,359
Long-term loans to related party	-	-	-	8,000	-	-	8,000
Other receivables	-	-	-	-	-	10	10
	<u>119</u>	<u>5,359</u>	<u>245</u>	<u>10,865</u>	<u>-</u>	<u>575</u>	<u>17,163</u>
Financial liabilities							
Short-term borrowings from financial institutions	-	-	3,050	-	-	-	3,050
Long-term borrowings from financial institution	-	-	331	250	-	-	581
Senior debentures	-	-	1,258	7,693	-	-	8,951
	<u>-</u>	<u>-</u>	<u>4,639</u>	<u>7,943</u>	<u>-</u>	<u>-</u>	<u>12,582</u>
		Separate financial statements					
		2017					
		Earlier of remaining maturity date or contractual repricing					
	Floating interest rate	At call	Less than 1 year	1 - 5 years	Over 5 years	No interest rate	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Financial assets							
Cash and cash equivalents	143	-	-	-	-	95	238
Short-term investments, net	-	-	-	-	-	1,010	1,010
Receivable from related party							
from sales of loans receivable	-	-	2,475	6,340	-	-	8,815
Short-term loans to related parties	-	2,674	-	-	-	-	2,674
Long-term loans to related party	-	-	-	2,500	-	-	2,500
Other receivables	-	-	-	-	-	15	15
	<u>143</u>	<u>2,674</u>	<u>2,475</u>	<u>8,840</u>	<u>-</u>	<u>1,120</u>	<u>15,252</u>
Financial liabilities							
Short-term borrowings from financial institutions	-	-	1,300	-	-	-	1,300
Long-term borrowings from financial institution	-	-	150	200	-	-	350
Senior debentures	-	-	2,465	6,100	-	-	8,565
	<u>-</u>	<u>-</u>	<u>3,915</u>	<u>6,300</u>	<u>-</u>	<u>-</u>	<u>10,215</u>

36 Financial instruments (Cont'd)

Liquidity risk

	Consolidated financial statements				
	2018				
	At call Million Baht	Within 1 year Million Baht	1 - 5 years Million Baht	Unspecified Million Baht	Total Million Baht
<u>Financial assets</u>					
Cash and cash equivalents	1,957	452	-	-	2,409
Short-term investments, net	511	1	-	-	512
Hire-purchase receivables, net	-	1,707	1,047	-	2,754
Loans receivable and personal loans receivable, net	-	21,959	4,720	-	26,679
Loans to customers and accrued interest receivable, net	-	605	533	-	1,138
Short-term loans to financial institutions	-	600	-	-	600
Other receivables	-	-	-	108	108
Long-term investments, net	-	-	198	-	198
Loans receivable from purchase of loans, net	-	-	3,189	-	3,189
	<u>2,468</u>	<u>25,324</u>	<u>9,687</u>	<u>108</u>	<u>37,587</u>
<u>Financial liabilities</u>					
Deposits	404	5,065	1,804	-	7,273
Debt securities issued	-	6	-	-	6
Short-term borrowings from financial institutions	-	4,050	-	-	4,050
Short-term borrowings from financial institutions for purchase of loans	-	339	-	-	339
Long-term borrowings from financial institutions	-	2,704	742	-	3,446
Obligations under long-term lease liabilities	-	29	19	-	48
Senior debentures	-	1,258	7,693	-	8,951
Other payables	2	71	8	-	81
	<u>406</u>	<u>13,522</u>	<u>10,266</u>	<u>-</u>	<u>24,194</u>

36 Financial instruments (Cont'd)

Liquidity risk (Cont'd)

	Consolidated financial statements				
	2017				
	At call Million Baht	Within 1 year Million Baht	1 - 5 years Million Baht	Unspecified Million Baht	Total Million Baht
Financial assets					
Cash and cash equivalents	1,613	240	-	-	1,853
Short-term investments, net	-	1	-	2,312	2,313
Hire-purchase receivables, net	-	2,942	1,865	-	4,807
Loans receivable and personal loans receivable, net	-	14,709	2,633	-	17,342
Loans to customers and accrued interest receivable, net	-	779	901	-	1,680
Short-term loans to financial institutions	-	1,350	-	-	1,350
Other receivables	-	-	-	101	101
Long-term investments	-	-	348	-	348
Loans receivable from purchase of loans	-	-	2,742	-	2,742
	<u>1,613</u>	<u>20,021</u>	<u>8,489</u>	<u>2,413</u>	<u>32,536</u>
Financial liabilities					
Deposits	108	4,735	1,225	-	6,068
Debt securities issued	-	6	-	-	6
Short-term borrowings from financial institutions	-	2,300	-	-	2,300
Long-term borrowings from financial institutions	-	1,922	2,197	-	4,119
Obligations under long-term lease liabilities	-	28	43	-	71
Senior debentures	-	2,465	6,100	-	8,565
Other payables	-	51	-	-	51
	<u>108</u>	<u>11,507</u>	<u>9,565</u>	<u>-</u>	<u>21,180</u>

36 Financial instruments (Cont'd)

Liquidity risk (Cont'd)

	Separate financial statements				
	2018				
	At call Million Baht	Within 1 year Million Baht	1 - 5 years Million Baht	Unspecified Million Baht	Total Million Baht
Financial assets					
Cash and cash equivalents	378	-	-	-	378
Short-term investments, net	306	-	-	-	306
Receivables from related party for sales of loans receivable and accrued interest	-	245	2,865	-	3,110
Short-term loans to related parties and accrued interest, net	5,402	-	-	-	5,402
Long-term loans to related party	-	-	8,017	-	8,017
Other receivables	-	-	-	10	10
	6,086	245	10,882	10	17,223

Financial liabilities

Short-term borrowings from financial institutions	-	3,050	-	-	3,050
Long-term borrowings from financial institutions	-	331	250	-	581
Senior debentures	-	1,258	7,693	-	8,951
Other payables	-	79	-	-	79
	<u>-</u>	<u>4,718</u>	<u>7,943</u>	<u>-</u>	<u>12,661</u>

	Separate financial statements				
	2017				
	At call Million Baht	Within 1 year Million Baht	1 - 5 years Million Baht	Unspecified Million Baht	Total Million Baht
Financial assets					
Cash and cash equivalents	238	-	-	-	238
Short-term investments, net	-	-	-	1,010	1,010
Receivables from related party from sales of loans receivable and accrued interest receivable	-	2,710	6,340	-	9,050
Short-term loans to related parties, net and accrued interest receivable	2,682	-	-	-	2,682
Long-term loans to related party	-	-	2,500	-	2,500
Other receivables	-	20	-	15	35
	2,920	2,730	8,840	1,025	15,515

Financial liabilities

Short-term borrowings from financial institutions	-	1,300	-	-	1,300
Long-term borrowings from financial institutions	-	150	200	-	350
Senior debentures	-	2,465	6,100	-	8,565
Other payables	-	94	-	-	94
	<u>-</u>	<u>4,009</u>	<u>6,300</u>	<u>-</u>	<u>10,309</u>

37 Business acquisition

On 27 June 2016, the Group acquired 9.84% of total share capital of Srisawad Finance PCL (“BFIT”) for Baht 157.71 million. On 9 March 2017, the Group acquired a further 26.51% of total share capital, totaling at 36.35% and obtained the control over BFIT.

As at 31 December 2017, the Group appraised the net assets acquired of BFIT. Difference between consideration paid and fair value of net assets acquired is presented as gain on bargain purchase for Baht 185.65 million.

The following table summarises the consideration paid for BFIT and the amount of assets acquired and liabilities assumed recognised at the acquisition date, as well as the fair value at the acquisition date of the non-controlling interest in BFIT.

	Consolidated Financial statement 2017 Baht’000
Consideration at 9 March	
Cash	514,011
Total consideration transferred	514,011
Fair value of equity interest in BFIT on the acquisition date (Note 16)	259,776
Total consideration	773,787
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	154,817
Other receivables	23,500
Short-term loans to financial institutions	1,450,000
Other current assets	167
Long-term investments, net	2,381,336
Loans to customers and accrued interest receivable, net	1,497,473
Property, plant and equipment, net (Note 19)	10,698
Intangible assets, net (Note 20)	554,541
Deposits	(3,164,633)
Debt securities issued	(6,410)
Other payables	(19,734)
Income tax payable	(6,483)
Other current liabilities	(1,362)
Deferred tax liabilities	(193,167)
Employee benefit obligations	(19,000)
Other non-current liabilities	(22,312)
Total identifiable net assets	2,639,431
Non-controlling interest	(1,679,999)
Excess of fair value of the net assets acquired over consideration paid	(185,645)
Total	773,787

The Group recognised a gain of Baht 102.06 million as a result of measuring at fair value its 9.84% of equity interest in BFIT held before the business acquisition. The gain is separately presented in the Group’s statement of comprehensive income for the year ended 31 December 2017.

The revenue included in the consolidated statement of comprehensive income since 9 March 2017 was Baht 678.97 million. Total profit of loss of Baht 50.29 million was included in the same period.

Had BFIT been consolidated from 1 January 2017, the consolidated statement of comprehensive income would show revenue of Baht 731.51 million, profit or loss of Baht 71.14 million, and gain on transfer of investment to investments in subsidiaries of Baht 94.27 million.

38 Partial business transfer

On 22 June 2017, the Extraordinary Shareholders Meeting of No. 2/2017 approved the transfer of hire-purchases receivables of the Company together with other related assets and liabilities to Srisawad Power 2014 Company Limited after the Company transferred its loans receivable to Srisawad Power 2014 Company Limited.

On 1 July 2017 the Company transferred operating assets and liabilities to Srisawad Power 2014 Company Limited with a net asset value of Baht 1,331 million or value that may change according to the agreement and is reported in these financial statements as partial business transfer.

	Separate financial Statement
For the year ended 31 December	2017 Baht'000
Operating cash flows	4,159,666
Investing cash flows	(102,180)
Financing cash flows	(69,460)
Total cash flows	<u>3,988,026</u>

The result of partial business transfer is as follows:

	Separate financial statement
For the year ended 31 December	2017 Baht'000
Revenues	
Interest income	2,295,706
Other income	717,091
Total revenues	<u>3,012,797</u>
Expenses	
Servicing expenses	93,022
Administrative expenses	1,143,781
(Reversal) bad and doubtful debts expense	(153,926)
Total expenses	<u>1,082,877</u>
Profit before finance costs and income tax expense	1,929,920
Finance costs	(129,930)
Profit before income tax expense	1,799,990
Income tax expense	(389,270)
Profit for the year from partial business transfer	<u><u>1,410,720</u></u>

39 Related party transactions

Enterprises and individuals that, directly or indirectly, through one 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 and subsidiaries that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and subsidiaries 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.

During the year, the Company had significant business transactions with its related parties. These transactions have been conducted based on agreed upon contracts. The relationship and significant transactions can be summarised as below:

	Relationship
Srisawad Finance PCL. (Formerly named “Bangkok First Investment & Trust PCL.”)	Subsidiary (since 9 March 2017)
Fast Money Co., Ltd.	Subsidiary
SWP Asset Management Co., Ltd.	Subsidiary
Srisawad International Holding Co., Ltd.	Subsidiary
P Lending Co., Ltd.	Subsidiary
Srisawad Power 2014 Co., Ltd.	Subsidiary
Srisawad Leasing Lao Co., Ltd.	Related party (Held by Subsidiary)
Srisawad Vietnam LLC.	Related party (Held by Subsidiary)
SWP Services Co., Ltd.	Related party (Held by Subsidiary)
United Coastal Co., Ltd.	Related party (Held by Subsidiary)
	(Requesting the dissolution on 10 July 2018 and complete its process on 24 September 2018)
Srisawad Power Co., Ltd.	Related party (Having the common directors)
Srisamarn Condotel Co., Ltd.	Related party (Having the common directors)
Srisamarn Bangkok Co., Ltd.	Related party (Having the common directors)
I.D. 2007 Co., Ltd.	Related party (Having the common directors)
CIMB Thai Bank PCL.	Related party (Having the common directors) (until 23 April 2017)

The transaction with its related parties can be summarised as below:

a) Interest income and finance costs

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Pricing policy	Baht'000	Baht'000	Baht'000	Baht'000
Interest income					
Subsidiaries	Agreed rate per contract	-	-	688,447	371,961
Finance costs					
Subsidiaries	Agreed rate per contract	-	-	4	-
Other related parties (Having the common directors)	Agreed rate per contract	-	5,077	-	5,077
Interest expense					
- deposit					
Other related parties (Having the common directors)	Agreed rate per contract	50,222	28,633	-	-
Directors and management	Agreed rate per contract	2,160	373	-	-

39 Related party transactions (Cont'd)

The transaction with its related parties can be summarised as below: (Cont'd)

b) Other income

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht'000	Baht'000	Baht'000	Baht'000
Pricing policy					
Management fee					
Income					
Subsidiaries	Agreed rate per contract	-	-	-	2,133
Rental and service					
revenue					
Subsidiaries	Agreed rate per contract	-	-	454	1,089

c) Expenses

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht'000	Baht'000	Baht'000	Baht'000
Pricing policy					
Rent					
Other related parties (Having the common directors)	Agreed rate per contract	37,515	10,885	2,007	7,390
Directors	Agreed rate per contract	5,393	5,393	-	2,696
Administrative expense					
Other related parties (Having the common directors)	Agreed rate per contract	494	-	-	-
Underwriting fee					
Other related parties (Having the common directors)	Agreed rate per contract	-	830	-	830
Upfront fee					
Other related parties (Having the common directors)	Agreed rate per contract	-	63	-	63
Custodian fee					
Other related parties (Having the common directors)	Agreed rate per contract	-	78	-	78

39 Related party transactions (Cont'd)

The transaction with its related parties can be summarised as below: (Cont'd)

d) Key management and directors' compensation

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Short-term employee benefits	69,931	75,667	24,551	49,361
Post-employment benefits	7,414	7,681	2,100	608
Total	77,345	83,348	26,651	49,969

e) Amount due from related parties

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Subsidiaries	-	-	8,861	13,563
Other related parties (Having the common directors)	216	78	-	-
Total (Note 14)	216	78	8,861	13,563

f) Rent deposits

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Other related parties (Having the common directors)	4,047	-	287	-

g) Receivable from related party from sales of loans receivable and accrued interest receivable

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Subsidiaries				
Receivables from related party from sales of loans receivable	-	-	3,110,205	8,814,919
Accrued interest receivable from sales of loans receivable	-	-	-	234,979
Total	-	-	3,110,205	9,049,898

39 Related party transactions (Cont'd)

The transaction with its related parties can be summarised as below: (Cont'd)

h) Short-term loans to related parties and accrued interest receivable

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Subsidiaries				
Short-term loans	-	-	5,358,967	2,673,541
Accrued interest receivable from short-term loans	-	-	42,856	8,781
Total	-	-	5,401,823	2,682,322

The movements of short-term loans to related parties for the years ended 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Subsidiaries				
As at 1 January	-	-	2,682,322	2,505,961
Loans advanced during the year	-	-	4,205,000	2,407,491
Interest income during the year	-	-	171,006	116,745
Repayments received during the year	-	-	(1,519,574)	(2,238,000)
Interest received during the year	-	-	(136,931)	(109,875)
As at 31 December	-	-	5,401,823	2,682,322

Short-term loans to related parties are due at call. The loans bear interest of 2.30% - 4.50% per annum (2017: 2.30% - 4.50% per annum).

i) Long-term loans to related party

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Subsidiaries				
Long-term loans	-	-	8,000,000	2,500,000
Accrued interest receivable from long-term loans	-	-	17,082	20,237
Total	-	-	8,017,082	2,520,237

39 Related party transactions (Cont'd)

The transaction with its related parties can be summarised as below: (Cont'd)

i) Long-term loans to related party (Cont'd)

The movement of long-term loans to related party for the years ended December 31, 2018 and 2017 are as follows:

	Consolidated financial statement		Separate financial statement	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Subsidiaries				
As at 1 January	-	-	2,520,237	-
Loans advanced during the year	-	-	5,500,000	2,500,000
Interest income during the year	-	-	294,380	20,237
Interest received during the year	-	-	(297,535)	-
As at 31 December	-	-	8,017,082	2,520,237

Long-term loans to related party is matured within 3 - 4 years. The loans bear interest of 4.75% - 5.50% per annum (2017: 4.15% per annum)

j) Amounts due to related parties

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Subsidiaries	-	-	27,145	43,078
Other related parties (Having common directors)	863	849	-	-
Total (Note 26)	863	849	27,145	43,078

k) Deposits and accrued interest expense

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Deposits				
Other related parties (Having the common directors)	2,594,419	2,536,141	-	-
Directors and management	148,001	47,000	-	-
Total	2,742,420	2,583,141	-	-
Accrued interest expense				
Other related parties (Having the common directors)	9,076	11,704	-	-
Directors and management	1,148	214	-	-
Total	10,224	11,918	-	-

l) Guarantee

As at 31 December 2018, the Company and subsidiary jointly guaranteed for joint credit facilities of another subsidiary of Baht 416 million (31 December 2017: nil). The Company also has guaranteed for promissory notes and long-term borrowings from financial institution of two subsidiaries totaling Baht 1,402.5 million (31 December 2017: Baht 1,000 million).

40 Commitments and contingent liabilities

The Group and the Company have entered into several lease agreements in respect of the lease office building space. The terms of the agreements are generally between 1 and 4 years.

As at 31 December 2018 and 2017, future minimum lease payments required under these non-cancellable operating lease contracts for the Group and the Company were as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Less than 1 year	352,921	286,501	3,440	10,926
Later than 1 year but not later than 5 years	338,671	254,302	4,873	7,896
Total	691,592	540,803	8,313	18,822

41 Event after the statement of financial position date

41.1 Allotted and issued ordinary shares on a Private Placement basis

On 18 February 2019, the Company allotted and issued ordinary shares on a Private Placement basis to a shareholder 57 million shares at 45 Baht per share totaling Baht 2,565 million. As a result, the proportion of investment has been changed from 4.99% to 9.49%.

41.2 Dividend payment

At the meeting of the Company's Board of Directors No.2/2019 held on 26 February 2019, the Board of Directors approved the following agenda:

1. Approved capital increase from Baht 1,249,710,379 to Baht 1,374,661,443 by issuing 124,951,064 ordinary shares at par value of Baht 1 per share and allocate shares as follows:
 - Allocation of 120,477,158 shares at par value of Baht 1 per share to accommodate for the stock dividend payment for ordinary shares.
 - Allocation of 4,473,906 shares at par value of Baht 1 per share to accommodate the exercise of warrants to purchase ordinary shares of the Company 1 (SAWAD-W1).
2. Approved dividend payment for the year 2018 to shareholders amounting to Baht 134.93 million. The dividend payment will be paid on the following basis:
 - Payment of cash dividend at the rate of Baht 0.012 per share amounting to Baht 14,457,260.
 - Payment of ordinary shares dividend of 120,477,158 shares at par value of Baht 1 per share to the shareholders at the rate of 10 shares per 1 stock dividend totaling Baht 120,477,158, a dividend of Baht 0.10 per share. In the case of fractional shares, payment will be paid in cash instead of stock dividend at the rate of Baht 0.10 per share.

However, it will be further proposed for the shareholders' approval in the Annual General Meeting of the shareholders for fiscal year 2019.



Attachment 1

Profiles of Directors, Management and Controlling Persons



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
1. Mr.Sukont Kanjanahuttakit Chairman	72	<ul style="list-style-type: none"> • Master of Accounting Virginia Polytechnic and State University, U.S.A. • Bachelor of Accounting Virginia Polytechnic and State University, U.S.A. • Director Certification Program (DCP) 2007 – Thai Institution of Directors Association • Audit Committee Program (ACP) 2010- Thai Institution of Directors Association 	-0-	None	<div>2012-Present Director, Chairman Srisawad Corporation Plc.</div> <hr/> <div><u>Other Business</u></div> <div>2009-2017 Independent Director and Chairman of Audit Committee CIMB Thai Plc. (Banking)</div> <div>2011-Present Director in Governance Committee Federation of Accounting</div> <div>2006-2015 Advisor to Management Tricor Outsourcing (Thailand) (Advisory)</div> <div>2013-2015 Independent Director Thai Sri Insurance Plc. (Insurance)</div> <div>2013-2017 Director of University council Western University (Education)</div> <div>2014-Present Independent Director, Chairman of Audit Committee World Corporation Plc. (Invest in other business)</div> <div>2015-Present Independent Director, Chairman JAS Asset Pcl. (Real Estate)</div> <div>2017-Present Chairman Srisawad Finance Plc. (Finance Company)</div>
2. Mr.Chatchai Kaewbootta Director ^{/2}	67	<ul style="list-style-type: none"> • Bachelor of Business Administration Sukhothai Thammathirat University 	9.97% ^{/1}	Father of Ms.Doungchai	<div>2012-Present Director, Chairman of Executive Committee Chief Executive Officer, Managing Director</div>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
Chairman of Executive Committee Chief Executive Officer Credit Committee Managing Director		<ul style="list-style-type: none"> Director Accreditation Program (DAP) 2013 –Thai Institution of Directors Association 		Kaewbootta and Ms.Thida Kaewbootta	<p>Srisawad Corporation Plc.</p> <hr/> <p><u>Other Business</u></p> <p>2004-Present Director Srisamarn Bangkok (Rent Property)</p> <p>2009-Present Director I.D. 2007 Ltd. (Real Estate)</p> <p>2008-Present Director KBB Service (Real Estate)</p> <p>2014-Present Director Srisawad International 2014 (Real Estate)</p> <p>2014-Present Director Big Minh 2014 (Real Estate)</p> <p>2015-Present Director Big Minh 2015 (Advertising)</p> <p>2016-Present Director SWP Services (Advisory Service)</p> <p>2017-Present Director Srisawad Power 2014 (Debt Collection and Lending)</p> <p>2018-Present Director P Lending (Platform for Lending Business)</p>
3. Miss Doungchai Kaewbootta Director ^{1/2}	39	<ul style="list-style-type: none"> Master of Computer Science De Paul University, U.S.A. 	7.68%	Daughter of Mr.Chatchai	<p>2012-Present Director, Executive Director Srisawad Corporation Plc.</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
Executive Director Credit Committee		<ul style="list-style-type: none"> Bachelor of Politics Kasetsart University Director Certification Program (DCP) 2010- Thai Institution of Directors Association 		Kaewbootta, Older sister of Ms.Thida Kaewbootta	<u>Other Business</u> 2011-Present Director Fast Money Ltd. (Lending) 2014-Present Director SWP Asset Management Ltd. (Asset Management) 2015-Present Director Srisawad International Holding (Invest in other) 2016-Present Director Srisawad Power 2014 (Debt Collection) 2016-Present Director SWP Services Ltd. (Advisory Service) 2018-Present Director P Lending Ltd. (Platform for lending business) 2017-Present Director, Managing Director Srisawad Finance Plc. (Finance Company) 2017-Present Director Srisawad Leasing Laos Ltd. (Lending) 2010-Present Director I.D. Service 2007 Ltd. (Property Business) 2010-Present Director



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					<p>Anuchalee Ltd. (Real Estate) 2007-Present Director</p> <p>Srisawad International 2014 (Real Estate) 2011-Present Director</p> <p>Mee Baan Mee Rod Ngernsod Tanjai (Real Estate) 2007-Present Director</p> <p>Rojana Housing (Real Estate) 2007-Present Director</p> <p>Srisamarn Condotel (Rent Property) 2010-Present Director</p> <p>Srisawad Power (Lending) 2012-Present Director</p> <p>Srisawad Group (Lending) 2007-Present Director</p> <p>Big Minh 2015 (Advertising) 2012-Present Director</p> <p>KBB Service (Real Estate) 2010-Present Director</p> <p>Big Minh 2014 (Real Estate) 2007-Present Director</p> <p>Srisamarn Petchaboon (Real Estate)</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					2016-Present Director C & J 2559 (Trading)
4. Pol. Gen.Pharnu Kerdlarpphon Independent Director Audit Committee Chairman of Nomination and Remuneration Committee	63	<ul style="list-style-type: none"> Master of Public Administration National Institute of Development Administration Bachelor of Law Ramkhamheang University Bachelor of Public Administration Police Academy Director Accreditation Program (DAP) 2013 – Thai Institution of Directors Association 	-0-	-None-	2012-Present Director and Audit Committee Srisawad Corporation Plc. <hr/> <u>Other Business</u> 2013-2014 Director Airport of Thailand Plc. (Transportation) 2014-2015 Assistant Commission-General, Royal Thai Police 2012-2014 Commissioner, Immigration Bureau 2011-2014 Director Bangkok Mass Transit Authority (Transportation) 2011-2012 Commissioner, Provincial Police Region 3
5. Mr.Weerachai Ngamdeevilaisak Independent Director Audit Committee Nomination and Remuneration Chairman of Risk Management Committee	56	<ul style="list-style-type: none"> Advanced Certificate Course in Public Administration and Law for Executives, King Prajadhipok's Institute Mini MBA Thammasart University Bachelor of Accounting Thammasart University 	-0-	-None-	2013-Present Director , Audit Committee Nomination and Remuneration Chairman of Risk Management Committee Srisawad Corporation Plc. <hr/> <u>Other Business</u> 2009-Present Independent Director, Nomination and Remuneration, Chairman of Risk Management



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
		<ul style="list-style-type: none"> • Director Certification Program (DCP) Train the trainer • Finance for Non-Finance Director (FN) 2003 • Role of the Compensation Committee Program 2007 • Successful Formulation & Execution of Strategy 2009 • Chartered Director Class 2014 			<p>Committee</p> <p>Pruksa Holding Plc. (Invest in other)</p> <p>2004-2016 Director</p> <p>Professional Outsourcing Solution (Recruitment Service)</p> <p>2004-2016 Director</p> <p>Accounting and Business Advisory (Accounting and Advisory)</p> <p>2004-Present Director</p> <p>Audit One (Audit)</p> <p>2014-Present Director, Chairman of Audit Committee</p> <p>ALLA Plc. (Manufacturing)</p> <p>2016-Present Independent Director, Chairman of Audit Committee</p> <p>Sin Munkong Insurance Pcl. (Insurance)</p> <p>2016-Present Director</p> <p>Smile P Ltd. (Recruitment service)</p> <p>2017-Present Independent Director, Chairman of Audit Committee</p> <p>Autocorp Holding Plc. (Invest in other)</p> <p>2017-Present Director</p> <p>W & M Associate (Invest in other)</p>
6. Mr.Vinai Vittavasgarnvej	68	<ul style="list-style-type: none"> • Master of Politics 	-0-	-None-	2014-Present Independent Director/Vice Chairman



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
Independent Director Vice Chairman Chairman of Audit Committee		Thammasart University • Bachelor of Accounting Thammasart University • Director Certification Program (DCP) 2006 – Thai Institution of Directors Association • Audit Committee Program (ACP) 2012- Thai Institution of Directors Association			Chairman of Audit Committee Srisawad Corporation Plc. <hr/> <u>Other Business</u> 2009-2011 President Government Saving Bank (Banking) 2009-2012 Director Chairman Dhipaya Insurance Plc. (Insurance) 2010-2011 Director-General The Treasury Department 2010-2011 Chairman Dhanarak Asset Development (Asset Development) 2011-2012 Chairman of Executive Committee Secondary Mortgage Corporation (Mortgage) 2011-2015 Chairman Bangkok Dec-con Plc. (Furniture) 2012-Present Chairman of Audit Committee Ekarat Engineering Plc. (Energy) 2012-Present Chairman, Independent Director Sahamitr Pressure Container Plc. (Packaging) 2016-Present Independent Director, Audit Committee



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					Sin Munkong Insurance Pcl. (Insurance)
7. Mr. Weidt Nuchjalearn Director Credit Committee	65	<ul style="list-style-type: none"> Master of Business Administration Thammasart University Bachelor of Economics Kasetsart University Role of The Chairman Program (RCP) 2013 – Thai Institution of Directors Association Executive Program – Capital Market Academy 2014 Director Accreditation Program (DAP) 2015 – Thai Institution of Directors Association 	-0-	-None-	2015-Present Director, Credit Committee Srisawad Corporation Plc. <hr/> <u>Other Business</u> 2017-Present Director Srisawad Finance Plc. (Finance Company) 2015-Present Director The Zoological Park Organization 2015-2017 Director Dhipaya Insurance Plc. (Insurance) 2015-Present Director Forest Industry Organization 2014-2015 Director Krungthai Axa Plc. (Insurance) 2013-Present Chairman of Audit Committee Thai Food Groups (Food) 2006-2014 Senior Deputy Managing Director Krung Thai Bank Plc. (Banking) 2016-2018 Director SWP Services Ltd. (Advisory Service) 2016-2018 Director United Coastal Ltd. (Holding company) 2016-Present Independent Director, Chairman of Audit



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					<p>Committee</p> <p>WHA Utility and Power Pcl. (Energy)</p> <p>2015-Present Director, Chairman of Audit Committee</p> <p>Saraburi Technic Concrete Ltd.</p> <p>(Construction)</p> <p>2015-Present Advisor</p> <p>SME Bank (Banking)</p> <p>2015-Present Director</p> <p>MAI</p> <p>2015-Present Director</p> <p>Right Livelihood Foundation (Foundation)</p> <p>2016-Present Director</p> <p>Provincial Waterworks Authority (Utility)</p> <p>2016-2018 Director</p> <p>Raimond Land Plc. (Real Estate)</p> <p>2016-Present Director</p> <p>Siam Rajthani (Recreation Service)</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
8. Mr. Sumate Maneewattana Independent Director	66	<ul style="list-style-type: none"> Master of Business Administration National Institute of Development Administration Graduate Diploma in Public Law Chulalongkorn University Mini MBA – Thammasart University Bachelor of Law Ramkhamhaeng University Executive Program – Capital Market Academy Director Certification Program (DCP) 2017 – Thai Institution of Directors Association 	-0-	-None-	2015-Present Independent Director Srisawad Corporation Plc.
					<u>Other Business</u> 2014-Present Chairman Wang Kanai Credit Union (Co-operation) 2014-Present Advisor to Chairman Wang Kanai Group. (Food) 2013-2014 Restructuring Advisor Islamic Bank of Thailand (banking) 2010-2012 Managing Director Bangkok Commercial Asset Management (Asset Management)
9. Mr. Pinit Puapan Director	51	<ul style="list-style-type: none"> Diploma Advanced Management Harvard Business School Master of Economics The London School of Economics and Political Science Bachelor of Economics and Politics Tufts University Director Accreditation Program (DAP) 2004 – Thai Institution of Directors Association 	-0-	-None-	2015-Present Director Srisawad Corporation Plc.
					<u>Other Business</u> 2017-Present Director Srisawad Finance Plc. (Finance Company) 2015-Present Director CAT Telecom (Communication) 2015-Present Independent Advisor Laos Electric Generators (Energy) 2014-Present Director



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
		<ul style="list-style-type: none"> Audit Committee Program (ACP) 2004 – Thai Institution of Directors Association Corporate Governance for Capital Market Intermediaries (CGI) 2015 – Thai Institution of Directors Association 			<p>Mali Group 1962 (Food) 2008-2013 Managing Director</p> <p>KT Seamico (Securities) 2007-Present Executive Director</p> <p>Seamico Securities (Securities) 2007-Present Audit Committee</p> <p>Charn Issara Development. (Property) 2017-Present Director</p> <p>Thai Airways Plc. (Transportation)</p>
10. Mr. Veera Veerakool	56	<ul style="list-style-type: none"> PhD Engineering Management University of Missouri-Rolla, USA MSC Engineering Management University of Missouri-Rolla, USA BSc (Hon) Computer Science University of Missouri-Rolla, USA Director Certification Program (DCP) 2015 – Thai Institution if Directors Association 	0.01%	-None-	<p>2017-Present Independent Director Srisawad Corporation Plc.</p> <hr/> <p><u>Other Business</u> 2003-2004 Partner IBM Business Consulting Services Thailand. (Advisory Service)</p> <p>2004-Present Chief Executive Officer Freewill Solution Co., Ltd. (Technology)</p>
11. Miss Thida Kaewbootta Investor Relation	36	<ul style="list-style-type: none"> Master of Business Administration Waseda University, Japan Bachelor of Accounting Thammasart University 	31.79%	Daughter of Mr.Chatchai Kaewbootta Younger sister of	<p>2017-Present Investor Relation Srisawad Corporation Plc.</p> <hr/> <p><u>Other Business</u> 2012-2017 Director</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
		<ul style="list-style-type: none"> Director Accreditation Program (DAP) 2013 – Thai Institution of Directors Association 		Ms.Doungchai Kaewbootta	<p>Srisawad Corporation Plc. (Invest in other) 2011-Present Director</p> <p>D.T.J Service (Invest in other company) 2010-Present Director</p> <p>Anuchalee (Real Estate) 2007-Present Director</p> <p>Srisamarn Condotel (Rent Property) 2007-Present Director</p> <p>Big Minh 2015 (Advertising) 2014-Present Director</p> <p>SWP Asset Management (Asset Management) 2014-Present Director</p> <p>Srisawad International 2014 (Real Estate) 2014-Present Director</p> <p>Big Minh 2014 (Real Estate) 2015-Present Director</p> <p>S P Network Service (Services) 2015-Present Director</p> <p>Srisawad International Holding (Invest in other) 2016-Present Director</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					<p>Srisawad Power 2014 Ltd. (Debt Collection) 2017-Present Director</p> <p>Srisawad Leasing Laos (Lending) 2016-Present Director</p> <p>C & J 2559 (Trading) 2009-Present Director</p> <p>I D 2007 (Real Estate) 2016-Present Director</p> <p>Srisawad Minh Holding (Invest in other) 2018-Present Director</p> <p>Supsombatmai (Real Estate)</p>
<p>12. Mrs.Wanaporn Pornkitipong Executive Director Vice President – Account and Finance The person taking the highest responsibility in finance and accounting</p>	53	<ul style="list-style-type: none"> Master of Business Administration Thammasart University Bachelor of Audit University of the Thai Chamber of Commerce 	0.08%	-None-	<p>2009-Present Vice President – Account and Finance Dept. Srisawad Corporation Plc.</p> <hr/> <p><u>Other Business</u> 1996-2009 Assistant Managing Director SCB Leasing Plc. (Lending)</p>
<p>13. Mr.Prayong Saennual Director Credit Committee Vice President – Human Resources</p>	52	<ul style="list-style-type: none"> Bachelor of Politics Ramkhamheang University 	0.07%	-None-	<p>2010-Present Director, Vice President – Human Resources Srisawad Corporation Plc.</p> <hr/> <p><u>Other Business</u> 2007-2010 Human Resources Manager</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					<p>Mahachai Hospital (Hospital) 2004-2007 Recruitment Manager</p> <p>Samart Corporation Plc. (Communication) 2016-Present Director</p> <p>Fast Money (Lending) 2016-Present Director</p> <p>SWP Asset Management (Asset Management) 2016-Present Director</p> <p>Srisawad Power 2014 (Lending) 2017-Present Director</p> <p>Srisawad Finance Plc. (Finance Company) 2018-Present Director</p> <p>P Lending (Platform for lending business)</p>
<p>14. Mr.Somyot Ngerndamrong Director^{1/2} Credit Committee Vice President – Collection Dept.</p>	52	<ul style="list-style-type: none"> Bachelor of Economics Kasetsart University Director Accreditation Program (DAP) 2014- Thai Institution of Directors Association 	-0-	-None-	<p>2013-Present Director, Vice President – Collection Dept. Srisawad Corporation Plc.</p> <hr/> <p><u>Other Business</u></p> <p>2013 Advisor Fast Money (Lending)</p> <p>2008-2009 Vice President CFG Service (Lending)</p> <p>2005-2008 Vice President Srisawad International</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					<p>(Lending)</p> <p>2014-Present Director Srisawad International 2014 (Real Estate)</p> <p>2015-Present Director Srisawad International Holding (Invest in Other)</p> <p>2016-Present Director SWP Services (Advisory service)</p> <p>2016-Present Director Srisawad Power 2014 (Lending)</p> <p>2017-Present Director Srisawad Leasing Laos (Lending)</p> <p>2017-Present Director SWP Asset Management (Asset Management)</p> <p>2018-Present Director P Lending (Platform for lending business)</p>
15. Mrs.Chomchaba Sathapornpong Company Secretary	57	<ul style="list-style-type: none"> Bachelor of Accounting Thammasart University Director Accreditation Program (DAP) 2005- Thai Institution of Directors Association Company Secretary Program 2014 	0%	-None-	<p>2012-Present Company Secretary Srisawad Corporation Plc.</p> <hr/> <p><u>Other Business</u></p> <p>2010-2011 Vice President – Office of Management Solution Corner (1998) (Information Technology)</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					2009-2010 Assistant Managing Director Eastern Wire Plc. (Invest in other business)

Note: ^{/1} including spouse holding

^{/2} Authorized Director



Srisawad Corporation Public Company Limited

Attachment 2

Details of Directors, Management, and Controlling Persons in Subsidiaries and Related Parties



Srisawad Corporation Public Company Limited

Company	Mr.Sukont Kanjanahuttakit	Mr.Chatchai Kaewbootta	Ms.Doungchai Kaewbootta	Mr.Vinai Vittavassamvej	Plo.Lt.Gen.Pharmu Kerdlarpphon	Mr.Weerachai Ngamdeevilaiisak	Mr.Sumate Maneewattana	Mr. Weidt Nuchjalearn	Mr. Pinit Puapan	Mr. Veera Veerakool	Mrs.Wanapom Pornkitipong	Mr.Prayong Saennual	Mr.Somyot Ngerdamrong	Ms. Thida Kaewbootta
1. Srisawad Corporation Plc.	C	D,ED, CEO	D,ED	ID,AC	ID,AC	ID,AC	D,ID	D	D	ID	ED,M	D,ED, M	D,M	M
Subsidiaries													D	
2. SWP Asset Management			D											D
3. Fast Money			D											
4. Srisawad International Holding			D										D	D
5. Srisawad Vietnam LLC														
6. Srisawad Power 2014		D	D									D	D	D
7. Srisawad Finance Plc.	C		D,MD					D	D			D		
8. SWP Services		D	D					D					D	
9. P Lending		D	D					D					D	
10. Srisawad Leasing Laos			D										D	D
Related Parties														
11. Srisamarn Bangkok		D												
12. I.D. 2007		D												
13. D.T.J. Service														D
14. I.D. Service 2007			D											
15. Anuchalee			D											D



Srisawad Corporation Public Company Limited

Company	Mr.Sukont Kanjanahuttakit	Mr.Chatchai Kaewbootta	Ms.Doungchai Kaewbootta	Mr.Vinai Vittavasmvej	Plo.Lt.Gen.Pharmu Kerdlarpphon	Mr.Weerachai Ngamdeevilaiisak	Mr.Sumate Maneewattana	Mr. Weidt Nuchjalearn	Mr. Pinit Puapan	Mr. Veera Veerakool	Mrs.Wanapom Pornkitipong	Mr.Prayong Saennual	Mr.Somyot Ngermdamrong	Ms. Thida Kaewbootta
16. Srisawad International 2014		D	D										D	D
17. Mee Baan Mee Rod Ngernsodtanjai			D											
18. Rojana Housing			D											
19. Srisamarn Condotel			D											D
20. Srisawad Power			D											
21. Srisawad Group			D											
22. Big Minh 2015		D	D											D
23. KBB Service		D	D											
24. Big Minh 2014			D											D
25. Srisamarn Petchaboon		D	D											
26. Myanmar Service International Holding			D										D	D
27. World Corporation Plc.	ID.AC													
28. JAS Assets Plc.														
29. Pruksa Holding Plc.						ID,AC								
30. Sin Munkong Insurance				ID,AC		ID,AC								
31. Smile P						D								
32. Audit One						D								



Company	Mr.Sukont Kanjanahuttakit	Mr.Chatchai Kaewbootta	Ms.Doungchai Kaewbootta	Mr.Vinai Vittavasmvej	Plo.Lt.Gen.Pharmu Kerdlarpphon	Mr.Weerachai Ngamdeevilaiisak	Mr.Sumate Maneewattana	Mr. Weidt Nuchjalearn	Mr. Pinit Puapan	Mr. Veera Veerakool	Mrs.Wanapom Pornkitipong	Mr.Prayong Saennual	Mr.Somyot Ngerdamrong	Ms. Thida Kaewbootta
33. ALLA Plc.						ID,AC								
34. Autocorp Holding						ID,AC								
35. W & M Associate						D								
36. Ekarat Engineering Plc.				ID,AC										
37. Sahamitr Pressure Container Plc.				C										
38. Saraburi Technic Concrete								AC						
39. Zoological Park Org.								D						
40. Right Livelihood Foundation								D						
41. WHA Utility & Power								ID,AC						
42. Thai Food Groups								ID,AC						
43. Siam Rajthani								D						
44. CAT Telecom									D					
45. Mali Group 1962									D					
46. Seamico Securities									D,ED					
47. Charn Issara Development									ID,AC					
48. Thai Airways Plc.									D					
49. Freewill Solution										MD				

Note: **C**- Chairman **D**-Director **ID**-Independent Director **AC**-Audit Committee **ED**-Executive Director **MD**-Managing Director **M**-Management



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