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# MESSAGE FROM THE BOARD OF DIRECTORS

## DEAR SHAREHOLDERS,

In 2020, Country Group Holdings PCL (“CGH”) navigated unprecedented challenges caused by the COVID-19 outbreak to end the year with a net income of 143 m baht on a consolidated basis, an improvement of 71.1% from the previous year.

Total revenues for 2020 was 1,418 m baht, an increase of 28.7% as compared to the previous year of 1,102 m baht. The improved results came mainly from our core business Country Group Securities PCL (CGS), which continued to show growth in most of its business lines. The company's share in profit in associated companies also increased to 60m baht from 34 m baht or 76.4%, following the improved performance of its associated companies. CGH's total expenses increased from 1,019 m baht to 1,275 m baht or 25.2% led by the increase in employee benefits and fee service expenses which correlates directly with the increase in commission revenues from the brokerage business.

During the year, the company executed a share buyback program of 331,378,200 shares representing 7.64 percent of the company's total registered capital. The opportunity to repurchase our own stock at a lower price will enhance the future value for our shareholders.

### Country Group Securities Public Company Limited (“CGS”)

In 2020, CGS continued to expand significantly, fully realizing its potential under its restructured business model and advantageous cost structure. Revenues increased from 984 m baht to 1,293 m baht reflecting an increase of 31.4%. Commissions from securities brokerage led the way with revenues of 1,006 m baht increasing 77.5% year on year, followed by commissions from tfex with revenues of 439 m baht increasing 61.9% year on year. In 2020, CGS's gain from investments decreased from 148 m baht to 13 m baht or -90.9% mainly due to a write off in investment debentures of 171 m baht, as the invested company became insolvent due to the COVID-19 pandemic.

The company expenses increased to 1,170 m baht from 805 m baht representing 45.3% from the previous year. Employee benefit expense and fee & service expenses increased by 252 m baht increasing 43.7% year on year, which is in line with added remuneration and sharing from increased brokerage.

Looking forward it is expected that rate of growth of revenues will continue outperform the rate of growth of volume of the Stock Exchange generally. Numerous measures have been taken by the company to improve its competitiveness and efficiency, leading to a steady growth in its overall business. The company has begun investing in the digitization of the business both in the front-end or client-facing technologies, and in the back-end, increasing efficiency and allowing the company to expand into new businesses using its existing

data. The company is expected to release several features for clients in the coming year to improve the overall user experience.

### Padaeng Industry Public Company Limited (“PDI”)

In 2020 PDI announced major changes in its business which will materially impact CGH. The company announced its plans to acquire 51% of the 299 Key Four Seasons Hotel Bangkok, and 101 Key Capella Bangkok on the 3<sup>rd</sup> December. The deal was further ratified by the Shareholders in the Extraordinary General Meeting on 1<sup>st</sup> February 2021. The acquisition is expected to close in Q2 of 2021, and will transform the Company into a leader in the Thailand's largest sector with two world class operating assets that will generate significant revenues for the company going forward. The acquisition follows on from PDI's earlier acquisition in 2020, which was a development site in the heart of Bangkok's CBD, which will be developed into a new hotel with approximately 200 keys, to be completed by 2024.

In order to continue its expansion PDI also announced a 1:1 rights offering to existing shareholders at par value. In the event CGH exercises its rights to the offering, it will likely increase its shareholdings in the company to over 25%, and likely consolidate PDI as another subsidiary. This will have a large impact on the look of the accounts of CGH, and possibly a short term dip in performance given the consolidation of a hospitality group during the COVID-19 pandemic. However, given the strength of the assets, and our long term view of our businesses, ultimately the business will recover and will become an irreplaceable cash generating asset for the company.

### MFC Asset Management Public Company Limited (“MFC”)

MFC's net income for the year was 148.1 m baht, an increase of 17.7 m baht or 13.5% from the previous year. The company's outlook is very positive given the implementation of new management that has revamped several parts of the business. In 2020, Fee & Service income which is main revenue increased to 885 m baht, 1.3% year on year, which represents the highest in 7 years for the company despite several setbacks during the COVID-19 pandemic. At the end of 2020 the company had Assets Under Management of 405,939 m baht, which is ranked 7th in the Industry.

CGH is expecting 2021 to be a strong year for the company. Several initiatives have been taken during the year to improve operational efficiency, reduce risk, and improve the operations of our businesses over the past years. The company is well on the way to realizing the goal to make all the subsidiaries strong cash contributors to the company.

On behalf of the Board of Director, we would like to thank all our stakeholders and shareholders for their continued support. We will continue to invest and operate diligently to maximize returns for all of our stakeholders and shareholders.



A stylized, handwritten signature in black ink, consisting of a large 'S' followed by a smaller 'T' and a flourish.

SADAWUT TAECHAUBOL  
Chairperson

A stylized, handwritten signature in black ink, featuring a large 'T' and a cursive 'Tommy'.

TOMMY TAECHAUBOL  
Director and Chief Executive Officer

## BOARD OF DIRECTORS



01

MR. SADAWUT TAECHAUBOL

Chairperson and Chairperson of  
the Executive Board of Director

02

MR. SURABHON KWUNCHAITHUNYA

Vice Chairperson

03

MR. TOMMY TAECHAUBOL

Director and Chief Executive Officer

04

MR. DEJ NAMSIRIKUL

Independent Director



05

MR. NIPHON WISITYUTHASART

Independent Director

08

MS. CHULARAT SUTEETHORN

Director

06

POL.GEN. WERAPONG CHUENPAGDEE

Independent director

09

MR. PISUTH VIRIYAMETTAKUL

Director

07

MRS. JITMANEE SUWANNAPOOL

Independent Director



# DETAIL OF THE BOARD OF DIRECTORS



**MR. SADAWUT TAECHAUBOL**  
Chairperson and Chairperson  
of the Executive Board of Directors

Age (Years) 68

## Position

- Chairperson and Chairperson of the Executive Board of Directors (Appointed on 15/05/2014)

## Shareholding (%)

- 1.27 %

## Family Relationship

- Father of Mr. Tommy Taechaubol (Chief Executive Officer)

## Education

- Commerce Diploma, Davis School, Brighton, UK
- BA (Political Science), Ramkhamhaeng University / Graduation year 2002
- Honorable Degree (Business Administration), Kensington University, California, USA

## Director Role Training by Thai Institute of Directors Association (IOD)

- Directors Accreditation Program ( DAP ) Class 66/2007, Thai Institute of Directors Association ( IOD )
- Corporate Governance for Capital Market Intermediaries ( CGI ) Class 14/2016, Thai Institute of Director Association ( IOD )

## Other Training

- Capital Market Academy Program ( CMA ) Class 12/2011, The Stock Exchange of Thailand
- Thailand Energy Academy ( TEA ) Class 7/2016
- Global Business Leaders ( GBL ) Class 2/2017, Lead Business Institute
- Advanced Master of Management Program, AMM, NIDA Class 3/2019

## Last 5 years experience

### • Director of 3 Listed Companies

20 Dec 2019 - Present	Acting Managing Director MFC Asset Management PCL.
2015 - Present	Director and Executive Committee Chairman Padaeng Industry PCL.
2014 - Present	Chairperson and Chairperson of the Executive Board of Directors Country Group Holdings PCL.
2012 - Present	Director and Chairman of the Executive Committee MFC Asset Management PCL.

### • Director of 6 Non-Listed Companies

2015 - Present	Director EDP Enterprise Co., Ltd.
2015 - Present	Director Asia Zone Venture Co., Ltd.
2015 - Present	Director BBT Enterprise Co., Ltd.
2010 - Present	Chairperson Sing Sian Yee Pao Co., Ltd.
2006 - Present	Director Baan Rai Taechaubol Co., Ltd.
1994 - Present	Chairperson Country Group Co., Ltd.

### • Other important 3 of positions

3 Oct. 2019 - Present	Honorary Adviser attached to the committee The Senate Standing Committee on Labour
2013 - Present	Executive Director China Overseas Exchange Association
2010 - Present	Chairperson Thai Chamber of Commerce & Industry



**MR. SURABHON KWUNCHAITHUNYA**  
Vice Chairperson

Age (Years) 69

#### Position

- Vice Chairperson  
(Appointed on 15/05/2014)
- Chairperson of Risk Management Committee (Appointed on 24/06/2014)
- Chairperson of Investment Committee (Appointed on 24/06/2014)

#### Shareholding

- 10 Shares

#### Family Relationship

- None

#### Education

- Master of Business Administration (MBA) (sponsored by the University's scholarship), University of Washington, USA
- Bachelor of Engineering in Industrial Engineering (sponsored by the University's scholarship), University of Washington, USA
- Bachelor of Engineering in Electrical Engineering, University of Washington, USA

#### Director Role Training by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP), Class 14/2004
- Director Certification Program (DCP), Class 44/2004
- Role of the Chairman Program (RCP), Class 32/2013
- Corporate Governance for Capital Market Intermediaries Program (CGI), Class 8/2015

#### Other Training

- Securitization, Fannie Mae of USA
- Certificate for High Level Executive, Capital Market Academy Program (CMA), Class 11/2010
- Finance and Banking by HSBC (Hongkong)

#### Last 5 years experience

##### • Director of 4 Listed Companies

2014 - Present	Vice Chairperson, Chairperson of the Risk Management Committee and Chairperson of the Investment Committee Country Group Holdings PCL.
2011 - Present	Director, Executive Director, Chairperson of the Nomination and Remuneration Committee and Member of the Good Corporate Governance Committee MFC Asset Management PCL.
2003 - Present	Independent Director and Chairperson of the Audit Committee Tycoons Worldwide Group (Thailand) PCL.
2019 - Present	Independent Director, Member of the Audit Committee, Member of the Nomination and Remuneration Committee Thai Rubber Latex Group PCL
2016 - 2018	Director Triton Holding PCL.
2004 - 2010	Chairperson of the Audit Committee Prinsiri PCL

##### • Director of 1 Non-Listed Companies

2016 - Present	Chairperson Country Group Securities PCL.
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##### • Other important of 1 positions

2012 - Present	Director Thai Commerce and Industry Association
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# DETAIL OF THE BOARD OF DIRECTORS



**MR. TOMMY TAECHAUBOL**  
Director and Chief Executive Officer

Age (Years) 37

## Position

- Director (Appointed on 22/05/2014)
- Chief Executive Officer (Appointed on 22/05/2014)
- Member of the Investment Committee (Appointed on 24/06/2014)

## Shareholding (%)

- 22.14%

## Family Relationship

- Son of Mr. Sadawut Taechaubol (Chairperson and Chairperson of the Executive Board of Directors)

## Education

- Master of Business Administration (MBA) (with distinction), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Laws, The University of New South Wales, Australia
- Bachelor of Commerce in Finance Major (with distinction) The University of New South Wales, Australia

## Director Role Training by Thai Institute of Directors Association (IOD)

- Corporate Governance for Capital Market Intermediaries Program (CGI), Class 13/2016
- Director Accreditation Program (DAP), Class 88/2011

## Other Training

- Real Estate Development RE-CU, Class 40 by The Real Estate Executive Association of Chulalongkorn University

## Last 5 years experience

### • Director of 2 Listed Companies

Nov 2019 - Present	Managing Director Padaeng Industry PCL.
2015 - Present	Director and Executive Director Padaeng Industry PCL.
2015 - Nov 2019	Member of the Nomination and Remuneration Committee Padaeng Industry PCL.
2015 - Present	Director, Chief Executive Officer and Member of the Investment Committee Country Group Holdings PCL.

### • Director of 4 Non-Listed Companies

2016 - Present	Director Genki Capital Co., Ltd.
2016 - Present	Director Genki Power One Co., Ltd.
2012 - 2017	Director Country Group Securities PCL.
2010 - 2017	Chairperson of the Executive Board of Directors  Sing Sian Yer Pao Co. Ltd.
2006 - Present	Director Baan Rai Taechaubol Co., Ltd.
2005 - Present	Director Country Group Co., Ltd.



**MR. DEJ NAMSIRIKUL**  
Vice Chairperson

Age (Years) 85

#### Position

- Independent Director  
(Appointed on 22/05/2014)
- Member of the Good Corporate Governance Committee  
(Appointed on 24/06/2014)
- Chairperson of the Nomination and Remuneration Committee  
(Appointed on 11/11/2016)

#### Shareholding (%)

- None

#### Family Relationship

- None

#### Education

- High School Diploma,  
Assumption Bangrak

#### Director Role Training by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP), Class 98/2012
- Director Certification Program (DCP), Class 225/2016
- Corporate Governance for Capital Market Intermediaries Program (CGI), Class 5/2015

#### Last 5 years experience

##### • Director of 1 Listed Companies

2014 - Present Independent Director, Chairperson of the Nomination and Remuneration and Member of the Good Corporate Governance Committee Country Group Holdings PCL.

##### • Director of 5 Non-Listed Companies

2006 - Mar 2016 Independent Director and Member of the Audit Committee Country Group Securities PCL.  
2010 - Present Chairperson Unicca Pattaya Properties Co., Ltd.  
1994 - Present Chairperson Union Power Properties Co., Ltd.  
1993 - Present Director Vejthani Hospital PCL.  
1989 - Present Director Omnoi Complex Co., Ltd.  
1982 - Present Director D.U.K Co., Ltd.

# DETAIL OF THE BOARD OF DIRECTORS



**MR. NIPHON WISITYUTHASART**  
Independent Director

Age (Years) 81

## Position

- Independent Director  
(Appointed on 22/05/2014)
- Chairperson of the Audit Committee  
(Appointed on 24/06/2014)
- Member of the Nomination and Remuneration Committee  
(Appointed on 24/06/2014)

## Shareholding (%)

- None

## Family Relationship

- None

## Education

- Master of Public Administration, National Institute of Development Administration (NIDA)
- Bachelor of Law, Thammasart University

## Director Role Training by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP), Class 43/2005
- Corporate Governance for Capital Market Intermediaries Program (CGI), Class 5/2015

## Other Training

- Certificate for High Level Executive Capital Market Academy (CMA) Class 12
- Advanced Certificate Course in Public relation for Executives, Class 2
- Advanced Certificate Course in Urban development class for Executives, Class 3
- Certificate in Asian Disaster Preparedness Center (ADPC)
- Thailand Energy Academy (TEA), Class 7/2016, Class 7/2016
- Advance Master Management Program (AMM)
- AC HOT UPDATE : Ready to New CG towards sustainability, FAP

## Last 5 years experience

### • Director of 2 Listed Companies

2014 - Present	Independent Director, Chairperson of the Audit Committee and Member of the Nomination and Remuneration Committee Country Group Holdings PCL.
2010 - 13 Sep 2018	Independent Director, Chairperson of Audit Committee and Member of the Nomination and Remuneration Committee Grand Canal Land PCL.
1999 - Present	Independent Director and Chairperson of the Audit Committee Vanachai Group, PCL.

### • Director of 1 Non-Listed Companies

2011 - 2016	Independent Director Country Group Securities. PCL.
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**POL.GEN. WERAPONG  
CHUENPAGDEE**  
Independent Director

Age (Years) 62

#### Position

- Independent Director  
(Appointed on 22/05/2014)
- Member of the Audit Committee  
(Appointed on 24/06/2014)
- Chairperson of the Good Corporate Governance Committee  
(Appointed on 24/06/2014)
- Member of the Nomination and Remuneration Committee  
(Appointed on 11/11/2016)

#### Shareholding (%)

- None

#### Family Relationship

- None

#### Education

- Master of Public Administration, National Institute of Development Administration (NIDA)
- Master of Public Administration Chulalongkorn University
- Bachelor of Public Administration from the Royal Police Cadet Academy

#### Director Role Training by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP), Class 86/2010
- Director Certification Program (DCP), Class 146/2011
- Audit Committee Program (ACP), Class 34/2011
- Financial Statements for Directors Program (FSD), Class 12/2011
- Role of the Compensation Committee Program (RCC), Class 13/2011
- Corporate Governance for Capital Market Intermediaries Program (CGI), Class 8/2015

#### Last 5 years experience

##### • Director of 4 Listed Companies

2018 - Present	Vice Chairperson and Independent Director Triton Holding PCL.
2014 - Present	Chairperson and Independent Director Arinsiri Land PCL
2014 - Present	Independent Director, Member of the Audit Committee, Chairperson of the Good Corporate Governance Committee and Member of the Nomination and Remuneration Committee Country Group Holdings PCL.
2009 - Present	Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee Country Group Development PCL.

##### • Director of 4 Non-Listed Companies

Oct 2018 - Present	Independent Director and Chairperson of the Audit Committee Tribeca Co., Ltd
2012 - Present	Independent Director and Chairperson of the Audit Committee Thai Hua Rubber PCL.
2012 - Present	Director Foo Sin Mining Industry Co., Ltd.
2010 - Present	Independent Director and Chairperson of the Audit Committee Sing Sian Yer Pao Co., Ltd.
2017 - 2018	Chairperson Strega PCL.

##### • Other important of 2 positions

2017 - 2018	Special Advisor, The Royal Thai Police
2016 - 2017	Assistant of Commissioner, The Royal Thai Police Government

## DETAIL OF THE BOARD OF DIRECTORS



**MRS. JITMANEE SUWANNAPOOL**  
Independent Director

Age (Years) 67

### Position

- Independent Director  
(Appointed on 11/11/2016)
- Member of the Audit Committee  
(Appointed on 11/11/2016)

### Shareholding (%)

- None

### Family Relationship

- None

### Education

- Master of Public Administration, National Institute of Development Administration (NIDA)
- Bachelor Degree in Business Law, Ramkhamhaeng University
- Bachelor of Business Administration Program in Account Ramkhamhaeng University

### Director Role Training by Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP), Class 197/2014

### Other Training

- AC HOT UPDATE : Ready to New CG towards sustainability, FAP

### Last 5 years experience

#### • Director of 3 Listed Companies

11 Nov 2016 - Present	Independent Director and Member of the Audit Committee Country Group Holdings PCL.
2015 - Present	Independent Director and Chairperson of the Audit Committee, NCL International Logistics PCL.
2014 - Present	Independent Director, Member of the Audit Committee, Member of the Nomination and Remuneration Committee and Chairperson of the Risk Management Committee Grand Canal Land PCL.

#### • Director of 1 Non-Listed Companies

May 2018 - Present	Consultant Thailand Privilege Card Co., Ltd.,
2015 - April 2018	Independent Director and Chairperson of the Audit Committee Thailand Privilege Card Co.,Ltd.,

#### • Other important of 3 positions

28 Dec 2018 - present	Member of the Audit Committee Eastern Economic Corridor (EEC)
2014 - Present	Chairperson People Develop Center Develop
2015 - 2017	Honorary counsel Economic & Finance Commission

# DETAIL OF THE BOARD OF DIRECTORS



**MS. CHULARAT SUTEETHORN**  
Director

Age (Years) 66

#### Position

- Director (Appointed on 26/02/2020)

#### Shareholding (%)

- None

#### Family Relationship

- None

#### Education

- Master of Development Studies (MDS), Economic Policy and Planning Institute of Social Studies, Netherlands
- BA Economics in Finance and Banking (2nd Class honors), Kasetsart University

#### Director Role Training by Thai Institute of Directors Association (IOD)

- DAP Program, Class 40/2005
- DCP Program, Class 72/2006
- Finance for Non - Finance Director (FND), Class 28/2006
- Financial Statement for Director (FSD), Class 10/2010
- ACP Program, Class 39/2012
- RCP Program, Class 28/2012
- FGP Program, Class 4/2012
- RNG Program, Class 3/2012
- ACEP Program, Class 10/2014
- AAP Program, Class 15/2014
- Director Certification Program Update (DCPU), Class 4/2015
- Role of the Compensation Committee (RCC), Class 20/2015
- ELP Program, Class 7/2017
- BNCP Program, Class 1/2017
- Board Matters and Trends (BMT), Class 6/2018
- ITG Program, Class 14/2020
- Risk Management Program for Corporate Leaders (RCL), Class 21/2020
- BMD Program, Class 10/2020

#### Last 5 years experience

##### • Director of 3 Listed Companies

2020 Feb - Present	Director Country Group Holdings PCL.
2017 - Present	Director MFC Asset Management PCL.
2014 - Present	Independent Director and Chairperson of the Risk Management Committee Thai Oil PCL.

##### • Director of 1 Non-Listed Companies

2019 - Present	Independent Director and Member of Audit Committee D.T.C. Enterprise Co.,Ltd.
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## DETAIL OF THE BOARD OF DIRECTORS



MR. PISUTH VIRIYAMETTAKUL  
Director

Age (Years) 39

### Position

- Director (Appointed on 28/07/2015)

### Shareholding (%)

- 0.14%

### Family Relationship

- None

### Education

- Master of Business Administration  
Finance, California State University,  
Long Beach, USA
- Bachelor of International Business  
Management, Assumption University  
(ABAC)

### Director Role Training by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DCP), Class 178/2013
- Director Financial Statements For Directors Program (FSD), Class 31/2016

### Last 5 years experience

#### • Director of 1 Listed Companies

2015 - Present Director Country Group Holdings PCL.

#### • Director of 3 Non-Listed Companies

2012 - Present Director Teparak Phatthanakan Co.,Ltd.

2012 - Present Director and Managing Director CMT Network  
Solutions Co., Ltd.

2013 - Present Director Ratchada Office Building Co., Ltd.CL.

# DETAIL OF MANAGEMENT TEAM & COMPANY SECRETARY

## MR. VORADEJ SURUCHUGUL

Vice President, Finance and Accounting Division  
(Chief Financial Officer)

Age (Years) 42

### Education

- Master Degree in Business Administration, National Institute of Development Administration
- Bachelor of Accountancy, Kasetsart University
- Bachelor of Laws, Thammasat University

### Last 5 years experience

2018 - Present	Vice President, Country Group Holdings PCL
2016 - 2018	Vice President, Country Group Securities PCL
2012 - 2015	Fund Manager, MFC Asset Management PCL

## MR. PITAKPHOL ROONGROJSUWAN

Vice President, BOD Secretary and Legal Division

Age (Years) 29

### Education

- Master of Science Program in Corporate Governance, Faculty of Commerce and Accountancy, Chulalongkorn University
- Bachelor of Laws Thammasat University

### Last 5 years experience

2017 - Present	Vice President and Company Secretary Country Group Holdings PCL
2015 - 2017	Manager and Company Secretary Country Group Securities PCL
2014 - 2015	Assistant Company Secretary Buriram Sugar PCL

## Authorities of Company Secretary

1. Advise the board of directors on the Company's laws, rules and regulations and ensure the directors will follow the company's laws, rules and regulations.
2. Encourage the board of directors to have knowledge and understanding of corporate governance and follow practices.
3. Prepare agenda and notice of the shareholders and board of directors meetings.
4. Arrange the shareholders and board of directors meetings in compliance with the Company's laws, rules and regulations and good practices.
5. Take minutes of the shareholders and board of directors meetings and ensure related parties will follow resolutions of the shareholders and board of directors meetings.
6. Prepare and maintain the board of directors' registration, annual reports, notice of the shareholders and board of directors meetings, and Board of Directors meetings. minutes of the shareholders
7. Monitor the directors and management to make reports on their stakeholders including related persons' stakeholders as specified by the law.
8. Maintain the stakeholder reports reported by the directors or management as specified by laws.
9. Ensure information is disclosed and report the information to the responsible regulators.
10. Coordinate with shareholders and regulators.
11. Other duties as assigned by the Board of Director.

“

OUR VISION  
IS TO BE ONE  
OF THE FASTEST GROWING  
AND MOST DIVERSIFIED  
INVESTMENT COMPANIES  
IN THAILAND.

”



## OUR MISSION

**To deliver sustainable growth by making strategic long-term acquisitions and actively managing them to enhance performance**

### Strategic Acquisition:

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Identify untapped opportunities across targeted industries through our well-established group network

Diversify investment across strategic industries to minimize risk while maximizing returns

Capitalize resources across our synergistic affiliated companies to gain unique insights in identifying stable and sustainable investment deals

### Build For Sustainable Growth:

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Professional team, process, and experiences across several regions and industries provide us with a well-established operational capability to proactively and strategically manage our portfolio companies to deliver sustained growth and consistent returns

Capitalize on our unique ability to unlock all potential value from under-performing assets

# CORPORATE SOCIAL RESPONSIBILITY



## PUN NAM JAI CHUAY COVID-19

In 2020, with the coronavirus (COVID-19) outbreak affecting worldwide since the beginning of the year, several countries were facing the economic crisis and sudden economic recession from the disease control measures. As a result, overall economy of Thailand also has been heavily damaged especially the key industries such as tourism, airlines, as well as a sharp decline in exports from lower global demand. Moreover, many businesses need to be shut down which significantly impact on income and employment nationwide.

To be a part of supporting people who received impact from COVID-19 situation, Country Group Holdings Public Company Limited and its subsidiaries established social contribution project "PUN NAM JAI CHUAY COVID-19" by providing and distributing 10,000 sets of relief supplies bags to the people who had been suffered in Bangkok and other communities nearby factories in various provinces.

With the budget of over 5.5 million baht and donation from employees, this project had been continuously supported and encouraged the communities to go through the crisis together during May and June 2020.







# FINANCIAL SUMMARY

FINANCIAL DATA	31 DECEMBER 2020	31 DECEMBER 2019	31 DECEMBER 2018
Total Assets	9,348.68	8,825.47	9,160.12
Total Liabilities	4,048.72	3,064.42	3,273.38
Total Equity	5,299.96	5,761.05	5,886.74
Paid-up Capital	4,336.92	4,336.92	4,336.91
Total revenues	1,418.30	1,102.43	616.50
Net Profit (Loss)	142.97	83.56	(34.95)
Earning (loss) per share (Baht)	0.04	0.02	(0.01)
STATISTICS AS OF*			
Last Price(Baht)	0.69	0.83	0.96
Market Cap. (Million Baht)	2,992.48	3,599.63	4,163.43
F/S Period (As of date)	30/09/2020	30/09/2019	30/09/2018
P/E (Times)	24.01	60.17	77.85
P/BV (Times)	0.53	0.62	0.69
Book Value per share (Baht)	1.31	1.33	1.39
Dvd. Yield(%)	N/A	N/A	3.65

\*Reference from Stock Exchange of Thailand

# FINANCIAL RATIO

		2020	2019	2018
<b>PROFITABILITY RATIO</b>				
Gross profit	%	73.76	75.70	69.11
Net profit (loss)	%	10.02	7.68	(5.69)
Return on equity	%	2.58	1.42	(1.16)
Return on investment	%	5.53	6.15	8.61
<b>EFFICIENCY RATIO</b>				
Return on asset	%	1.57	0.92	0.78
Asset Turnover	Time	0.16	0.12	0.14
<b>FINANCIAL RATIO</b>				
Liquid assets to borrowing ratio	Time	6.25	5.03	4.63
Earning assets to borrowing ratio	Time	6.85	5.94	6.20
Liquid assets to total asset ratio	%	73.58	74.41	63.02
Earning assets to total asset ratio	%	80.65	87.78	67.42
Debt to equity ratio	Time	0.77	0.53	0.56
Dividend payout ratio*	%	-	-	-
<b>OTHERS RATIO</b>				
Securities investment to total assets	%	56.63	65.33	67.44
Net capital ration (NCR) - CGS	%	40.88	32.52	99.02
<b>PER SHARE</b>				
Earnings per share	Baht	0.0351	0.0190	(0.0081)
Dividends per share	Baht	-	-	-
Book Value per share	Baht	1.31	1.33	1.35
<b>GROWTH RATE</b>				
Total assets	%	5.93	(3.65)	4.05
Total liabilities	%	32.12	(6.38)	25.22
Securities buisness income	%	29.11	80.14	(2.70)
Operating expenses	%	26.63	38.88	7.85
Net profit (loss)	%	71.10	(339.08)	(114.97)

\* Dividend payout ratio is only CGH



## HIGHLIGHT OF OUR PORTFOLIO IN 2020

## COUNTRY GROUP HOLDINGS PCL (CGH)

Country Group Holdings PCL (CGH) is an investment holding company listed on the Stock Exchange of Thailand (SET) that makes long term investments across multiple sectors.

We focus on the acquisition of controlling stakes in established businesses that can be improved by implementing our management expertise and drawing from the Group's synergistic advantages.

Securities investment  
to total assets

**56.63 %**

Total revenue

**1,418.30** Million Baht

Debt to equity ratio

**0.77** Times

Liquid assets to  
total asset ratio

**73.58 %**

Liquid assets to  
borrowing ratio

**6.25** Times



Certificate from  
Thailand's Private Sector Collective  
Action Coalition against Corruption



## HIGHLIGHT OF OUR PORTFOLIO IN 2020

## COUNTRY GROUP SECURITIES PCL (CGS)

Country Group Securities PCL (CGS) is a leading, full-service securities brokerage firm in Thailand. CGS is a well-known securities company with 40 years of experience in the industry and nine consecutive years of profit.

Gross profit

74.37 %

Total Revenue

1,292.85 Million Baht

Return on investment

7.34 %

Return on equity

5.97 %

Earning assets to total assets

90.23 %

Debts to equity

2.03 Times

Liquid assets to total assets

48.70 %



## HIGHLIGHT OF OUR PORTFOLIO IN 2020

## MFC ASSET MANAGEMENT PCL (MFC)

MFC asset Management PCL (MFC) is Thailand's oldest Asset Management Company. Founded by the Thai ministry of Finance on December 29, 1975 it is now a private, fully licensed fund manager and remains Thailand's only listed asset management firm.

Net income

**148.10** Million Baht

EBITDA

**231.82** Million Baht

Total assets

**1,467.82** Million Baht

Total revenue

**915.07** Million Baht

Debt to equity ratio

**0.38** Times



## HIGHLIGHT OF OUR PORTFOLIO IN 2020

## PADAENG INDUSTRY PCL (PDI)

Padaeng Industry Public Company Limited (PDI) was a leading producer of special high- grade zinc metal and customized zinc alloys. PDI has restructured its business to more towards Renewable Energy and Real Estate business for sustainable growth in 2014 and the end of 2019 respectively.

Net income

80.44 Million Baht

EBITDA

357.52 Million Baht

Total assets

7,293.31 Million Baht

Debts to equity

0.53 Times

Total Revenue

557.88 Million Baht



# CGH INITIATIVES IN 2020

COUNTRY GROUP HOLDINGS PCL (CGH)



Growth from Securities  
business income

29.11 %

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Earning assets to  
total asset

80.65 %

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EBITDA

213.31 Million  
Baht

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Earning assets to  
borrowing ratio

6.85 Times

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# 1 | POLICIES AND BUSINESS OVERVIEW



Country Group Holdings PCL (The Company or CGH) was registered as a public company on May 15, 2014. The Company is a holding company with major source of revenue coming from its shareholdings in other companies. At the present time, the Company has 6,143,905,902 baht in registered capital and 4,336,923,080 in paid-up capital. After the restructuring, Country Group Securities PCL (The Securities Company or CGS) was established as the core subsidiary company. CGH's subsidiaries and affiliates also include Genki Capital Co.,Ltd., MFC Asset Management PCL (MFC) Padaeng Industry PCL (PDI) and Country Group Development PCL (CGD).

CGS was originally known as "Adkinson Enterprises Company Limited," and was registered in 1966. In 1974, Adkinson was permitted to operate in securities business. In 1991, its common shares were allowed to be used as securities in the Stock Exchange of Thailand (SET), with the company later changing its name to CGS in 2009.

On April 29, 2014, CGS shareholders resolution approved the company to restructure its business operations at the 2014 General Shareholders' Meeting. Under this resolution, the company established CGH as its holding company, and registered it in the SET to replace the Securities Company's common shares on January 8, 2015. This increased its capabilities and business development opportunities for future growth, as well as offering greater flexibility in operating new ventures. The Company made an offer to purchase all the securities from the Securities Company at an exchange rate of one common share of the Securities Company for one common share of the Company. After successfully making the offer, CGH became CGS majority shareholder.

## 1.1 VISION MISSION AND OBJECTIVES

### Vision

Our vision is to be one of the fastest growing and most diverse investment companies in Thailand by utilizing our extensive network and market insights to make investments and our synergistic infrastructure to enhance their performance.

### Mission

To deliver sustainable growth by making strategic long-term acquisitions, and actively managing them to enhance their performance.

#### Strategic Acquisition:

- Identify untapped opportunities across targeted industries through our well-established group network
- Diversify investment across strategic industries to minimize risk while maximizing returns
- Capitalize resources across our synergistic affiliated companies to gain unique insights in identifying stable and sustainable investment deals

#### Build for sustainable growth:

- Professional team, process, and experiences across several regions and industries provide us with a well-established operational capability to proactively and strategically manage our portfolio companies to deliver sustained growth and consistent returns
- Capitalize on our unique ability to unlock all potential value from under-performing assets

### Business Objective

CGH's vision is to be the leading Investment Holding Company in Thailand. We believe in building a team consisting of experts across different fields. This will allow us to diversify our investments across many industries and yield superior returns. Moreover, each of our subsidiaries and associates is leader in its own industries. All of them also have a high liquidity ratio. Our business portfolio spans across the following industries: brokerage, real estate, fund management, and energy. This enables us to focus on both short- and long-term investments across multiple sectors.

To be the leading investment company in Thailand, we have set our proactive strategy in delivering sustained growth and consistent returns to stakeholders. We believe in resource capitalization and efficient operation cost across all subsidiaries allowing for superior returns. Furthermore, agility in investment opportunities and business expansions are the keys to maximizing returns and minimizing risk to produce infinite growth towards the future.

### Business Strategies

CGH focuses on both short-term and long-term investments. Our core long-term investments are focused on well-established income generating companies, whilst short term investments are focused on superior return opportunities. Both types of investments are managed alongside to achieve optimal value and lucrative returns to either distributed back to shareholders or reinvested.

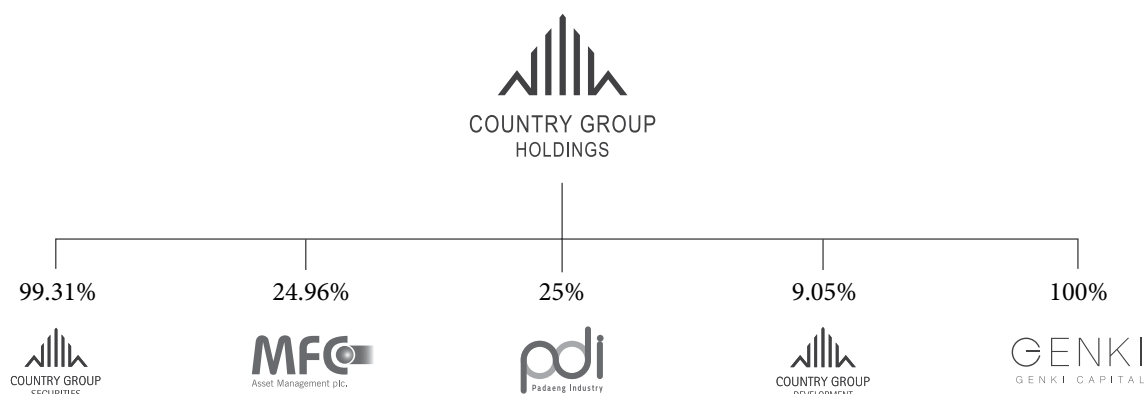
For our core Brokerage business, CGH plans to increase its competitive edge by developing superior customer services, offering new investment products, upgrading the information technology infrastructure, and offering an insightful equities analysis report.

Moreover, in order to minimize the risk of overly relying on the brokerage fee as our main stream of revenue, CGH had expand and diversify its resources into other high contribution products, such as Proprietary Trading, Bonds, Institutions (both local and foreign), and Private Wealth. CGH also plans to manage CGS's resources efficiently and minimize the SG&A expenses in order to maintain its income and profitability.

## 1.2 MAJOR CHANGES AND DEVELOPMENTS IN THE PAST THREE YEARS

YEAR	MAJOR CHANGES AND DEVELOPMENTS
2018	<ul style="list-style-type: none"> <li>Reduced the Company's registered capital from 6,075,927,916 baht to 4,698,271,244 baht by cancelling 1,277,656,672 unsold Company shares valued at one baht per share, while also amending Clause 4 of its Memorandum of Association (MOA) to comply with the reduction in registered capital.</li> <li>Issued and offered for sale warrants to purchase ordinary shares of the Company (CGH-W3) amounting to no more than 1,445,634,658 units to be allocated to existing shareholders in proportion to shares held.</li> <li>Increased registered capital from 4,698,271,244 baht to 6,143,905,902 baht by issuing 1,445,634,658 ordinary shares with a par value of one baht per share, as well as modifying Clause 4 of the Company's MOA to comply with the increase in registered capital.</li> </ul>
2019	<ul style="list-style-type: none"> <li>Increased paid capital from 4,336,906,384 baht to 4,336,923,080 baht</li> <li>At present, the Company's registered capital amounts to 6,143,905,902 baht, with paid capital of 4,336,923,080 baht.</li> </ul>
2020	<ul style="list-style-type: none"> <li>At present, the Company's registered capital amounts to 6,143,905,902 baht, with paid capital of 4,336,923,080 baht.</li> <li>Dr.Veeraphat Phetcharakupt resigned as a director on February 26, 2020.</li> <li>Board of Directors appointed Ms.Chularat Suteethorn to replace the resigned director, effective on February 26, 2020.</li> <li>Board of Directors Meeting No. 6/2019, which held on November 1, 2019, approved a share repurchase program for financial management (Treasury Stock). For this share repurchase program, the Company repurchased a total of 331,378,200 shares, equivalent to 7.64% of the total issued shares for a total consideration of 258,705,921 baht.</li> </ul>

### 1.3 BUSINESS GROUP STRUCTURE



#### Business Policy of the Company and its Subsidiaries

In 2020, the business policies of the Company and its subsidiaries were as follows:

##### Company's Business

The Company will operate as an investment holding company with the following activities:

- Investing in subsidiaries and associated companies within the Company's group
- Sourcing funds for the Company, its subsidiaries, and associated companies
- Investing in other companies (besides the Company's group) to maintain a liquid portfolio and generate superior returns. The core business of CGH subsidiaries needs to be in the financial business, unless the investment value does not exceed 25 percent of CGH's consolidated total assets.
- Getting support from the securities company (outsourcing) to utilize human resources. The securities company will provide support and advisory services to the Company:
  - Services in risk management
  - Services in information technology systems

In addition, the Company has set up a Monitoring Department for controlling investment policy and corporate governance of the invested companies relating to supervision of its subsidiaries and associated companies. The subsidiaries and associated companies will be operating under the Company's Guidelines and Policies.

##### Subsidiaries

##### Country Group Securities Public Company Limited

CGS, formally known as "Adkinson Enterprise Company Limited" was established in 1966 and was granted its securities business license in 1974 as Broker Number 3 by the SET's Board of Governors. Later, the company was approved by the Ministry of Finance to be listed on the SET in 1991.

Country Group Holdings PLC (CGH) replaced CGS as part of a restructuring plan to become listed on the SET on up capital of 2,589,743,484 baht CGH thus became CGS's majority shareholder – having over 99.30 percent of the CGS's issued and paid up shares. The securities company was granted the securities business license from the Ministry of Finance and the Office of the Securities and Exchange Commission Thailand (SEC).

On September 18, 2019, CGS shareholders resolution approved the company to reduce its registered capital and paid capital from 2,589,743,484 baht to 1,589,743,484 baht by reducing the 1,000,000,000 shares at par value of 1 baht each share. This resolution had been approved at the Extraordinary General Shareholders' Meeting No.1/2019

The company operates the following businesses:

1. Securities Brokerage
2. Securities Trading
3. Securities Underwriting
4. Investment Advisory
5. Mutual Fund Management
6. Private Fund Management
7. Stock Borrowing and Lending
8. Venture Capital Management

Furthermore, the securities company was also granted the derivatives business license from the SEC.

### **Genki Capital Company Limited**

Established on February 1, 2016 with capital 100-Million-Baht, paid-up capital 25-Million-Baht. The business objective is to produce and distribute electric energy and provide loans with collateral.



## 2 | GENERAL INFORMATION

### General Information

Name	:	Country Group Holdings Public Company Limited (CGH)
Address	:	132 Sindhorn Tower 3, 20th Floor Wireless Road, Lumpini, Pathumwan Bangkok, Thailand 10330
Type of Business	:	Holding Company
Registration Number	:	0107557000187
Telephone	:	02-256-7999
Fax	:	02-256-7888
Website	:	www.cgholdings.co.th
Registered Capital	:	6,143,905,902 baht
Paid-up Capital	:	4,336,923,080 baht
Type of Shares	:	4,336,923,080 ordinary shares at par value of one baht per share

### Entities that the Company owns more than 10 percent of total stocks in

Name	:	Country Group Securities Public Company Limited (CGS)
Address	:	132 Sindhorn Tower 1, 3rd Floor and Sindhorn Tower 3, 18th, 20th Floor Wireless Road, Lumpini, Pathumwan Bangkok, Thailand 10330
Type of Business	:	Securities
Registration Number	:	0107537000572
Telephone	:	02-205-7000
Fax	:	02-205-7171
Website	:	www.cgsec.co.th
Registered Capital	:	1,589,743,484 baht
Paid-up Capital	:	1,589,743,484 baht
Type of Shares	:	1,589,743,484 ordinary shares at par value of one baht per share

Name	:	MFC Asset Management Public Company Limited (MFC)
Address	:	199 Column Tower, Ground Floor & 21st – 23rd Floors, Ratchadapisek Road, Khlong Toei, Bangkok 10110
Type of Business	:	Financial
Registration Number	:	0107536001371
Telephone	:	02-649-2000
Fax	:	02-649-2111 and 02-649-2111
Website	:	www.mfcfund.com
Registered Capital	:	125,615,708 baht
Paid-up Capital	:	125,615,708 baht
Type of Shares	:	125,615,708 ordinary shares at par value of one baht per share

**Name** : Padaeng Industry Public Company Limited (PDI)  
**Address** : 191/18-25 CTI Tower, Floor 26th-27th, Ratchadaphisek Road,  
 Khlong Toei, Bangkok, 10110  
**Type of Business** : Resources  
**Registration Number** : 0107537000467  
**Telephone** : 02-695-9499  
**Fax** : 02-695-9495  
**Website** : www.padaeng.com  
**Registered Capital** : 3,013,333,330 baht  
**Paid-up Capital** : 2,260,001,000 baht  
**Type of Shares** : 301,333,333 ordinary shares at par value of 10 baht per share

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**Name** : Genki Capital Company Limited  
**Address** : 132 Sindhorn Tower 3, 20th Floor  
 Wireless Road, Lumpini, Pathumwan Bangkok, Thailand 10330  
**Type of Business** : Energy  
**Registration Number** : 0105559018324  
**Telephone** : 02-256-7999  
**Fax** : 02-256-7888  
**Website** : None  
**Registered Capital** : 100,000,000 baht  
**Paid-up Capital** : 25,000,000 baht  
**Type of Shares** : 10,000,000 shares ordinary shares at par value of 10 baht per share

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## Other References

**Share Registrar** : Thailand Securities Depository Company Limited  
**Address** : 93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindaeng,  
 Dindaeng, Bangkok 10400  
**Telephone** : 02-009-9000  
**Fax** : 02-009-9991  
**Debt-holder Representative:** KTBST Securities Public Company Limited  
**Auditor** : Wonlop Vilaivaravit, CPA Number 6797  
**Address** : Deloitte Touche Tohmatsu Jalyos Audit Co., Ltd.  
 11/1 AIA, Sathorn Tower, Floor 23rd -27th, South Sathorn Road,  
 Yannawa, Sathorn Bangkok 10120  
 Telephone: 0-2034-0000 Fax: 0-2034-0100  
**Advisors or Management** : None  
**under Management Contracts**

## 3 | NATURE OF BUSINESS

### 3.1 REVENUE STRUCTURE OF THE COMPANY AND ITS SUBSIDIARY

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
FOR THE YEARS ENDED DECEMBER 31,						
	2020		2019		2018	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
Brokerage fees	999.98	70.51	559.10	50.71	300.17	48.69
Fee and services income	72.42	5.11	128.39	11.65	75.63	12.27
Interest on margin loans	51.56	3.64	34.77	3.15	28.63	4.64
Gain (loss) on investment and derivatives	44.61	3.15	183.58	16.65	56.19	9.11
Interest and dividends	149.57	10.55	141.52	12.84	106.14	17.22
Share of profit from investments in associated companies	59.94	4.23	33.98	3.08	34.38	5.58
Other income	40.22	2.84	21.10	1.91	15.36	2.49
<b>Total revenues</b>	<b>1,418.30</b>	<b>100.0</b>	<b>1,102.44</b>	<b>100.00</b>	<b>616.50</b>	<b>100.00</b>

### 3.2 PRODUCTS AND SERVICE

The majority of CGH's revenue comes from its gain on equity investment from its subsidiary and associated companies (Holding company). CGH's core subsidiary is Country Group Securities PCL ("CGS"), a brokerage firm conducting the following businesses;

CGS has been approved by Ministry of Finance to operate the following eight businesses:

1. Securities Brokerage
2. Securities Trading
3. Securities Underwriting
4. Investment Advisory Service
5. Mutual Fund Management
6. Private Fund Management
7. Securities Borrowing and Lending
8. Venture Capital Management

CGS also has been approved by the SEC to Derivatives Business Sor 1 to operate the four following businesses:

1. Derivatives Broker
2. Derivatives Dealer
3. Derivatives Advisor
4. Investment Manager of Derivative Product

Furthermore, CGS has obtained a Derivatives Business license from the Securities and Exchange Commission (SEC) to act as a Derivatives Agent and has also received approval to act in a Financial Advisory role.

## 1. SECURITIES TRADING BUSINESS

CGS has a policy to invest in both securities and bonds in the purpose of trading and investment. The Investment Committee was appointed to determine clear investment guidelines and associated policies. Limits and Conditions are meticulously prepared for each type of investment prior to being sold to our clients.

## 2. BROKERAGE BUSINESS

As No. 3 of securities brokerage member of the SET, CGS provides brokerage services for individual, juristic, and institutional clients, both local and foreign, through of focus in Bangkok and other provinces. To date, CGS provides highly experienced brokers and teams of analysts that provide advice and answers (both technical and fundamental) for all client demands.

Moreover, investors also can trade securities, read analyst reports, and find investment information through CGS's website or mobile phone applications (on iOS and Android). Clients can open up to three types of trading accounts with CGS: Cash, Cash Balance, and Credit Balance.

As of 31 December 2020, CGS has 99,495 trading accounts, of which 22,056 accounts are actively traded.

For the past three years, CGS's market shares and trading value were the following:

Unit : Million Baht

TRADING VALUE	2020	2019	2018
SET	32,724,714.55	25,604,181.45	27,640,439.54
MAI	618,242.95	353,525.64	619,715.89
Trading Value of CGS	609,464.28	312,885.72	275,797.92
Market share (%)	2.04	1.39	1.11

## POLICY ON APPROVING CLIENT CREDIT LINES

CGS sets a clear policy on setting appropriate credit limits for clients. Such clear policies and guidelines help CGS control and mitigate clients' investment risk to a satisfactory degree. The process of opening and approving new client accounts and their credit limits are all documented in writing. The policy mandates that prior to opening a new account, IC should be aware of their customer's investment profiles prior to providing investment advice. This ensures that CGS's services will answer to all clients' investment objectives, risk appetites, conditions, and purchasing power. CGS's new clients credit limits policy is in line with the rules and regulations from the Stock Exchange of Thailand (SET) and the Stock Exchange Commission of Thailand (SEC). We also have clear preventive measures against those who use the Brokerage as a mean to money laundering or terrorist funding.

### Approval Matrix

In order to increase the speed of new applicants' processing, the approval matrix for a new applicant's credit limit is as follows:

CREDIT LINE	AUTHORIZED PERSONS
Not exceeding Baht 2 million	Managers – Securities Business Div./Branch Office or of higher position
Not exceeding Baht 20 million	Head of Securities / Derivatives Business Div./or of higher position
Not exceeding Baht 30 million	Head of Securities / Derivatives Business Div./or of higher position
Not exceeding Baht 150 million	Credit Committee or Higher
More than 150 million	Executive Committee

The Credit Committee consists of the following members:

1. Chief Executive Officer
2. Chief Operation Officer
3. Head of Securities Business Division
4. Head of Operation Division
5. Head of Risk Management Division

A credit line is "approved" when at least half of the attending committee members give their approval.

## POLICY ON SETTING MARGINABLE SECURITIES

CGS's policy only allow trades of marginable securities within the pre-approved list. The list is comprised of marginable securities that are evaluated by their individual business performance, assets, and liquidity. The approved list, together with its interest rates, is announced through CGS's communication channels (per SET and SEC regulations).

CGS appointed the Risk Management Committee to set the list of marginable stocks and their interest rates. Clients can invest into these equities through their Credit Balance accounts.

The Risk Management Committee consists of 1) Chief Operation Officer 2) Head of Research Division 3) Head of Risk management Division. The client's credit line is approved when at least two committee members agree to the approval. The list of marginable securities and their initial margins is reviewed at least once every quarter.

The policy on the initial margin's rate is categorized into groups based on different risk level per follow:

TYPE	MARGIN'S RATE (%)
A	50
B	60
C	70
F	100
N	100

Notes - The securities type A, B, C and F are classified as liquid able equities and could be used as marginable securities for above credit limit ratio.  
 - The securities type N are clarified as a non-marginable securities, and are not applicable.

### 3. DERIVATIVES BUSINESS

CGS has been authorized by the Securities and Exchange Commission, Thailand (SEC) to act as a derivatives agent beginning on September 22, 2008. It provides derivatives trading services through investment advisers and has developed a system able to support orders through other channels, examples including trade orders through the Internet. In addition, it provides investment advisors at all its branches nationwide.

As of December 31, 2019, CGS's market share had increased to 10.27 percent from 8.43 percent in 2019. In 2020, CGS also received the TFEX Best Awards 2020 "Most Active Agent" for brokers with outstanding in client transaction volume, in terms of both trading volume and expansion of new investor base in the TFEX market.

Moreover, CGS had expanded its business by commencing block trading in single stock futures, as well as continuing to promote itself by arranging seminars providing information about products in the futures market to investment advisers, preparing training seminars for clients, and cooperating with the SET to provide information through seminars at CGS and the SET building to investors throughout the year.

For 2021, CGS has set a target of increasing its market share of the derivatives business to 12 percent. It thus has made preparations to expand its retail customer base and increase the number of investment advisers available for derivatives trading, in addition to supporting the growth of the futures market with new products down the line. This will serve as a channel to increase CGS's market share in 2021 and the following year.



#### 4. INVESTMENT ADVISORY BUSINESS

The SEC has approved CGS's conducting business in the Equities Investment Advisory industry. The sole responsibility of these Advisers to their clients is to point out a particular equity's value and the opportunity to invest in it. Such advice should be based upon clients' investment objectives, financial standing, liabilities, conditions, and risk appetite, along with the Adviser's in-depth knowledge of risk factors and experiences.

#### 5. INVESTMENT BANKING BUSINESS

CGS is one of the leaders in providing investment banking services, with an experienced and skilled team that has earned the trust and acceptance of clients. The Investment Banking team provides strategic advice, appropriate financial management suited for individual clients, including suggestions for mergers, financing, and potential risk management approaches.

The team's expertise is a driving force in CGS's ability to provide various services such as cross-border mergers, providing advice and structuring companies offering to sell securities to the public, and arranging funds to pay back debts to financial institutions. CGS's investment banking team provides a variety of financial services to meet the needs of customers, including corporate and institutional ones.

##### 5.1 Financial Advisory Business

CGS began its investment banking business in December 2006, later becoming a member of the Investment Banking Club (IB) on January 23, 2007, in addition to, as of March 21, 2017, receiving additional permits from the SEC allowing it to serve as a financial advisor until March 20, 2022. As of now, CGS's investment banking team is experienced in handling matters pertaining to its specialty, and is capable of assisting a variety of clients, be they small to large, domestically or internationally. Its investment banking services include mergers and acquisitions (M&A), advisory services for the issuing and offering of debt securities, and covering customers of various types of industries in different regions (corporate and institutional investors).

The investment banking services cover mergers, acquisitions, and takeovers to interested parties, public offerings, finding suitable investors for joint ventures, analysis of a business' competitiveness, establishing a proper financial structure, and providing advice on good corporate governance.

Regarding providing searches for suitable investment funding sources from financial institutions, CGS's investment banking team has a strong relationship with customers in regions that require funding from financial institutions. It also provides advice regarding the level of loans, structure, and suitable loan types.

The investment banking team provides services in the issuance and offering of securities to the public, the issuance and offering of convertible debentures, researching investment needs, and investment in securities.

CGS's investment banking team has a strong relationship with clients, providing services and continuing relationships. The financial advisory service include providing consultancy for various firms, emphasizing service and maintaining positive relationships with customers and, providing professional advice according to stated goals and the best interests of the client. At present, CGS provides the following services:

- Acting in an advisory role in the listing of securities on the SET
- Acting in an advisory role in the issuance of securities in the form of bonds: debentures, subordinated debentures, and equity
- instruments: common shares and preference shares
- Acting in an advisory role for M&A both domestically and internationally, including cross-border M&A
- Acting in an advisory role in the appraisal of businesses, funding, and financial restructuring
- Acting in an advisory role for joint venture financing
- Offering advice as an independent financial advisor
- Other investment banking services, such as debt restructuring and business rehabilitation.

## 5.2 Securities Underwriting Business

CGS was granted the Securities Underwriting business license from the SEC on November 19, 2008. This business is the extension of CGS's Financial Advisory business. For other Institutions and Brokerages, CGS also can provide its securities underwriting services either as Lead Underwriter or Co-Underwriter.

## 6. SECURITIES BORROWING AND LENDING BUSINESS (SBL)

On July 12, 2010, CGS obtained approval from the SEC to operate a Securities Borrowing and Lending (SBL) business. CGS's clients are thus able to lend their entire securities (debt-free) portfolio for a fee. Clients, who wish to borrow securities, will have to pay a fee. CGS's policies for SBL are as follows:

1. CGS will lend only approved securities that are within the SET 100 and ETF to clients who wish to short sell.
2. Currently, short selling can only be done through client's Cash, Cash Balance and Credit Balance.
3. Borrowers will be charged a borrowing fee by CGS. Lenders will receive a lending's fee from CGS.
4. Rights to the lending securities will remain with the lender throughout the SBL period.

CGS believes that the SBL business will provide clients with an alternative choice of investment. During a period when the market is highly volatile, SBL provides an alternative investment choice that is manageable within a client's risk levels. Because of the growing SBL market, CGS believes that the business will be one of the key drivers for its revenue. The goals for 2020 are as follows:

1. Develop the SBL trading system to better provide clients with more investment options
2. Expand the SBL customer base among potential institution and retail customers

## 7. SELLING AGENT BUSINESS

CGS is the Selling Agent 18 Asset Management Companies (AMCs), totaling to over 1,000 funds. CGS continue to improve its services for clients in mutual fund trading to be more efficient by opening fund trading via Fund Connex, a system which developed by the Stock Exchange of Thailand and the Investment Management Company Association. Customers can buy and sell mutual funds of fund management companies, who CGS act as selling agent, by only opening an account once to be able to transfer, buy, and sell. This form of One Stop Service is making clients more convenient to invest. CGS also Established mutual fund strategy department to analyze investment situations for each type of mutual funds, including discussing and coordinating with asset management companies to provide customers with accurate and timely information. The Fund Strategy Department will provide investment advice and recommend

the suitable mutual funds in each situation as well as suggesting timing for buying and selling funds for customers through investment advisors that are knowledgeable, experienced, and ready to provide the best service to clients (taking into account the interests and the level of ability to accept customers' risks. As of 31 December 2020, the value of investment property in mutual funds under the supervision of securities companies was 4,359 million baht, an increase of 15% from the previous year.

As of December 31, 2020, CGS is expected to be the Selling Agent for the following AMCs:

1. Aberdeen Asset Management Co., Ltd.
2. Assets Plus Fund Management Co., Ltd.
3. CIMB-Principal Asset Management Co., Ltd.
4. Krungsri Asset Management Co.,Ltd.
5. Krung Thai Asset Management PCL
6. Land and House Fund Management Co., Ltd.
7. MFC Asset Management PCL
8. One Asset Management Co., Ltd.
9. Phatra Asset Management Co., Ltd.
10. Phillip Asset Management Co., Ltd.
11. Solaris Asset Management Co., Ltd.
12. SCB Asset Management Co., Ltd.
13. UOB Asset Management (Thailand) Co., Ltd.
14. TMB Asset Management Co., Ltd.
15. Thanachart Fund Management Co., Ltd.
16. Talis Asset Management Co., Ltd.
17. Kasikorn Asset Management Co., Ltd.
18. We Asset management Co., Ltd.

In 2021, CGS have the goal of continuously developing services for customers by coordinating with various departments involved in arranging investment portfolios for customers to allow customers to invest in a variety of mutual funds and select the investment port according to the investment objectives of the client, which will help to reduce investment risks and increase the opportunity to create good returns in the fluctuating global economic situation, and providing customer service to access investment information through more electronic and online channels.

## 8. FIXED INCOME

CGS began its fixed income business as an investment alternative for clients with a high return on investment and low risk, as well as offering a choice in the length of the investment horizon. Fixed income can take place through various means as customers are able to either contact CGS to make trading arrangements or work through bond traders in order to finalize the price and quantity of bonds that are to be traded. Clients can choose to invest in fixed income with levels of risk suited for their purposes, and are able to also choose the length of the investment period.

## 9. WEALTH MANAGEMENT BUSINESS

CGS recognizes the benefits of effective financial planning and the potential for returns on investment along with sustainable growth. It thus set up a wealth management business in 2017 and acted as an advisor for investment planning to increase the opportunities and investment choices suitable for personal banking and corporate customers to achieve their objectives and investment targets.

CGS has selected well-educated, skilled, and experienced personnel as consultants who can provide investment advice. In addition, they also offer choices for investment in order to satisfy investors' needs with efficient investments and the best possible returns under acceptable levels of risk.

## 10. PRIVATE FUND MANAGEMENT BUSINESS

CGS received a permit from the SEC to commence its private fund management business on June 8, 2017. It provides investment management services to high net worth, institutional, and corporate clients for the management of funds amounting to a minimum of 10 million baht.

As of December 31, 2020, there was a total net asset value of 1,316,431,155.63 million baht. It emphasizes presenting a diverse set of new investment portfolios in order to satisfy financial needs and create the best possible return to clients according to their aims based on client-established degrees of risk through the work of a team that is highly experienced and skilled in fund management. Clear investment fund management processes are included with international standard systematic tools. Furthermore, it has developed a risk management system for the close evaluation of the risks in an investment portfolio.

The year 2020 was another year of outstanding performance for CGS with continuous assets' growth under management for 3 consecutive years, because of strong trust from both institutional, corporate state, enterprises, high net worth groups, and continuous publicize the customer base through the channels of investment advisors or foreign partners. In addition, in the past year, CGS also have organized a seminar to provide investment knowledge to the general public and various organizations by a team of fund managers and analysts throughout the year.

In 2021, CGS initiate plan to invest more assets worldwide and variety of financial products together with Aris Prime Partners Asset Management, leading investment advisor, to diversify the risk and provide more investment options for investors who is interested in worldwide investment assets. In addition, we offer liquidity management. Investment policy and allocation can be flexibly changed by clients anytime. Expected Asset Under Management approximately 2,000 Million THB within 3 years.

## 11. STRUCTURED NOTES AND DERIVATIVES WARRANT

CGS received a permit from the SEC to trade structured notes and derivatives warrant on November 6, 2018 and also was allowed to issue and offer debentures with embedded option with a limit for issuing and offer for sale of debentures with embedded option not exceeding 1,000 million baht

Equity Derivatives Division is the primary unit for issuing and offering financial instruments such as structured notes and Derivative Warrants in accordance with the direction of the business of the securities company since 2018. The division focuses on providing a complete service and a variety of products to meet the needs of both general investors, high net worth, and institutional investors. Therefore, Equity Derivatives Division started by issuing structured notes for sale to large investors and institutional investors.

The debentures with embedded option, which CGS issue and offer, is short-term underlying derivatives (not over 270 days) with reference to securities Basket of securities or securities index. The securities also must be components of the SET100 Index with a market capitalization of 10,000 million baht or more. For the feature of the debentures with embedded option, there are both principal protection forms Repay principal as underlying securities and other formats which covers all market conditions. CGS act as selling agent of structure note which link to foreign securities.

### Income Structure of CGS

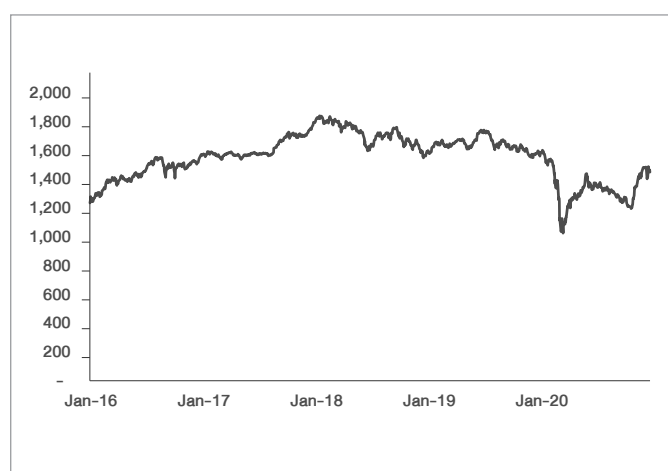
SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDING DECEMBER 31,						
INCOME	2020		2019		2018	
	MILLION BAHT	PECEN- TAGE	MILLION BAHT	PECEN- TAGE	MILLION BAHT	PECEN- TAGE
Brokerage Fee	1,006.19	77.83	566.89	57.60	317.91	59.44
Fee and Service Income	78.64	6.08	128.67	13.07	75.86	14.18
Interest on margin loan	51.59	3.99	34.77	3.53	29.18	5.46
Gain and return on financial instruments	128.41	9.93	233.14	23.69	98.92	18.50
Other Income	28.02	2.17	20.66	2.10	12.92	2.42
<b>Total revenue</b>	<b>1,292.85</b>	<b>100.00</b>	<b>984.13</b>	<b>100.00</b>	<b>534.79</b>	<b>100.00</b>

## ABILITY TO MAINTAIN NEW LIQUID CAPITAL RATIO (NCR)

According to SEC regulations, the Securities company is required to maintain a minimum NCR ratio of seven percent of the general liabilities and marginable securities' value. As of December 31, 2020, CGS was able to maintain its NCR at 40.88 percent.

## COMPETITIVE CONDITIONS

The Thai stock market's main gauge, SET index closed at 1,449.00 point on the last trading day of 2020, decreased by 130.00 points from the start point at 1,584.0, mainly due to the Covid-19 epidemic impact.



SET INDEX

SET INDEX VALUE AT CLOSING OF 2020	1,449.00 POINTS
Change in value from the previous year	Decreased 130.00 points (-8.20%YoY)
Highest Index Value	1,604.00 points
Lowest Index Value	969.00 points
Average trading value	6.7 billion baht/day

Source : SETSMART

## KEY INVESTMENT RELATED FACTORS IN 2020

- Outbreak of COVID-19 in January. China reported that a virus, which was called Wuhan virus, was able to spread from person to person and this virus was spread to many countries. As a result, many countries set the no travel across the country without any important missions.
- Worst worldwide economic growth rates due to COVID-19 situation which pressure the government in each country to issue preventive measures to cope the spread of COVID-19 by Lock Down and negatively impact the economy especially tourism sector. For Thai economy, BOT forecasted that GDP in 2020 would be negative 6.60% YoY, the lowest growth rate in 22 years.
- Central banks from several countries lower their policy interest rates to their lowest levels in years in order to reduce the interest burden for citizens and companies who suffered from COVID-19 epidemic which put pressure on the global economy in a major downturn in record cycles. The Bank of Thailand also cut its policy interest rate to 0.5% - the lowest level in history.
- Crude oil prices (BRENT, WTI) dropped to their lowest in 21 years due to the COVID-19 epidemic significantly impact the demand for oil.
- In the election of the 46th US President, Joe Biden from Democrat won with a majority in both the Upper and Lower House (Blue Wave).
- COVID-19 Vaccine from Pfizer, Astra Zeneca, Moderna, etc.
- Thai Students Protesting



## KEY EVENTS IN 2020

### First half of the year:

SET INDEX began its 1st trading day with positive growth approximately 1%, however the worldwide stock market received impact and adjusted their position after the assassination of Qasem Soleimani (Iranian major general) which took place on 3 January 2020 when the United States launched a drone strike at Baghdad International Airport before the situation became normal later. Until the last week of January, China reported an epidemic from Wuhan, which currently known as the new coronavirus and accepted that it could spread from person to person. As a result, global stock markets received significantly negative impact. After the outbreaks of Covid-19 (WHO re-named) in China in February, global stock markets was pressured and facing negative growth for the whole month. Moreover, it turned out that the COVID-19 epidemic had spread to overseas such as South Korea, Europe, and the United States which cause the number of infections to accelerate globally and putting pressure on global stock markets. The SET index dropped to a new low in 9 years at 969 points (March 13, 2020). In the meantime, Thailand began to experience an outbreak in the country with peaked at 188 cases per day. As a result, the government announced the closure of shopping malls on March 21, 2020 (only open supermarket and selling food must buy back to eat at home only). Therefore, on March 23, 2020, the retail group, IT equipment sector fell sharply. However, after the US Federal Reserve announced an infusion of unlimited QE funds, resulting in a rebound in global stock markets, including SET INDEX, and moving forward. With higher weight on the economic stimulus measures, resulting in the SET INDEX to rose from 969 points to 1,454 points in June (50 percent recovery in just 3 months), which has never happened before in the history of Thai stocks

### Second half of 2020:

In June 2020, the situation of COVID-19 in Thailand has recovered with the number of cases per day has decreased to only one digit from the previously three digits. Therefore, the government began to relax the tight control measures by lifting the curfews and allowing shopping malls, restaurants, and tourism to be back to operate. However, despite of the well-controlled situation, the international situation still saw a severe outbreak and the number of infections per day continually hitting new heights. During that period of time, there was no new investment news and the SET INDEX entered a sideways down swing. In July, the political temperature heats up when liberation youth groups have organized to rally at the Democracy Monument and calling the Prime Minister to dissolve the parliament. While at the beginning of the protests, the SET INDEX had not responded as it was not violent and protracted. Nevertheless, in October, the Thammasat Student Group organized a large protest at the Pathumwan intersection. As a result, the police stormed the protesters by spraying water on the protesters. On the next trading day, the SET INDEX dropped by 2% and continued to weaken until hitting a low of 1,187 and began to see the buying net for the first time in several months. The technical SET INDEX broke through the downtrend that was a pressure for the past 5 months. Until Joe Biden from Democrat won with a majority in the election of the 46th US President, prompting investors to expect the US trade war to fade away. Furthermore, on November 9, around 7pm Thailand time, Pfizer has reported the test results of Vaccine COVID-19 that it has 90% protection efficiency, the SET INDEX goes into Bullish mode immediately with highs at 1,503 points and starts to sway out of factors. However, there was a COVID-19 outbreak of 576 foreign workers in Samut Sakhon in December, resulting in another lock down by closing the shopping center. while the SET INDEX opens on the 21st of December with closed down 5.4% with the correction of the base, the force began to have a strong buying force back in until the SET INDEX closed on 30 December 2020 at 1,449 points.

Trading turnover in the stock market, according to investor groups in 2020, found that domestic investors were the highest net buyers with a total value of 2.16 billion baht while institutional investors and proprietary trading accounts only for 33 billion baht and 14 billion baht, respectively. On the other hand, foreign investors continued to net sell for the fourth year in a row.

#### INVESTORS' TOTAL TRADING VALUES PER YEAR AND PER MONTH IN 2020

YEAR	INSTITUTIONAL INVESTORS	PROPRIETARY TRADING	FOREIGN INVESTORS	LOCAL INVESTOR	MONTH IN 2020	INSTITUTIONAL INVESTORS	FOREIGN INVESTORS	LOCAL INVESTOR	PROPRIETARY TRADING
2552	(2,303)	1,388	38,231	(37,316)	January	(16,024)	(940)	(10,903)	27,868
2553	(15,200)	(449)	81,724	(66,075)	February	(3,921)	38	(19,648)	23,531
2554	(29,149)	1,307	(5,119)	32,962	March	42,335	(6,567)	(78,403)	42,635
2555	(24,302)	7,256	76,388	(59,342)	April	23,674	4,512	(46,975)	18,788
2556	108,163	(1,723)	(193,911)	87,471	May	17,838	308	(31,598)	13,452
2557	71,424	3,582	(36,584)	(38,421)	June	6,575	3,056	(22,716)	13,083
2558	79,055	(6,418)	(154,346)	81,709	July	(4,689)	492	(10,177)	14,375
2559	(8,656)	25,372	77,927	(94,642)	August	11,574	(1,034)	(27,661)	17,121
2560	103,632	16,747	(25,755)	(94,624)	September	(12,874)	2,326	(23,189)	33,737
2561	184,264	(15,270)	(287,458)	118,465	October	(13,115)	1,891	(21,876)	33,100
2562	52,006	14,873	(45,244)	(21,635)	November	(3,104)	12,347	32,643	(41,887)
2563	33,455	14,221	(264,285)	216,708	December	(18,497)	(2,328)	2,520	18,305

## KEY INDICATORS

	2563	2562	2561	2560	2559
GDP Growth (%YoY)	-6.6	2.4	4.2	3.9	3.2
Market Capitalization (Btm)	16,107,632	16,747,455	15,978,251	17,587,433	15,079,272
Market Turnover (Btm)	16,362,357	12,802,090	13,820,219	11,652,311	12,259,772
Number of registered companies	568	556	544	538	522
Newly registered companies	15	13	7	22	11
Average daily trading (SET)	67,334	52,467	57,209	47,755	50,245
Index at Closing Time (High)	1604	1470	1,830	1,753	1,558
Index at Closing Time (Low)	969	1548	1,563	1,535	1,220
P/E (Time)	28.8	19.6	15.24	19.06	18.55
Dividend Yield (%)	3.32	3.14	3.12	2.70	3.04

## SECURITIES TRADING BUSINESS OUTLOOK IN 2021

In 2020, the securities industry has benefited from the situation of COVID-19 due to the higher turnover. During work from home period, people focus more on investing in the stock market. The trend of the securities industry in 2021 is still look promising with the average turnover in 2021 at 98,584 million baht (+ 46% YoY). Beside equity trading, another interesting business is wealth management (Wealth), which had continuous growth in demand. Therefore, trend in 2021 with both strong growth in value in stock trading business and strong demand in wealth management would still be another good year for the securities business.

## 4 | RISK MANAGEMENT AND RISK FACTORS

### 4.1 RISK MANAGEMENT OVERVIEW

The Company recognizes the importance of risk management by establishing means of managing risk that comply with laws and regulations that promote growth and long-term success. Risk management also includes in any sectors where the Company has made investments and considers risk management as part of the Organization's culture through setting policies regarding acceptable levels of risk (risk appetite) and management guidelines, risk at the Board level, Risk Management Committees, and a Risk Management Division.

Risk management is regulated by the Company's Board of Directors in order to ensure that risk levels are appropriate for business operations according to its risk management policy. The Risk Management Committee was assigned to set up a risk appetite level. The Risk Management Department analyzes, identifies, assesses, monitors, and reports risks to the Risk Management Committee and the Board of Directors on a regular basis.

### 4.2 RISK MANAGEMENT OVERVIEW

The Company, having established a business structure in which most income comes from being a holding company, recognizes that risk can impact operations and its Subsidiaries, and seeks to assess, take preventive measures, and reduce risk by:

- **Risk from operating as a holding company**

The Company has invested in two subsidiaries Company (Country Group Securities PCL and Genki Capital Co.,Ltd) and three Associated Companies (MFC Asset Management PCL, Padaeng Industry PCL, and Country Group Development PCL). According to the Company's financial statements, the Company acknowledges profits from the Subsidiary and dividends based on the shares held in the Associated Companies. Thus, the results of the operations of both the Subsidiary and Associated Companies directly impact the Company's profits and dividends.

The Board set the Company's investment policy for selecting companies for future investment. The Company will invest in companies with the capacity for providing suitable returns and acceptable risk appetites, while also providing opportunities for future growth.

- **Risk from operating in the investment**

The Company's investment risk is that such an investment may not generate the return as expected. Given that the Company is aware of such risks, an IC was appointed to determine the proper investment policy and strategy. The IC was responsible for implementing a proper investment policy along with current situation. The Risk Management Committee will set and review risk management policy and procedure to fit with the Company's strategy and current situation. Not only will this help ensure that the Company gets the maximum return on investment with proper risk taking, but it also makes it so that the Company is acting in accordance with the regulations and frameworks set up by the Board of Directors.

- **Risk from competition in the securities industry**

The Securities Business' main source of income relies on the brokerage fee, which is based on the trading volume. Since the brokerage commission fee was liberalized in 2010, the Company has faced competition in various areas. Apart from the commission fee, the Company faces competition in retail branch expansions, the entrance of new Securities firms, new customer service campaigns, and so on. It is imperative then that the Company adapts its strategy to recruit high-caliber human resources, expand the customer base, stimulate higher trading volumes, and develop the infrastructure for information technology.

CGS must proceed with the restructuring of its business, which emphasizes developing information technology, reducing its dependency on income from retailed securities trading, expanding its customer base, and focusing more on profitable businesses which have various sources of profit. For instance, domestic and foreign institutional businesses, future trading transaction, private funds, Equity Link Note, investment transactions related to oversea listed securities.

The Company has a policy of improving the quality of its personnel and developing its working process in order to reduce the risks of the Securities business through the following means:

- Recruiting high-caliber human resources: The Company focuses on recruiting only veterans of Securities and similar industries.
- Expanding the customer base and stimulate higher trading volume: The Company: a) Develops its marketers' capabilities through numerous seminars and trainings. This training happens continuously throughout the year, particularly when the SET launches new products and services. b) Ensures constant communication between management and our marketers about any changes in our industry. c) Increase the quality of analyst reports to answer client demands.
- Developing strong information technology infrastructure: The Company continuously updates its information technology infrastructure to be up-to-date and be capable of meeting customer demand.

- **Risk from defaults**

As of December 31, 2020, the Company has business receivables total 432.80 million baht. However, the Company has already reserved a contingency fund ("allowance for doubtful accounts") amounting to total receivables fewer collateral values in the case of default. The Company currently has a policy of reducing the risks of defaults from Securities payments and from addition placing a collateral. The policy stresses screening clients and limiting their credit lines used for trading Equities and Derivatives. As part of the process, the Company evaluates a client's financial standing, solvency, liquidity, and investment experience. A client's financial standing and credit limit are also reviewed on a regular basis in strict adherence to the policy.

In cases where defaults occur, clients will be prohibited from any additional purchases of Securities until the receivables are fully paid. Both Marketing and Settlement officers are responsible for following up with the client. If the receivables are not paid in full within the given timeframe, the Legal Department take the necessary legal actions.

- **Risk from clients switching out**

Most of the Company's client base comes from retail, corporations, and institutions (both local and from abroad). As of December 31, 2020, the Company has a total of 99,495 accounts, of which 22,056 accounts were actively traded. The total brokerage fee contributed to 77.83 percent of the Company's total income. Realizing the importance of the Brokerage business, the Company has implemented the strategic initiatives mentioned in Section 3 ("Risk from Competition in the Securities Industry") to minimize the risk of our clients switching out.

- **Risk from Depending Upon Major Clients or a Limited Number of Clients**

In 2019 and 2020, the Company's top ten major clients amounted to 27.95 percent and 23.58 of the Company's total securities trading value, respectively. Losing the top major clients would impact the fee income. However, the Company realizes the risk of relying on the trading value of the top clients and restructure its business to focus on income from investment banking transactions, domestic institutional transactions, international trading transactions for company accounts, bond transactions, and single stock trading service transaction by using the futures market (Block Trade) as well as private fund transactions to be able to compete with the competition in the present and future situation.

- **Risk from Human Resources**

In a Securities business, having good employees is one of the key factors to success. Good employees that possess valuable skill sets such as deep knowledge of investment, experience, and expertise are very hard to find. In a competitive securities business, companies are aggressive in headhunting from their competitors. Such direct recruitment is a major threat to the Company's income. As the Company recognizes the importance of its employees, we emphasize on building strong employee training and development programs and a competitive compensation and benefits package.

- **Risk from investments in securities**

There is the risk that the Company could not be able to achieve the returns as expected. It has thus assigned an Investment Committee to establish clear guidelines, investment ratios, regulations, and procedures for handling investments in equities and derivatives. The guideline will focus on investing in securities that have low risk with a strong fundamental and adapting the investment strategy to fit with economic situation. The Risk Management Committee sets a risk management policy so risk management department can assess and control market risks. The market risk limits are open position limits, stop loss limits, sensitivity limits, and Value at Risk (VaR).

- **Risk from Underwriting Business**

In the investment banking operations of distributing and underwriting securities, the Securities Company faces the risk of being unable to sell all of the underwriting securities. This can be due to uncertainty on the part of investors, fluctuations in the money market or stock market, or from underwriting securities at inappropriate prices and quantities. This forces the Company to put the rest of the securities into its own accounts and accept the losses. In order to reduce this risk, the first consideration is that the Securities Company meticulously assesses information about companies that issue securities and investor interest in securities. The Underwriting Committee was set up to assess and approve operations for distributing and underwriting securities.

- **Risk from margin loans**

The Securities Company has established operating guidelines for controlling the risk of margin loans. In order to grant credit lines to clients, the amounts must be appropriate given the client's financial status and ability to repay debts. The credit limit must also be reviewed periodically to assess whether any adjustments are necessary.

The Securities Company has established a Credit Committee that meets at least once a month. They also set policies on the placement of marginable securities, as well as the enforcement of call margins and force margins. Policies are strictly enforced in order to prevent any damages that might be incurred upon the Company and clients.

On December 31, 2020, the Company's receivables account (money lent out to clients for the purpose of purchasing securities) amounted to 844.44 million baht, a increase of 14.80 percent from the year before.

- **Risk from Derivatives Brokerage Business**

The risks of the Securities Company serving as a derivatives broker have been caused from insufficiency of clients' collateral from market change, mitigating this risk involves screening clients with the purpose of looking for those who are knowledgeable, experienced, and in good financial standing. In addition, clients should place cash deposits prior to open position of any derivatives. The Securities Company ensures that clients' trading activities, account balances, and credit limits are frequently reviewed. Strict control is also kept over clients' collateral (in regard to whether it is sufficient) to avoid suffering major losses in clients' accounts. Should clients fail to comply with the Securities Company's regulations, the contract will be forced closed of the derivatives in the market

- **Risk from Block Trade Business**

Recently, clients use single stock futures in derivatives market instead of buy and sell in stock market due to leverage and less commission fees. However, the Securities Company are closely monitoring of block trading clients to prevent from insufficiency of clients' collateral. Moreover, the Securities Company are monitoring and controlling the risk of own accounts that receive position from the block trading clients.

- **Risk from Private Fund Management Business's transactions and services**

At present, the fund managers have expanded their customer base and continued to open new accounts. Furthermore, the management for private funds is subject to the standards of the private fund management policies, methods, and risk management procedures, which have been approved by the Company's Board of Directors, the Risk Management Committee, and the SEC.

- **Risk of business impacts from crises**

The Company emphasizes on managing risks from crises such as natural disasters, riots, and other shocks. In such cases, the Company has already created preventive and safety plan with the annual review of the contingency plans annually. In addition, the Company also has been insured for a variety of crises, including natural disasters, with the total insured value worth 168.50 million baht.

- **Risk of business impacts from COVID-19 situation**

As Holding Company, the company's key asset mostly are financial assets, such as equity and bond investment. Therefore, there is the risk from market price fluctuation due to COVID-19 situation which could impact the company's financial assets. However, the Company believes that this risk would be short-term impact and the market will eventually return to normal situation. Furthermore, under the COVID-19 situation, the Company adjusted its investment portfolio to hold more cash to minimize the risk. In addition, despite of lower demand due to investors also holding more cash which tend to impact the advisor and commission fees, CGS's commission still performing well which indicated that the COVID-19 pandemic would not significantly impact operation.



## 5 | SHAREHOLDING STRUCTURE

### 5.1 COMPANY'S SHARE

As of December 31, 2020

A registered capital	6,143,905,902 shares
A paid-up capital	4,336,923,080 shares
Other capital	none
Market of warrant	Stock Exchange of Thailand
Symbol	CGH

The shares of the Company held by Thai NVDR is approximately at 1.36 percent and held by foreigners is approximately at 11.14 percent of the Company's issues shares and paid-up capital.

### 5.2 SHAREHOLDERS

#### The Company

The top ten major shareholders as of December 31, 2020 were as follows:

NO.	NAME	NO. OF SHARES	%
1.	Mr. Tommy Taechaubol	960,357,368	22.14
2.	Mr. Pijit Viriyamettakul	455,800,000	10.51
3.	COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED	331,378,200	7.64
4.	LGT BANK (SINGAPORE) LTD	292,106,900	6.74
5.	Mr. Samroeng Manoonphol	233,501,322	5.38
6.	COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED	153,061,800	3.53
7.	Miss Atjima Pakanam	125,000,000	2.88
8.	Mrs. Pensri Rattanasoontrakul	97,928,100	2.26
9.	Miss Phanitnart achariyahiranchai	72,790,400	1.68
10.	MFC VALUE LONG TERM EQUITY FUND (MV-LTF)	72,658,700	1.68
	<b>Total</b>	<b>2,794,582,790</b>	<b>64.44</b>

As of May 29, 2020, the Company had free float of 40.02 percent

## The Securities Company

The top ten major shareholders as of December 31, 2020 were as follows:

NO.	NAME	NO. OF SHARES	%
1.	Country Group Holdings PCL	1,578,884,083	99.317
2.	Thai Fuji Securities Company limited	2,445,415	0.154
3.	Mr. Somchai Mimungkong	970,016	0.061
4.	Ms. Phenprapha Changthep	623,218	0.039
5.	Mr. Pai, Wen-Cheng	514,320	0.032
6.	Mr. Worapong Jaimongkonprasert	394,464	0.025
7.	Mr. Lin, Wen-Ye	303,433	0.019
8.	Thanathai Securities Company limited	268,380	0.017
9.	HSBC BANK PLC-HSBC BROKING SECURITIES (ASIA) LIMITED	189,645	0.012
10.	Mr. Sumit Petcharaphirat	153,613	0.01
	<b>Total</b>	<b>1,584,746,587</b>	<b>99.686</b>

As of December 31, 2020

## 5.3 OTHER ISSUANCE OF SECURITIES

In 2020, there is no issuing of any new shares and securities.

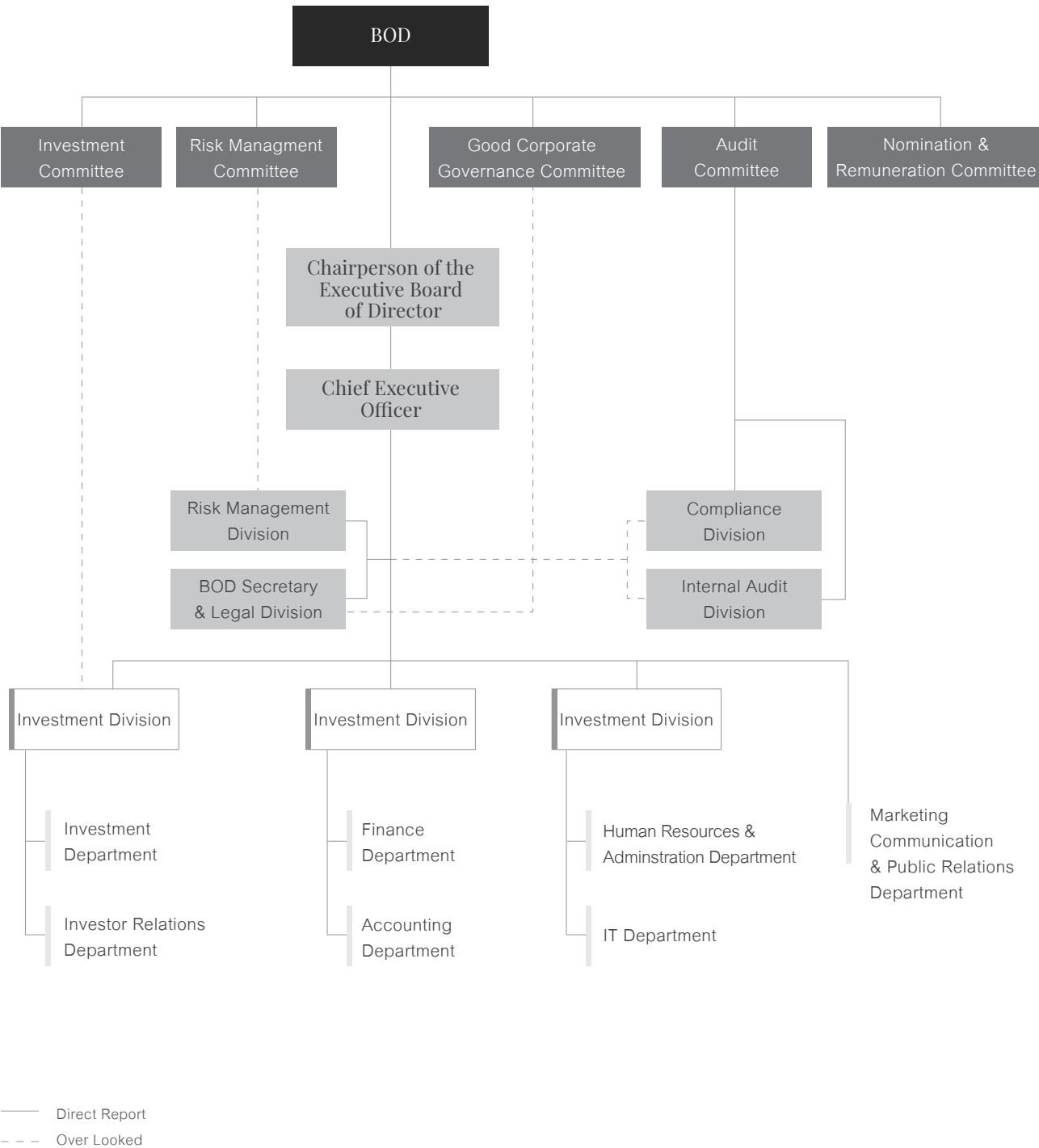
## 5.4 DIVIDEND POLICY

CGH and its Subsidiaries' dividend payment policy dictates that the dividends being paid to shareholders must not be less than 60 percent of annual net profit. However, consideration for dividend payment stakes other factors into account such as results of operations, the financial status of the Company, liquidity, expansion of business, and other factors relating to the management of the Company. Each dividend payment is required to obtain approval from the Board of Directors and shareholders.

# 6 | MANAGEMENT STRUCTURE

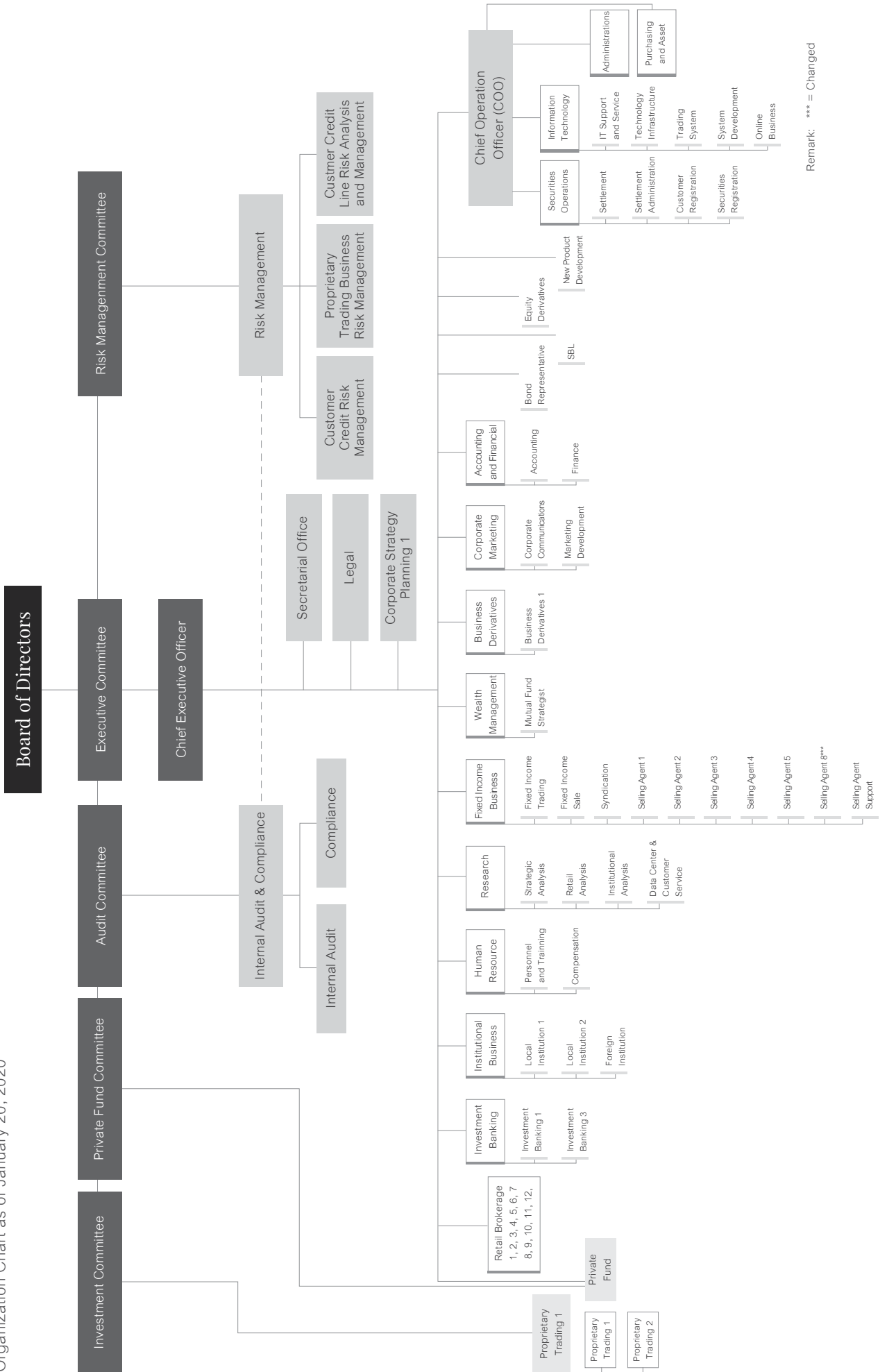
## Country Group Securities Public Company Limited

Organization Chart as of 31 December 2020



Country Group Securities Public Company Limited

Organization Chart as of January 20, 2020



Remark: \*\*\* = Changed

## 6.1 BOARD OF DIRECTORS AND SUB-COMMITTEES

- Board of Directors

### The Company

As of December 31, 2020, the Company has 9 directors comprised of a mix of 2 directors who is from management and 7 who are not, of which there are 4 independent directors as follows:

NAME	POSITON
1. Mr. Sadawut Taechaubol	Chairperson
2. Mr. Surabhon Kwunchaithunya	Vice Chairperson
3. Mr. Tommy Taechaubol	Director and Chief Executive Officer
4. Mr. Dej Namsirikul	Independent Director
5. Mr. Niphon Wisityuthasart	Independent Director
6. Pol.Gen. Werapong Chuenpagdee	Independent Director
7. Mrs. Jitmanee Suwannapool	Independent Director
8. Ms. Chularat Suteethorn	Director
9. Mr. Pisuth Viriyamettakul	Director

### Authorized Directors

Mr. Sadawut Taechaubol or Mr. Tommy Taechaubol sign with the company's common seal being affixed.

- Audit Committee

As at December 31, 2020, there are total of three Audit Committees, of which are 3 independent directors as follows:

NAME	POSITON
1. Mr. Niphon Wisityuthasart	Chairperson of the Audit Committee
2. Mrs. Jitmanee Suwannapool	Member of the Audit Committee
3. Pol. Gen. Werapong Chuenpagdee	Member of the Audit Committee

- Nomination and Remuneration Committee**

As of December 31, 2020, there are total of 3 Nomination and Remuneration Committees, which have 3 independent directors as follows:

NAME	POSITON
1. Mr. Dej Namsirikul	Chairperson of the Nomination and Remuneration Committee
2. Mr. Nipon Wisityuthasart	Member of the Nomination and Remuneration Committee
3. Pol.Gen. Werapong Chuenpagdee	Member of the Nomination and Remuneration Committee

- Risk Management Committee**

As of December 31, 2020, there are total of 2 Risk Management Committees:

NAME	POSITON
1. Mr. Surabhon Kwunchaithunya	Chairperson of the Risk Management Committee
2. Mr. Wiwat Junsangarm	Member of the Risk Management Committee

- Good Corporate Governance Committee**

As of December 31, 2020, there are total of 3 Good Corporate Governance Committees, on which are 2 independent directors:

NAME	POSITON
1. Pol. Gen. Werapong Chuenpagdee	Chairperson of the Corporate Governance Committee
2. Mr. Dej Namsirikul	Member of the Corporate Governance Committee
3. Mr. Pitakphol Roongrojsuwan	Member of the Corporate Governance Committee

- INVESTMENT COMMITTEE**

As of December 31, 2020, there are total of 2 Investment Committees:

NAME	POSITON
1. Mr. Surabhon Kwunchaithunya	Chairperson of the Investment Committee
2. Mr. Tommy Taechaubol	Member of the Investment Committee

- **The Board of Directors meeting**

The Board of Directors of the Company shall have regular meetings every 3 months and may have special extra meetings as necessary. In order to conduct a Board of Directors' meeting and vote in it, the Company requires a quorum of two-thirds of directors to participate. The schedules for Board of Directors' meetings and sub-committees' meetings for the whole year are defined in advance, and there shall be messages calling for meetings with their agendas at least 5 working days in advance so participants may prepare accordingly.

In addition, Non-Managing Directors, Independent Directors, and the Audit Committee can conduct meetings among themselves as appropriate to discuss issues related to the management of the Company without involvement of the Company's executives.

In 2020, there were 6 meetings of the Board of Directors and Sub-Committee meetings. Also, there were 4 of Audit Committee meeting, 2 of Nomination and Remuneration Committee meetings, 4 of Investment Committee meetings, 1 of corporate Governance Committee meeting and 2 of Risk Management Committee meetings. The details for the meetings are as follows:

NAME – SURNAME	NO. OF ATTENDANCE / NO. OF ALL MEETINGS (TIMES)					
	BOARD OF DIRECTORS	AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	INVESTMENT COMMITTEE	GOOD CORPORATE GOVERNANCE	RISK MANAGEMENT COMMITTEES
1. Mr. Sadawut Taechaubol	6/6	-	-	-	-	-
2. Mr. Surabhon Kwunchaithunya	6/6	-	-	4/4	-	2/2
3. Mr. Tommy Taechaubol	6/6	-	-	4/4	-	-
4. Mr. Dej Namsirikul	6/6	-	2/2	-	1/1	-
5. Mr. Niphon Wisityuthasart	6/6	4/4	2/2	-	-	-
6. Pol.Gen Werapong Chuenpagdee	6/6	4/4	2/2	-	1/1	-
7. Mrs. Jitmanee Suwannapool	6/6	4/4	-	-	-	-
8. Ms. Chularat Suteethorn*	5/6	-	-	-	-	-
9. Mr. Pisuth Virayamettakul	6/6	-	-	-	-	-

Remark : \*Effective for Director as of February 26, 2020



## 6.2 THE SECURITIES COMPANY

- Board of Directors

As of December 31, 2020, the CGS's structure consisted of 7 directors as follows:

NAME	POSITION
1. Mr. Surabhon Kwunchaithunya	Chairperson
2. ACM. Permkiat Lavanamal	Independent Director and Chairperson of Audit Committee
3. Mr. Vasu Chewprecha	Independent Director and Audit Committee
4. Mr. Pat Jungkankul	Independent Director and Audit Committee
5. Dr. Porcham Aranyakananda	Independent Director
6. Dr. Veeraphat Phetcharakupt	Director and Chief Executive Officer
7. Mr. Thanachote Rungsitivat	Director

- Authorized Directors

Either Mr. Surabhon Kwunchaithunya, Dr.Veeraphat Phetcharakupt and Mr. Thanachote Rungsitivat, two directors can cosign with the CGS's Company seal affixed.

- Board of Directors' meetings

In 2020, there were the meetings of the Board of Directors. The details of the meetings amount are as follows.

NAME	NO. OF ATTENDANCE / NO. OF ALL MEETINGS (TIMES) 2020
1. Mr. Surabhon Kwunchaithunya	11/11
2. ACM. Permkiat Lavanamal	11/11
3. Mr. Vasu Chewprecha	11/11
4. Mr. Pat Jungkankul	11/11
5. Dr. Porcham Aranyakananda	11/11
6. Dr. Veeraphat Phetcharakupt	11/11
7. Mr. Thanachote Rungsitivat	11/11

## 6.3 MANAGEMENT

### • The Company

As of December 31, 2020, the Management of the Company consists of the 3 following members:

NAME	POSITION
1. Mr. Tommy Taechaubol	Chief Executive Officer
3. Mr. Pitakphol Roongrojsuwan	Vice President of BOD Secretary and Legal
4. Mr. Voradej Suruchugul	Vice President, Finance and Accounting (Chief Financial Officer)

### • The Securities Company

As of December 31, 2020, Management of the Securities Company consists of the following 9 members:

NAME	POSITION
1. Dr. Veeraphat Phetcharakupt	Chief Executive Officer
2. Mr. Chamras Kuanha	Managing Director of Fixed Income Business Division
3. Mr. Sumritchai Thangharat	Managing Director of Fixed Income Business Division
4. Mr. Preechavut Khumsab	Managing Director Investment Banking Division 1
5..Mr. Tanapatra Boontarapong	Managing Director Brokerage Retail Division 12
6. Ms. Nattcharinphon Jesadapisit	Senior Managing Director of Investment management Division
7. Mr. Ekkhapon Siripun	Managing Director Derivatives Business Division
8. Ms.Rathanapath Naowaratthanakorn	Managing Director Brokerage Retail Division 4
9. Ms.Chuthida Sirilertpornchai*	Senior Vice President, Finance and Accounting Division

Remark : \*Effective for Senior Vice President, Finance and Accounting Division on September 16, 2020

## 6.4 COMPANY SECRETARY

### • The Detail of Company Secretary

The Nomination and Remuneration Committee has the duty of making propositions to the Board of Directors so that they may set criteria for evaluating the performance of Directors and Executives.

Name	Mr. Pitakphol Roongrojsuwan (29 years old)
% Shareholding	None
Family Relationship	None
Education	Master of Science Program in Corporate Governance, Faculty of Commerce and Accountancy, Chulalongkorn University Bachelor of law, Thammasat University
Experience	2017 – Present Vice President of BOD Secretary and Legal Division, Country Group Holdings PCL. 2015 – 2017 Manager of Legal Department, Country Group Securities PCL. 2014– 2015 Assistant Company Secretary, Burirum Sugar PCL. 2013– 2014 Lawyer, Bangkok Insurance PCL.

## 6.5 REMUNERATION FOR DIRECTORS AND MANAGEMENT

### • The Company

The Nomination and Remuneration Committee has the duty of making propositions to the Board of Directors so that they may set criteria for evaluating the performance of Directors and Executives.

### • Remuneration for Directors

The 2020 Annual General Meeting held on June 26, 2020 approved of an increase in remunerations for the Board of Directors from the 2019 rates, while Sub-Committee remuneration rates remained the same as the previous year, with these policies becoming effective as of June 2020. It was decided that the Chairperson and directors would be paid at the same rate as the Audit Committee and the allowance was paid during months of the meetings and to the directors attending the Company's meetings at the following rates:

POSITION	REMUNERATION OF THE BOD (BAHT /MONTH) 2020
Chairperson	100,000
Vice Chairperson	55,000
Director	45,000
Chairperson of Audit Committee	30,000
Member of Audit Committee	20,000
Other sub-committees	
- Chairperson	30,000
- Directors	20,000

### The criteria for remuneration were as follows:

- In regard to the Company's remuneration for the Board of Directors, Audit Committee, and other Sub-Committees, compensation is paid monthly and only during months of the meetings, and even then only to committee members who attend the meetings.
- Management who are part of the Board of Directors will receive compensation at rates similar to that for other Directors, while management who are members of Sub-Committees will not receive such compensation.
- Those above criteria were effective on July 2020 after the approval of the 2018 Annual General Meeting.

### Criteria for Director and Committee remuneration:

- Remuneration would be paid to each committee no more than 4 times of the monthly compensation. Moreover, the Chairperson of each sub-committee, including the Audit Committee, the Investment Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Good Corporate Governance Committee would receive 1 time of the compensation.
- Each committee member's compensation was based on their attendance at 2019 meetings:
  - Directors with attendance rates exceeding 75 percent will receive 100 percent of calculated remuneration.
  - Directors with attendance rates up to or less than 75 percent will receive 50 percent of calculated remuneration.
  - Directors entitled to receive remuneration must fulfill their duties throughout the 2020 business year (from January 1-December 31, 2020).

### Details of remuneration payments in 2020 are as follows:

NAME – SURNAME	MEETING ALLOWANCES							TOTAL (BAHT)
	BOARD OF DIRECTORS (BAHT)	AUDIT COMMITTEE (BAHT)	NOMINATION AND REMUNERATION COMMITTEE (BAHT)	INVESTMENT COMMITTEE (BAHT)	GOOD CORPORATE GOVERNANCE COMMITTEE (BAHT)	RISK MANAGEMENT COMMITTEE (BAHT)	PENSION (BAHT)	
1. Mr. Sadawut Taechaubol	600,000.00						400,000.00	1,000,000.00
2. Mr. Surabhon Kwunchaithunya	330,000.00			120,000.00		60,000.00	275,000.00	785,000.00
3. Mr. Tommy Taechaubol	270,000.00						180,000.00	450,000.00
4. Mr. Dej Namsirikul	270,000.00		60,000.00		20,000.00		225,000.00	575,000.00
5. Mr. Niphon Wisityuthasart	270,000.00	120,000.00	40,000.00				225,000.00	655,000.00
6. Pol.Gen Werapong Chuenpagdee	270,000.00	80,000.00	40,000.00		30,000.00		225,000.00	645,000.00
7. Mrs. Jitmanee Suwannapool	270,000.00	80,000.00					180,000.00	530,000.00
8. Ms. Chularat Suteethorn	225,000.00						180,000.00	405,000.00
9. Mr. Pisuth Viriyamettakul	270,000.00						180,000.00	450,000.00
<b>Total</b>	<b>2,775,000.00</b>	<b>280,000.00</b>	<b>140,000.00</b>	<b>120,000.00</b>	<b>50,000.00</b>	<b>60,000.00</b>	<b>2,070,000.00</b>	<b>5,495,000.00</b>

## 6.6 REMUNERATION FOR DIRECTORS AND MANAGEMENT

### • Remuneration

The Company has criteria for remuneration payment to Management by considering knowledge, capability, experience, and previous performance, as well as comparisons with other companies in the same industry. 9 Remuneration of Managements for the year 2020 consisted of salaries, bonuses, and other remunerations to the total of 29.95 million baht.

### • Other Remuneration

The Company established a provident fund during the year 2020, contributing a provident fund for 9 managements totaling 1.58 million baht, which were calculated using percentage of salary as follows:

WORKING PERIOD	PERCENTAGE OF SALARY
Not over 3 years	4
Over 3 years but not over 6 years	6
6 years and up	8

## THE SECURITIES COMPANY

### Directors Remuneration

NAME	BOD'S REMUNERATION (MILLION BAHT)
1. Mr. Surabhon Kwunchaithunya	1.50
2. ACM. Permkiat Lavanamal	0.79
3. Mr. Wasu Chewpreecha	0.60
4. . Mr. Pat Jungkankul	0.70
5. . Mr. Porcham Aranyakananda	0.60
6. Dr. Veeraphat Phetcharakupt	0.68
7. Mr. Thanachote Rungsititvat	0.68

## REMUNERATION FOR DIRECTORS AND MANAGEMENT

- **Remuneration for Directors and Management**

In 2020, the remunerations for 3 directors and 9 managements paid as salaries, bonuses, and other remuneration (excluding meeting allowances mentioned above.) amounted to 58.18 million baht.

- **Other remuneration of executives**

The company has set up a Provident Fund. The company has support 3-5 percent of Management's salary to the provident fund. In 2020, the Company contributed around 1.37 million baht to the provident fund.

In the resolution of Board Meeting Number 18/2002 on October 22, 2002, a provident fund was agreed upon that was then registered according to the Provident Reserve Funds Act B.E. 2530 (1987) and the Amendment Act B.E. 2542 (1999). The Company's Provident Fund was officially established on December 25, 2002 and On July 1, 2009, the Company assigned MFC Asset Management, which manages and registered the Provident Fund under the name "MFC Master Fund." This fund is categorized as a Master Pooled Fund.

According to the Fund's regulations under the approval of the Board's Resolution Number 18/2002, the Company shall contribute to the Fund with an amount equivalent to its staff's contributions, and each staff shall contribute to the Fund the amount calculated on the percentage of salary as follows:

WORKING PERIOD	PERCENTAGE OF SALARY
Not over 3 years	3
Over 3 years but not over 5	4
Over 5 years	5

## 6.7 PERSONNEL

- Number of employees

As of December 31, 2020, the Company and its subsidiaries had the following numbers of employees and forms of compensation between 2019 – 2020:

DIVISIONS	NUMBER OF EMPLOYEES	
	2020	2019
1. Management Division	5	5
2. Corporate Strategy Division	1	1
3. Investment Division	2	10
4. Company Secretary and Legal Division	2	2
5. Internal Audit and Compliance Division	-	-
6. Financial and Accounting Division	2	3
7. Subsidiaries' employees	487	411
Total	499	432
Compensation (MB)	638.5	486.57

- Significant changes in the number of employees in the past 1 year

- As of December 31, 2020, The Company employees decreased from the year 2019 by 9, mainly in the Investment Division, which was not a significant change.
- As of December 31, 2020, The Securities Company employees increased by 76 from 2019

- Serious labor disputes in the past three years

- none –

- Staff development policy

The Human Resource Department organized internal trainings and sent some employees participated external training to improve their working abilities and skills. Furthermore, the Company promoted the employees to work morally, honestly, and integrity. Staff also must keep information about their Employers confidential.

# 7 | CORPORATE GOVERNANCE

## 7.1 CORPORATE GOVERNANCE POLICY

The Board of Directors recognize the significance of good corporate governance which one of is the crucial factor for business to operations with effective management systems. Good corporate governance of businesses' sustainable growth for the long-term benefit of shareholders. Thus, the Board of Directors encourages and promotes the continuation of good governance system for all business units and their staffs whom covers the principles of integrity, transparency, being auditable, avoidance of conflicts of interest, timely information disclosures, and accuracy. The good governance system also includes being cautious and maintaining the equality of the interest of customers, shareholders and all stakeholders and promoting social responsibility. The policy on Corporate Governance of the Company is disclosed via various channels including the annual report, the 56-1 form, and the Company's website at <http://www.cgholdings.co.th/>. As a result, information is easily accessible for all stakeholders. The Company's Corporate Governance Policy consists of the following:

### 1. Rights of Shareholders

- **The Board oversees and ensures that every shareholder has the following basic rights:**
  - To receive or transfer shares unless the transfer causes the Company to exceed the number of Non-Thai shareholders quota of 49 percent of total number of shares outstanding.
  - To obtain accurate, complete, and timely information.
  - To propose, appoint, or remove directors and to approve the appointment of independent auditors.
  - To make decisions on changes in the Company's important policies.
  - To obtain profits from operations.
  - To attend meetings and to vote in shareholders' meetings as follows:
    - Nominating, appointing, or removing directors
    - Appointing auditors
    - Appropriating dividend payments
    - Issuing or amending regulations or articles of association
    - Decreasing or increasing registered capital
    - Approving extraordinary agendas
    - Other matters that affect the Company in accordance with the law
- Shareholders shall be delivered an invitation for the Annual General Meeting with adequate information specifying the date, time, venue, and agenda including proxy forms and the details of the step to appoint a representative by nominating at least one independent director to be his/her attorney as well as information relating to the matter to be decided at the meeting in advance.
- The Company shall arrange Shareholders' Meetings at appropriate times and locations to facilitate the maximum number of shareholders to be able to attend the meeting. Furthermore, the Company will use IT systems to expedite the registration process and provide convenience to shareholders.
- The Board of Director encourages shareholders to vote by bullet for all agendas, especially principal agendas such as related transactions, acquisition or disposal of assets, and director elections.



- All Directors, especially the Chairman of the Audit Committee, are required to attend the Shareholders' Meeting to clarify or answer questions to shareholders.
- Shareholders shall have an opportunity to propose additional matters in the agenda or ask questions, request for clarification, and express opinions appropriately according to the meeting agenda; the Board of Directors will not add any agendas without notifying shareholders in advance.
- Shareholders shall be informed of the rules and regulations and voting procedures of meetings. The Company shall post all meeting agendas on its website prior to sending documents to shareholders in order for the shareholders to have adequate time to be prepared for the meeting, as well as providing the opportunity for shareholders to ask questions before the meeting.
- The Board's opinions shall be provided for each agenda and the minutes of the meeting shall be recorded accurately and completely so that shareholders and concerned persons are able to verify such information through downloads from the Company's website.
- In the case of multiple voting items in an agenda, there shall be a vote on each of the items within the agenda. The questions and answers will include voting results indicating the number of shareholders who approved, disapproved, or abstained their votes for each of the agendas will be recording, including the list of Directors and other attendees, along with any Directors who were absent from meetings.
- All Directors and senior executives of the Company are required to disclose their relationships - both directly and indirectly - with major shareholders or any third parties who have related transactions with the Company.
- Independent individual shall be appointed and presented to count or determine votes during Shareholders' Meetings and to disclose such information in meetings. This will be recorded and included in the minutes.
- The Chairman of the Meeting shall allocate time appropriately and encourage shareholders to have opportunities to express their opinions and raise any enquiries at meetings for any matter related to the Company.

In 2020, the Company set up one Shareholders' Meeting - the 2020 Annual General Shareholders' Meeting - at 10.00 AM at the Meeting room, 11th floor, Sindhorn Tower 3 132 Wireless Road, Lumpini Sub-District, Pathumwan District, Bangkok on June 26, 2020. There were 8 directors attending the meeting and 1 director who could not be able to join the meeting (Mr. Dej Namsirikul the Chairperson of the Nomination and Remuneration Committee). The attending directors included the Chairperson, the Chairperson of the Audit Committee, the Chairperson of the Risk Management Committee, the Chairperson of the Investment Committee, the Chief Executive Officer, and Management all attended the meeting. The Inspector, which consisted of the Auditor from Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd, was present to answer any questions. An external auditor from Deloitte Touche Tohmatsu, Ms. Pornprapa Sakthavornlert and an independent external legal advisor from Legal advisor, JT Legal Co., Ltd, Ms. Thitinun Duangkwan, attended the meeting as observers and witnessed the vote count. Furthermore, to comply with the principles of Good Corporate Governance, the Company requested that some minor shareholders serve as volunteers to act as independent agents and neutral parties while inspecting the casting of votes. The volunteers thus participated in observing the inspection.

Before the commencement of the Annual General Shareholders' Meeting, the Company's Secretary clearly explained the voting procedures and the rights of shareholders. The conference proceeded according to the agenda indicated in the meeting invitation. During the meeting, the event's chairperson gave all shareholders equal opportunities to ask questions of and inspect the Company's work, as well as to make comments and suggestions prior to the casting of votes for each item on the agenda.

After the meeting, BOD Secretary and Legal Division prepared the minutes with details including the list of Directors who attended, as well as all questions, answers, and summaries. A record of every vote was kept, along with records of who approved, disapproved, or abstained from motions. The minutes were broadcast through the Company's website ([www.cgholdings.co.th](http://www.cgholdings.co.th)) so that all parties would be able to verify it.

## 2 Equitable Treatment of Shareholders

- The Board oversees and ensures that every shareholder is treated equally by the following:
  - The Company shall delivery a shareholder meeting invitation at least 14 days in advance and provide the shareholder adequate information specifying the date, time, place, and agenda, including concerned matters. Thus, shareholders will have an opportunity to submit questions in advance.
  - The Board shall provide an opportunity for shareholders to submit questions 7 days in advance to the shareholder meeting.
  - Announcements of shareholder meetings will be posted in the newspaper for 3 consecutive days in order to inform shareholders.
  - The Company will hold the shareholder meetings at dates, times, and locations that will allow shareholders to attend; and will not make sudden changes to the meetings' locations.
  - The Board shall provide an opportunity for shareholders using power of attorney for proxy forms to pre-indicate his/her voting direction and propose at least 3 names of independent directors for shareholders to grant their proxy.
  - The Chairperson of the Board of Directors shall inform others of the rules and regulations of voting procedures, and the number of shareholders attending the meeting to shareholders present at the meeting.
  - Shareholders who are Executives shall add no agendas without informing other parties in advance.
  - Each share has equal rights. The shareholders have rights to vote according to the number of shares held. In addition, they shall have equal rights to obtain news and information about the Company.
  - The Chairperson of the Board of Directors shall initiate the agenda in order as informed in the meeting invitation.
  - The Chairperson of the Board of Directors shall allow the shareholders to discuss and ask questions.
  - Inshareholders' meetings, allshareholderswhoareExecutives, non-executives, and foreign shareholders shall be treated equally and fairly.
  - All shareholders who attend the meeting shall have the right to vote 'agree', 'disagree', or 'abstain' on each agenda.

## 7.2 SUPERVISION OF THE USE OF POSITION FOR PERSONAL BENEFIT POLICY

- In accordance with Section 59 of the Securities and Exchange Act. B.E. 2535 (1992), directors and executives are required to report changes in securities holdings to the SEC and the SET.
- The Company's directors, executives, and staff who relate to internal information are not allowed to disclose such information to any outsiders or unrelated persons.
- Directors, executives, and staff members of relevant departments (as well as their spouses and underage children) are prohibited from participating in any of the Company's securities trading activities during the 14 days prior to the disclosure of the quarterly and annual financial statements.
- The Company has made declarations in writing regarding the ethics of executives and staff, along with penalties for those who violate the rules.

The Board of Directors has prepared a business ethics manual and guidelines on use of insider information in order to control the use of insider information and preventing its use for self-interest or the wrongful benefit of others.

### 7.3 CONFLICTS OF INTEREST POLICY

The Company does not allow directors, executives, and staff to operate competing businesses and to make any connected transactions which may lead to conflicts of interest. In the event that such transactions are required, the Board of Directors will oversee the transactions to ensure transparency and fairness as if the Company was dealing with unrelated partners. Directors, executives, or staff members who are stakeholders are required to inform others of such conflicts of interest prior to the consideration of such items and to be recorded clearly in the minutes of the meeting and are not allowed to consider and approve these transactions. Said policy has been stipulated in the Business Ethics Manual accordance to the minutes of the Board of Directors' Meeting Number 1/2014.

In the case that transactions are considered connected transactions under the notifications of the SEC or the SET, the directors will strictly oversee that the transactions are strictly done in accordance with the regulations, methods, and disclosures of information concerning connected transactions of listed companies.

### 7.4 POLICY ON CONNECTED TRANSACTIONS OF THE COMPANY, SUBSIDIARIES, ASSOCIATED COMPANIES, AND CORRESPONDING SUBSIDIARIES, WHICH ARE DIVIDED INTO TWO PARTS AS FOLLOWS

- **Measures in controlling connected transactions**

The Company recognizes the importance of transparency in the transactions between the Company and its Subsidiaries and has thus issued measures to control connected transactions of the Company, Subsidiaries, Associated Companies, and corresponding subsidiaries with individuals who may have conflicts of interest, personal interests, or possible conflicts of interest as stipulated by the notifications of the Securities and Exchange Commission or the Stock Exchange of Thailand. The Company's Audit Committee will give its views on the necessity of making such connected transactions and the appropriateness of prices by considering various conditions in accordance with guidelines on normal trading and the arm's length principle (ALP).

In the event of related transactions that require approval from the shareholders according to the SET's regulations prior to carrying out the transaction, the Company will disclose the details and reasons for the transaction to the shareholders in advance of the transaction.

In the event that the Audit Committee is unable to consider the connected transaction, the Company will seek an independent expert or the Company's Auditor to provide opinions on such connected transactions for further consideration by the Company's Board of Directors and/or Audit Committee and/or shareholders, as the case may be. Those who may have conflicts of interest or personal interest in the connected transaction shall not be entitled to vote for the approval of the connected transaction.

In addition, the Company will disclose information about entering into connected transactions and vital asset acquisitions or disposal of the Company and its Subsidiaries in accordance with the notifications of the SEC or the SET and the accounting standards of the Institute of Certified Accountants and Auditors of Thailand (ICAAT).

## 7.5. POLICY ON CONNECTED TRANSACTIONS TRENDS

The Company, its Subsidiaries, and corresponding subsidiaries may make possible connected transactions with individuals or entities who may have possible conflicts of interest. In the event that such transactions are normal business transactions and done using the ALP, the Company has an internal policy specifying conditions that need to be met. The transaction needs to be in accordance to standard market terms and must be comparable to the pricing being offered to a third party, which is in line with what the Board of Directors approved during Meeting Number 1/2014, and in accordance to the Securities and Exchange Act and the SET. Related parties must strictly follow a joint agreement and set a clear and fair price and terms which do not lead to transfers of benefits.

Given the restructuring process, there could be an increase in number of persons who may be classified as related parties, hence there could be an increasing connected party transaction occurring with the Company and the securities business. Most of the connected transactions would likely involve securities trading transactions.

Whenever there is an adjustment in prices or conditions of the connected transactions, the Internal Audit and Compliance Department will investigate such transactions and prepare a quarterly report for the Audit Committee to consider and recommend appropriate prices and reasons for making connected transactions. Otherwise, in other normal connected business transactions, the Company will follow the aforesaid measures to control connected transactions.

Therefore, after CGS released from listed company in SET, the Board of Director of the Company and CGS shall oversee CGS to comply with rules, procedure and disclosure the connected transaction as the listed company rules by mutatis mutandis. Additionally, the Article of Association of CGS has amended inconsistent with the mentioned policy. CGS shall strictly comply with.

## 7.6 ROLES OF STAKEHOLDERS

The Board of Directors have a responsibility to protect all stakeholders' interests that are governed by the law, which includes clients, shareholders, investors, creditors, trading partners, independent auditors, management, civil servants, society, and other related parties to ensure that their rights are being protected equally.

- **Policy on safety and sanitation**

The Company improved the working environment by expanding work spaces, reducing congestion for better working conditions, allowing the Company's employees to improve working performance and improve their capabilities.

In 2020, there were no workplace accidents, which resulted in zero absenteeism rate from workplace accidents. In addition, there were also no records of work-related illnesses.

- **Policy on Employee remuneration and benefits**

The Company uses the KPI system in considering the compensation to each individual employee in line with their performance in an equal and fairly manner. The Compensation Sub-Committee appointed by the Company's Board of Directors has the overall responsibility for considering and determining appropriate payments.

- **Establishment of Employee Provident Fund**

The Provident Fund ("The Fund") is a fund set up voluntarily between the employer and employees. Assets of the fund consist of money contributed by both employers and employees. Given that the employer is helping employees save money, this can be regarded as a kind of benefit that helps make employees stay with the employer for a longer period of time. The Company set up a Provident Fund for staff and a Provident Fund MFC Master Fund that was registered on June 16, 2014 by MFC.

- **Policy on Human Resource Development**

The Company has a committee that seeks for employees to obtain both internal and external training to enhance personnel development and to promote honesty, ethics, and maintaining confidentiality for both the Company and its clients. In 2020, the Company arranged several training courses both inside and outside its offices. Courses provided outside for staff included:

In 2020, the Company arranged several training courses both inside and outside its offices. Courses provided outside for staff included:

- **Training for Directors**

-None-

- **New Directors' orientations and new staff**

- orientation for new director 1 time
- orientation for new staff 1 time

- **Staff training**

- Using resources properly course

To stimulate awareness of one's responsibility for, knowledge of, and understanding of activities for social and environment preservation with the intent of properly utilizing resources and applying knowledge to the organization. Furthermore, it should reduce costs and serve as a means of controlling expenses.

- Attend a training about Road to Join CAC No. 3/2020

To understand the impact on doing business and help the company to have appropriate anti-fraud mechanism.

- **External training for the Company to staff 3 times**

Apart from this, career path development and promotions are laid out in a systematic and organized way by considering their performance, capability, appropriateness, and impact on the Company, which help employees to find motivation to continuously engage in self-improvement. The KPI was used to evaluate employee performance.

- **Policy on Non-violation of human rights**

- Supports and respects the protection of human rights and prevents the Company's operations from being in association with human rights violations, including being against forced labor and child labor.
- Treats all stakeholders fairly and respectfully without discrimination as to race or ethnic origin, gender, age, skin color, religious, body, status, or family.

The Company has set its policy as part of work regulations which was delivered to the Department of Labor Protection and Welfare as of December 1, 2015.

- **Policy on Competitor integrity and responsibility**

The Company promotes fair practices and operates in accordance with the relevant regulator's guidelines. The Company will not try to obtain competitors' secrets through any unethical or illegal means. Furthermore, the Company will not try to harm competitors' reputations through any negative accusations and unfair-treatment.

- **Policy on Business partner dealing**

The Company shall treat its Business Partners equally according to the terms and conditions specified in contracts and not do anything that would result in any adverse impacts to the Company's reputation, illegal actions, or violation of intellectual property rights such as usage of genuine software licenses while keeping in mind the need to handle business operations with fairness and ethics.

- **Policy on Selection of business partners**

The Company will source for quality products and services, while aiming for developing and maintaining long term relationship with such business partners who share the same objective of providing quality products and services. The Company sources for Business Partners that can provide products and services with the following criteria:

- Provides the same information to all business partners who seeking to bid for the sales of goods and services
- Provides fair selection procedures
- Prepares proper contracts
- Provides follow-up procedures to make sure the conditions stated within contracts are being performed in order to prevent any fraud or corruption.

- **Policy on fair treatment with creditors**

The Company adheres to the agreements and terms and conditions set forth in the loan contracts signed with creditors, including contracts during the prices of goods and services in the aspect of paying the principal, interests, protecting the collateral and making payment for such goods and services.

Moreover, the Company also manages its capital to be sufficient for its loan repayment and its liquidity to ensure the ability to repay its loan obligation, as per repayment schedule.

- **Policy and Practices for Intellectual property or copyright**

- The Company must operate and ensure its employees to perform their work without violating the intellectual property law such as trademark, patent, copyright, trade secrets and other intellectual properties.
- The Company's employees have right to create or invent their work independently under the relevant specified law except where such work are generated under their role within the Company or using Company's data - of which they will be considered property of the Company, unless the Company clearly permits that the invention belong to its employees.
- The Company supports its employees to realize the importance of intellectual property rights in workplace and in their daily life.
- Before using any data or information, the person involved will need to ensure that there is no violation of intellectual property rights.

## 7.7 POLICY ON ANTI-CORRUPTION

Following the resolution of Board of Directors' Meeting No. 5/2017, there have been changes in policy and guidelines for combating corruption:

In order for the Company and its Subsidiary to recognize and emphasize supporting participation, taking social responsibility, and combating corruption, which are essential foundation of CGH's business operations under Good Governance principles for sustainable development, the Board of Directors agreed that a policy must be established:

- **Goals**

This policy aims to ensure that the Company, its subsidiaries, and personnel proceed as follows:

- Stating the intentions and determination of the Company, its subsidiaries, and personnel to engage in all kinds of anti-bribery and corruption activities.
- Establishing rules and using them as procedural guidelines for directors, management, and personnel to follow in such efforts, and setting up measures so that no one disobeys said rules or guidelines.
- Preparing rules as procedural guidelines in the auditing and monitoring of all processes to ensure that they follow this policy.
- Encouraging personnel to be vigilant and to report any bribery or corruption through safe communication channels.

- **Scope**

This policy applies to the Company's directors, management, and all other personnel.

- **Definition**

**Corruption** is defined as the offering, promising, guaranteeing, demanding, or taking of money, assets, or other benefits in manners inappropriate for state agencies, government agencies, private agencies, or individuals, directly or indirectly causing them to act or to refrain from performing their duties in order to obtain or maintain a business. In addition, this extends to work toward making recommendations aimed at benefiting the Company, as well as acquiring or maintaining certain benefits that are inappropriate. This definition may not apply in cases where local laws, rules, regulations, restrictions, traditions, or trading practices allow such activities

**Bribery** is defined as the offering, promising, guaranteeing, demanding, or taking of money, assets, or any inappropriate benefits as motivation to behave in manners considered immoral, dishonest, and against the law.

Giving or taking bribes or other forms of corruption may be done in various ways including:

- Political contributions
- Charitable contributions and sponsorships
- Facilitation payments
- Gifts and hospitality

**Political contributions** are defined as assistance, whether in terms of lending money or other types of assistance, in order to support political activities.

- **Roles and Responsibilities**

- The duties and responsibilities of the Board of Directors are to establish and approve the Anti-Bribery and Corruption policy to support the associated system. This will help to ensure that the Company's business operations are carried out according to the law, rules, regulations, and good ethics. Management has recognized and emphasized the importance of Anti-Bribery and Corruption efforts.

- The Audit and Corporate Governance Committees' duties and responsibilities are carrying out assessments to ensure that the Company has been properly regulated and ensuring that operations follow the Anti-Bribery and Corruption policy.
- The Chairperson, directors, management, and personnel are responsible for fully utilizing the Anti-Bribery and Corruption policy. A system has been established in work procedures to support, encourage, and control so that all divisions will follow the policy.
- The Compliance team is responsible for auditing and assessing to guarantee that procedures are carried out properly according to policy and the concerned laws. This is done to ensure that the Company possesses an adequate and appropriate internal control system and reports to the Audit Committee.
- Personnel must perform their duties according to this policy. In the case of any questions or disobedience, they must report to their supervisors or notify the Company through an established channel.

- **Policy and procedural guidelines**

- **The Anti-Bribery and Corruption policy**

Personnel of the Company and its subsidiaries are prohibited from operating, accepting, or participating in any form of bribery or corruption, whether directly or indirectly. The Company and its subsidiaries' business operations will be regularly reviewed to ensure that they do not violate the policy by engaging in bribery or corruption. The directors and management are responsible for reviewing the procedures and regulations of the policy in order to comply with changes in business, rules, regulations, and laws.

- **Political contributions**

Political contribution must be handled in accordance with laws regarding bribery and corruption. The Company has no policy on supporting or providing assistance in politics and will not participate in or encourage political activity. Examples of such include donating goods or services, advertising to support or encourage a political entity, purchasing of event tickets for fundraising, donating to organizations with a close relationship to political parties, providing technology services with free of charge, and using the working time spent by employees to gain a business advantage.

**The Company's policy toward political assistance is as follows:**

- The Company will operate its business without any prejudices, not showing any affinity for politics or any particular politicians or political parties.
- All personnel will have complete freedom in political participation under the Constitution; however, they must not act as employees of the Company or utilize its assets, equipment, or tools in any political activities. If they do take part in such activities, they must proceed with caution so that there are no misunderstandings suggesting that their actions were done on behalf of the Company, which might in turn lead to the public having misconceptions about the Company's neutral stance on politics.
- In the event that the Company wishes to display political support, such actions must not go against any relevant laws or be done with the expectation of certain benefits. Prior to engaging in such support, a report indicating the name of those supported and the goal of said support, along with complete accompanying documents, must be submitted for approval by the Board of Directors.



#### - Donations or contributions

Donations or contributions to good causes must be carried out with full transparency and in accordance with the law. To ensure that the Donations or contributions will not be used as a front for bribery, the receiver's name and donation or cause's goal must be clearly specified. In addition, they also must comply with the Company's ethics, regulations, orders, or any relevant laws.

#### - Facilitating Payments

Payment made in exchange for convenience to state agencies for the purpose of expediting procedures is prohibited.

#### - Gifts, services, and other benefits

Giving or taking gifts, special privileges, entertainment, and other expenses or exchanged benefits are allowed and considered as normal business practices, traditions, or fitting in the context of local festivals if there is no effects on the Company's business operations and no risk in bribery and corruption. This is allowed as long as they are complying with standard business practices, ethics, regulations, orders, and relevant laws, including the conflict of interest policy set within the Corporate Governance policy.

The CEO shall set out guidelines for giving or receiving gifts, as well as any other benefits so that all employees may be able to follow them.

#### - Policy, reviewing risk assessment measures, hedging procedures, and reporting events in which the Company may be involved in corruption

- Setting up the policies, measures, and risk prevention process in bribery and corruption reviews, as well as developing procedures for receiving complaints and reporting bribery and performing corruption reviews once a year so that they will be more comprehensive and effective.
- The Risk Management Department is to set up risk assessment procedures for bribery and corruption and evaluate the risks of each, as well as report the results to the Risk Management Committee and the Board of Directors at least once every quarter.
- The Compliance and Internal Audit staff are to report any events wherein the Company may have had involvement in bribery or corruption to the Audit Committee and the Board at least once a quarter.

#### - Human Resource Management

This Anti-Bribery and Corruption policy covers all human resource processes such as recruiting, training, evaluating of work compensation and promotion. The policy is to be used as part of the disciplinary methods of the Company's personnel management.

The Company is to set up training courses to communicate the Anti-Bribery and Corruption policy whenever possible at the appropriate times and occasions.

#### - Communication with employees and customers

The Company is to announce the Anti-Bribery and Corruption Policy to every employee and to broadcast it through different channels:

- All personnel will receive a copy of this policy by e-mail, the Company's internal and external channels to ensure that they know and understand it.
- This policy will be part of the documents newly hired employees must sign to signify their acknowledgment of the rules and connected policies prior to assuming their positions.

- The Company will announce the policy on its website, as well as communicate it to its business associates, stakeholders, and individuals associated with it.

- **Protection for directors, executives, and other employees**

The Company assures its employees that they will receive fair treatment and protection stemming from refusal of bribes or any actions that would be considered corruption, as well as in cases where they alert the Company about incidents of bribery and corruption. While rejections of the sort could potentially cost the Company some business opportunities, it believes that the absolute refusal to accept bribery and its corruption policy will serve to create value for it in the long run.

If any personnel are threatened or intimidated due to their refusal to participate in what is considered bribery or corruption, they are to immediately notify their supervisor, management, or the compliance and internal audit staff. In the event that the problem is not rectified, they are to report through the proper channels under this policy.

- **Disobeying the policy**

The Company will punish any directors, members of management, or personnel who disobey these policies, including direct supervisors for disregarding or inaction in the face of any wrongdoing or failure to acknowledge such wrongdoing with disciplinary actions. Penalties can range up to dismissal and/or removal from a position. Furthermore, employees cannot use ignorance (of these policies and/or any relevant laws) as an excuse for disobedience.

- **Reporting clues or complaints**

If directors, management, employees, or other individuals have suspicions or evidence of directors, management, personnel, or others engaging in corruption on behalf of the Company, they must report the incident or make a complaint to the Company. The Company will keep information regarding the individuals making the report confidential and will use this knowledge in administration and interior operations, but may disclose it if issued orders by authorities such as courts of law, the SEC, or other relevant regulatory bodies.

The individuals notifying the Company must do so with good intentions. If the Company finds any evidence of dishonesty in the message or finds that it was made with malicious intent to damage, defame, or otherwise harm others, it will take the appropriate further actions.

Directors, management, personnel, and stakeholders are able to directly submit a complaint personally or in writing through the following channels:

- Telephone : 02-256-7999 ext. 1707
- Facsimile : 02-256-7888
- E-mail : CompanySec@cgholdings.co.th
- Letters indicating the sender's first name, last name, and telephone number with the complaint, must be sent to the recipient of the complaint at the following address:

Country Group Holdings PCL

132 Sindhorn Tower 3. 20th Floor, Wireless Road Lumpini, Pathumwan Bangkok 10330

The recipient of the complaint may be one of the following four:

- Chairperson of the Board
- Chairperson of the Audit Committee
- Chief Executive Officer
- Head of Compliance and Internal Audit

#### Action on Complaints

- Collecting information from the complaint to present to the Audit Committee and advise the informant of the complaint's status.
- The Audit Committee will follow the scrutiny process in accordance with the established rules and regulations within seven days.
- Providing guidelines to the sub-committees concerned and the Board of Directors, respectively, to resolve the issue.
- If the accusation is found to be true, the Company will apply a punishment consistent with its regulations or according to any relevant laws.

#### Protection for Parties Making Complaints

The receiver of complaints must keep the whistleblower's information and details given to the Company confidential and not disclose them to any outside parties.

In 2020 the Company did not find any significant complaints from any of its directors, executives, employees, or stakeholders.

## 7.8 SOCIAL RESPONSIBILITIES POLICY AND PRACTICE

The Company is aware of our role in social responsibilities to the community that we are a part of and dedicate our work for social responsivity with all stakeholders every year. The Company allocates part of its budget to support Corporate Social Responsibility (CSR) activities with focusing on three areas including education, religion, and quality of life. Additional details will be presented in the part of 'Corporate Social Responsibility'.

#### • Environmental promoting and training policy

- Strictly act in accordance to the laws and requirements of the environment
- Encourage employees to learn about the environment in order to be environmental responsibilities.
- Encourage employees to use resources efficiently and effectively.
- Encourage employees to exchange environmental knowledge and experience among themselves in the Company.
- Encourage and support employees to regularly improve their working process to suit with the environment.
- The Company set environmental protection policies that will not affect the environment.
- Regularly review and evaluate the Company's performance in environmental protection.

The Company has arranged environment-related activities, the details of which are given in the CSR Report.

In addition, the Board of Directors acknowledges the rights of stakeholders according to specified laws and encourages cooperation between the Company and all stakeholders for sustainable growth. All stakeholders are treated equally and fairly, and information is disclosed fair and timely manner through all channels in accordance with the SET's procedures, as well as the Company's website at [www.cgholdings.co.th](http://www.cgholdings.co.th). Moreover, all stakeholders can request for further information by contacting Company Secretary and Legal Division via telephone at 02-256-7999 ext. 1707, or e-mail at [CompanySec@cgholdings.co.th](mailto:CompanySec@cgholdings.co.th)

## 7.9 DISCLOSURE AND TRANSPARENCY

### • Information Disclosure

- Provide accurate and updated information in both English and Thai. Disclosure should transparent and consistently updated w through various channels such as the Company's website.
- The Board of Directors or executives assign specific persons or departments to disclose information to shareholders, investors, analysts, media, or supervision agency.
- Information which shall consistently be disclosed:
  - Vision and Mission of the Company
  - Nature of businesses
  - Lists of the Board of Directors and Management
  - Financial statements and operating performances of the present and the previous year
  - Downloadable 56-1 Form and Annual Report
  - Other relevant information or documents presented to analysts, fund managers, and media
  - Shareholder structure, group structure, and percentage of shares held by Directors and Executives as well as lists of major shareholders
  - Invitation letters to shareholder meetings
  - The memorandum of association of the Company and shareholder agreements (if any)
  - Risk management policy and procedures
  - Duty, qualification, and terms of Directors including subjects that needed approval from the Board of Directors, Audit Committee, Nomination Committee, Remuneration Committee, and Good Governance Committee
  - Code of ethics and practices for employees and the Board of Directors
  - Investor relations contact information
- Define financial statements or financial information to present financial status and operating performance as required by law, along with disclosing other information in a complete, accurate, sufficient, and timely manner so that all shareholders and stakeholders are informed accordingly.
- Organize financial statements to be audited by an independent external Auditor, including disclosure of such fees.
- The Company will provide access to its data analytics to outsiders such as securities analysts, investment advisors, securities brokers, credit rating agencies (CRAs), media, and external regulators, among others, for the benefit of investors' decision making and other beneficial actions through the Investor Relations Division or the Company Secretary's Office.
- Disclose policies on Good Corporate Governance, Risk Management policies, Business Ethics, and Compliance report in the annual report, the Company's website, as well as announcements at the head office and all branches.
- Disclose roles and duties of all committees, the number of meetings and attendances, Directors' opinions, including policies on Directors' and senior executives' remuneration in the annual report and the Company's website in accordance with the minutes of Board of Directors' Meeting Number 1/2014.
- In accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992), the Directors must report their trading/holding of Company securities, including through spouses and dependents, to the Board every month, even when there is no change in holding or trading activities.
- Directors, executives, and staff members of relevant departments (along with their spouses and any underage children) are prohibited from participating in any of the Company's securities trading activities during the 14 days prior to the disclosure of the quarterly and annual financial statements. Anyone caught violating this rule will be punished according to the Company's regulations.

- The Company disclosed information through its publications as follows:
  - Communication system of the Stock Exchange of Thailand (SET Portal)
  - Annual Report
  - Website: [www.cgholdings.co.th](http://www.cgholdings.co.th)
  - Investor Relations Department

### The Board of Directors report

The Board of Directors of the Company were instructed to report on the responsibilities of the Directors in relation to the Company's financial statements and any other major items required in operating the business with transparency and fairness, as well as being in compliance with the requirements of the SEC and/or any other governing bodies. This is required for presentation along with Auditors' reports in the annual reports of the Company.

The Audit Committee, which included Mrs. Jitmanee Sawanapool, is knowledgeable and suitably experienced in handling audits of financial statements and disclosing important information in their notations.

The Audit Committee also ensures that the internal controls system is adequate by using a standardized review system, as well as modern assessments of risk management. The Committee meets with the Internal Audit and Compliance Division and external Auditor to ensure that the Company's financial reports are accurate and complete, in addition to disclosing the Committee's report in the Company's annual report. In 2020, there were four meetings of the Audit Committee.

### Investor Relations

The Board realizes the significance of accurate, complete, and transparent disclosure of the Company's finances and other general information which may impact on share prices and investor sentiment. Therefore, the information must be provided in a timely and consistently manner to all investors and stakeholders for their decision making according to the rules and regulations of the SET. The Company shall disclose such information through various channels such as reports to the SET and the Company's website ([www.cgholdings.co.th](http://www.cgholdings.co.th)).

To disseminate accurate and reliable information, as well as to eliminate rumors or misleading information, the Company has assigned an Investor Relations team for answering any questions and clarifying any information about the Company to investors and relevant parties. The Investor Relations team will also responsible for providing information to shareholders and investors regularly. Investors can contact the Investor Relations Division by contacting telephone at 0-2256-7999 ext. 1707, or by E-mail at [CompanySec@cgholdings.co.th](mailto:CompanySec@cgholdings.co.th)

The Compliance and Internal Audit Division was established as a center for accepting and studying complaints, as well as receiving tip-offs. Individuals may contact by telephone at 0-2256-7999 ext. 1707, or by E-mail at [CompanySec@cgholdings.co.th](mailto:CompanySec@cgholdings.co.th).

## 7.10 POLICY ON INTERNAL INFORMATION USAGE

The Company has set a policy to control and regulate internal information usage, so there are measures to prevent and handle it efficiently. This is also to prevent usage of internal information personal beneficially or cronyism and complies with the principles of Good Corporate Governance and transparency. Details are as follows:

- The Board of Directors and Management, along with spouse and underage children, must report their assets according to SEC and SET regulations.

- Directors, executives, and staff at relevant departments (along with their spouses and underage children) are prohibited from participating in any of the Company's securities trading activities during the 14 days prior to the disclosure of the quarterly and annual financial statements.
- Levels of secrecy are used to indicate the degrees to which insider information must remain a business secret. Levels are divided based upon importance. For example, this might include disclosable information, undisclosable information, secret information, and highly confidential information. Usage of this information must be within the frame of duty and assigned responsibility. One cannot disclose the Company's secret information if doing so would damage it or affect its ability to compete regardless of whether said data is related to electronics, finances, procedures, future business plans, or any other information while employed at, or following employment at, the Company.
- Disclosing information to public requires approval from the Chairperson, executives, division, or appointed individuals.
- Regulations are to be established regarding putting preventive measures and insider information usage in writing. There will be lines of communication to broadcast such policies and regulations to Directors, executives, and staff at all levels of the Organization on a continuous basis so that everyone recognizes their duties and responsibilities based on what the Company has set clearly through their policies and rules. Anyone who fails to obey this policy will be punished accordingly.

## 7.11 RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors has a major role in business governance to provide vision and strategic plans to operate the business, including budgeting and risk management. They must be independence in their decision making for the best interests of the Company and its shareholders.

### • Structure of the Boards

- The Board consists of at least five but not more than twelve directors who are skilled, experienced, dedicated, and equipped with knowledge and independent judgment to constructively discuss opinions in Board meetings. Furthermore, each director must possess qualifications specified by law. In addition, one third of the Board or at least three members must be independent directors.
- The appointment of Directors shall be pre-set into meeting agendas with transparent and clear nomination of well-profiled Directors. The Company shall disclose the profiles of all directors in detail, including any changes made to the public through the Company's website and internal communication.
- As of December 31, 2020, four of the nine members of the Board of Directors were Independent (with two woman were directors). The Company's Secretary has taken the role of the efforts between the Directors and Management, as well as overseeing and coordinating with the Legal Division, and any relevant regulations or other tasks according to the Board of Directors' resolution.
- The quantity of independent directors is not limited to a specific number. The person who will be appointed as a Director or Independent Director must meet the qualifications by considering the skills, experience, and talents that are beneficial for the Company. In addition, he/she must devote their time and effort into performing their role. Moreover, his/her qualifications must meet the requirements of the SEC and the Public Limited Companies Act.
- Clearly define the power and authorities of Chairperson and Chief Executive Officer who must not be the same person.
- Clearly define the policy and procedure in the case where the CEO and senior management of the Company hold Director positions in other companies, including the types of Directorship and the number of companies. Moreover, this must be approved by the Board of Directors.

- Appoints the Company's Secretary to advise on rules and regulations that the Board of Directors must be aware of in order to perform their duties. Moreover, the Company's Secretary must coordinate with others to ensure that actions are being taken in accordance with the resolutions of Board meetings. The qualifications and experience requirement for such positions must be set and reported in the annual report and the Company's website. Moreover, the Company's Secretary will receive training and knowledge development in law, accounting, and other areas in relation to performing his/her role as the Company's Secretary.

- **Sub-Committees**

There are six committees: the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, the Investment Committee, the Risk Management Committee, and the Good Governance Committee that oversee different areas of the Company.

The Chairperson of each committee shall not be the head or member in any sub-committees to prevent dependency of each committee. Furthermore, the nomination and compensation committee will hold twice meeting a year.

- **Duties and Responsibilities of the Board**

- **Leadership, Vision, and Independent Decision**

The Board of Directors have the duties and responsibilities of formulating policies, considering, approving, and revising the strategy, goals, business plan, budgeting, and risk management of the Company. The duties and responsible also cover the actions to ensure that the management team can execute the plan and utilize the budget in an efficient and transparent manner. In addition, the Board of Directors emphasize Good Corporate Governance by implementing the corporate governance policy and reviewing the implementation results of such policies at least once a year. This put emphasis on a good internal controls system, along with an efficient risk management system and repeatedly evaluating such systems in Board of Directors' meetings. Thus, it is essential that the Board is comprised of directors who have leadership and vision, as well as the capability to make independent decisions for the highest benefit of the Company and its stakeholders.

- **Conflicts of Interest**

The Board has set clear guidelines to prevent conflicts of interest as per the corporate ethics handbook. These are listed below as follows:

- To have a well-structured organization chart, whereby each functional unit can be monitored for performance with relevant committees to oversee internal controls and adherence with external regulatory bodies.
- To encourage all executives and employees to adhere to good corporate governance by promoting working principles of integrity, professional ethics, client confidentiality, and no usage of inside information for one's own interests.
- For situations where the decision making may result in conflicts of interest or where the interests of the Company may not be in line with stakeholders, the Board of Directors and management will consider such matters carefully, honestly, reasonably, and independently for the best benefit to the Company. Such decisions will be disclosed to shareholders.
- In cases where there are potential conflicts of interest or related transactions, all related directors must disclose such information to the meeting immediately and shall not have the right to attend nor vote for that agenda.

- Directors, executives, and all employees must avoid any transactions that may lead to conflicts of interest for the Company and stakeholders. This includes contacting the Company's customers and competitors, seeking opportunities, receiving information from being Directors or employees of the Company for pursuing personal interests, performing activities that compete with the Company or working on other jobs apart from that of the Company's that could have impact on their own duties within the Company.
- Directors, executives, and all employees must avoid holding competitors' shares as this might affect their duties or responsibilities. In the case that a person holds shares before being employed, the person must report to his/her relevant supervisors and send a copy of the report to the Audit and Compliance Department.

- **Business ethics**

The Company strongly upholds its business ethics to the utmost importance in achieving long term success, business targets and in maximizing shareholder's wealth. The Board has set a code of conduct for employees to follow and use as a guideline to perform each dedicated task with honesty and integrity to the Company, and all stakeholders. In addition, the Company has established a set of punitive courses for those in breach of the code of conduct which is regularly monitored by the audit and compliance division.

- **Internal controls, internal audit, and financial report**

The Company bestows serious attention on the internal controls system at both the managerial and operational levels, focusing on adequacy and appropriateness for the prevention of damages that may occur to the Company's financial and business operations. The Company has set up internal controls and audit policies as follows:

- Assigning management to prepare and jointly work with the Auditor toward the creation of accurate and complete financial reports for all quarterly, semi-annual, and annual statements.
- Assigning the directors or the chairperson of the Audit Committee to provide an opinion on the adequacy of the internal controls system and risk management that is to be disclosed in the annual report.
- Controlling and monitoring the Audit and Internal Controls systems to ensure that the Company adheres to all relevant standards and regulations under the review of internal auditors and the Audit Committee.
- Clearly specifying and documenting the responsibilities and authorities in management.
- Regularly monitoring and auditing the use of Company assets to avoid damages or exploitation.
- Separating the roles and responsibilities of both individual and department duties in order to achieve a balance of power, as well as an appropriate review of them.
- The Board of Directors emphasizes recommendations or suggestions from independent financial auditors and other external auditors for use as guidelines for improving operational practices.
- Assigning the Internal Audit and Compliance Unit to directly report to the Audit Committee to ensure that judgments are independent, and an efficient balance of power is in place.
- Developing policies to appoint reputable external Auditors that are approved by the SEC in order to audit, advise on, and rectify any weaknesses or errors of the Accounting and Internal Controls system.
- Establishing a risk management policy to cover all activities within the Company by assigning Management to implement the policy and regularly report the results to the Board of Directors. The Board should review the risk management system or assess the effectiveness of risk management on an annual basis at the very least and disclose them in the annual report or whenever there is a change in risk level. The Board should also focus on early warning signs and unusual transactions.
- Promoting clear procedures on governing Subsidiaries and Associated Companies in order to protect investor's benefits including assigning directors to Subsidiaries or Associate Companies in line with the proportion of shares held in those companies.



As per Board of Directors' Meeting Resolution No. 4/2014 on August 26, 2014, Mr. Sadawut Taechaubol, Mr. Surabhon Kwunchaithunya, and Gen. Lertrat Rattanawanitch were appointed to represent the Company in MFC following its restructuring. This was done to comply with its policies, regulations, laws, announcements, and other relevant rules. Their objective in voting in the MFC Board of Directors' meetings regarding the company's general administration and business operations is that which is to the greatest benefit to the Company and its Subsidiary. The proportion of Company representatives among MFC directors is 23.08 percent (excluding independent directors), with CGH owning over 24.96 percent of MFC's shares following the restructure.

In the resolution for Board of Directors' Meeting No. 1/2017, the Company nominated the following as candidates for serving as its Directors of Country Group Securities Public Company Limited:

1. Mr. Surabhon Kwunchaithunya
2. Mr. Sim Hong Chye
3. Dr. Veeraphat Phetcharakupt
4. Mr. Thanachote Rungsitivat

For transparency and fairness to stakeholders and clarity among Management between the Company and its subsidiary, on January 16, 2017, two directors who were serving as directors in the Subsidiary resigned from their latter posts. The two directors were Mr. Sadawut Taechaubol and Mr. Tommy Taechaubol.

Since Mr. Sim Hong Chye, the director, passed away on December 6, 2018, there are currently seven people on the Subsidiary's Board of Directors.

- |                                |                      |
|--------------------------------|----------------------|
| 1. Mr. Surabhon Kwunchaithunya | Chairperson          |
| 2. ACM. Permkiat Lavanamal     | Independent Director |
| 3. Mr. Vasu Chewprecha         | Independent Director |
| 4. Mr. Pat Jungkankul          | Independent Director |
| 5. Dr. Porcham Aranyakananda   | Independent Director |
| 6. Dr. Veeraphat Phetcharakupt | Director and CEO     |
| 7. Mr. Thanachote Rungsitivat  | Director             |

The Company's representatives represent 42.86 percent of its Subsidiary's directors, while Independent Directors make up 57.14 percent of all Directors.

#### • Meetings of the Board of Directors

- The Board of Directors set the times and dates of the six regular meetings for 2020 in advance so that Directors would be able to prepare their schedules with convenience. There were also one irregular meetings, leading to a total of seven meetings of the Board.
- At least two-thirds Directors must be present for meetings to qualify as official Board of Directors' Meetings. The Company's Chairperson has to approve the agenda by discussing with the Chief Executive Officer and must also consider requests from Directors to add issues to meeting agendas. However, each Director is free to bring their own agendas to meetings.
- The Chairperson should appropriately allocate sufficient time for both Management and the Directors to comprehensively present and discuss the matters during the meeting.
- The Board of Directors should encourage the senior executives to participate in a Board meeting in order to directly provide additional information on specific issues, as well as to serve as an opportunity to get to know each other.

- The Board of Director is able to ask for additional information, advice, and services from the CEO or other assigned executives, or request for independent opinions from external consultants who are liaised through the Company Secretary.
- Directors should receive correct, timely, adequate, and complete information from Management.
- The Company has assigned the Company Secretary to arrange and send notices for meetings along with agendas no less than five days in advance so that each member of the Board can have enough time to review the items before the meeting.
- After receiving approval from the Directors, the minutes of each Board of Directors' Meeting are required to be thorough and well-documented in writing. This will be used for further reference by both the Board of Directors and any related parties.
- All Directors are encouraged to attend at least 75 percent of all Board meetings held throughout the year.

#### • The Board of Directors Evaluation

The Board encourages self-evaluations, as every year they assess their own work in order to study the results, issues, and obstacles to improvement. The following evaluation is that of the Board of Directors:

- Performance Evaluation of the Board of Directors  
The Directors set rules for the evaluation with details as follows:
  - Subject of evaluation
    - Board structure and Qualifications
    - Roles, duties, and responsibilities
    - Board Meetings
    - Director's duties
    - Relationship with Management
    - Self-development and executive development
  - Scoring Method
    - 0 = Completely disagree or nothing was done
    - 1 = Disagree or little action was taken
    - 2 = Agree or some action was taken
    - 3 = Generally agree or considerable action was taken
    - 4 = Fully agree or excellent action was taken
  - Evaluation Measurement

SCORE	SCORE RANGE	DEFINITION
90-100	Excellent	High standard of job performance with no or little improvement needed.
80-89	Above Average	Standard of job performance with higher than expectation.
70-79	Met Expectations	Standard of job performance with higher than expectation.
60-69	Adequate	Standard of job performance but lower than expectation and improvement can be done
Below 60	Needs Improvement	Below acceptable standard of job performance and urgent improvement needed.

#### - Performance Evaluation of Sub-Committees

The Board has requested that assessments of all committees and sub-committees such as the Board of Directors, the Audit Committee, the Risk Management Committee, and the Good Governance Committee will use the same assessment rules as the Board. Furthermore, the subjects scrutinized in assessments will differ according to the roles and responsibilities of each.

#### - Performance Evaluation of Chief Executive Officer

The Nomination and Remuneration Committee is in charge of the evaluation of Chief Executive Office work that is to be presented to the Board of Directors. The assessment will follow the same rules as those used for the Board and sub-committees. The subjects under assessment will be divided into 10 areas:

- Leadership
- Strategy
- Implementation of strategy
- Planning and financial procedures
- Relationship with directors
- Relationship with outsiders
- Management and relationship with Personnel
- Line of succession
- Knowledge of Product and Service
- Personal qualifications.

In 2020, the Nomination and Remuneration Committee considered compensation and arranged for evaluations of committees and sub-committees. The Nomination and Remuneration Committee is in charge of evaluating Chief Executive Officer, which was done on November 13, 2020 in order for the Board to study the results and improve the procedure.

#### • Remuneration for Directors and Executives

The Company has clearly and transparently set out details for Directors' remuneration in regard to attendance fees, the compensation for which received approval at the Annual General Shareholders' Meeting. Directors were assigned additional duties and responsibilities, and example being their roles as members of sub-committees, for which they will receive added compensation at a level appropriate to the tasks and responsibilities assigned. This was based on the resolution made at the Annual General Shareholders' Meeting on June 26, 2020. The Board intends to act transparently and according to Good Governance principles, with Directors receiving remuneration abstaining from voting on the matter.

The Nomination and Remuneration Committee sets the evaluation criteria for the executives as well as setting fair and clear remunerations for them. In the case where new shares are to be issued for the executives, the Committee will need to provide its opinion and justification for cases where more than five percent of the shares are allocated. No Directors or Executives that are to receive more than five percent of the Company's shares are to be members of the Committee.

Disclosure of all relevant remuneration for the Directors and the Executives is given in annual reports and on the Company's website.

- **Development of Directors and Executives**

- Encouraging Directors to attend training courses about their roles and duties as intermediaries in the investment business to acquire knowledge and understanding of their expected roles and responsibilities in order to fulfill them thoroughly and properly. The Company sent two directors to participate in training courses at the IOD, as specified earlier in regard to the Company's policy on personnel development.
- Newly elected or re-elected Directors must be approved by the Office of the SEC. The Company must have complied with the above prior to the newly appointed Directors beginning to undertake their duties.
- Any first-time directors will be informed of the Company's regulations and Director's Manual.

In 2020, the Company held one orientations for new directors.

## **7.12 ROLES, RESPONSIBILITIES AND SCOPE OF WORK OF THE CHAIRPERSON AND SUB-COMMITTEES**

There are six committees in the Company: The Board of Directors, the Audit Committees, the Nomination and Remuneration Committee, the Investment Committee, the Risk Management Committee and the Good Governance Committee. The lists of the Committees and Sub-Committees are included in Section 1. The structures and authorities of each Committee are explained below:

- **Roles and responsibilities of the Chairperson**

The Chairperson's duties are as follows:

- Setting the agenda for meetings between the Board of Directors and the Chairperson while ensuring that the Directors receive accurate, thorough, and clear information in a timely fashion prior to the meeting so that they are properly prepared.
- **Serving as the Board of Directors' leader and chairing meetings of the Board**
  - Ensuring that the Board proceeds via agendas, regulations, and laws.
  - Providing appropriate amounts of time and encouraging all Directors to fully and freely exchange opinions, while also carefully engaging in decision making that is mindful of all stakeholders.
  - Summarizing meeting resolutions and what is needed to proceed in a proper manner.
  - Taking a leading role at Annual General Shareholders' Meetings and ensuring that they proceed according to their agenda, the Company's regulations, and laws by providing a proper amount of time and giving shareholders opportunities to express their opinions, while also carrying out question and answer sessions for shareholders in an appropriate and transparent manner.
  - Supporting and serve as a role model in following Good Governance principles and CGH's ethics policy.
  - Fostering a strong relationship between the Board and Management. Providing support to CEO and the fulfillment of Management's duties based on the Company's policies.
  - Supervising the disclosure of information and transparency in management in the event of a conflict of interest.
  - Ensuring that the Board is properly structured and organized.
  - Overseeing the operations of the Board and others, including sub-committees and individual Directors, in order to ensure that work is completed efficiently and successfully.
  - Supervising the performance of the Board of Directors as a whole, as well as that of individual Directors, the Chairperson, and sub-committees. This is done with the intent of improving performance and improving the knowledge and abilities of Directors and sub-committees.

- **Roles and responsibilities of the Board of Directors**

- Directing the Company's business under the specified scope of objectives in compliance with regulations and laws and the shareholders' resolution with honesty and regard to maintain highest benefits of the shareholders.
- Setting the direction for business operation and monitor the performances of the Company and its subsidiaries in accordance with rules and regulations of the supervisory organizations, as well as oversee the Company's disclosure on information with respect to the practice of Good Governance.
- Developing corporate good governance practice within the Company by documenting, reviewing and evaluating the performance annually.
- Approving transactions regarding or concerning acquisition or disposal of assets/ sales or dismissal of properties including any other transactions, stated by law, that require the Board or Shareholder meeting approval.
- The Board of Directors may appoint any number of executives as Sub-Committees to assist in managing, monitoring and regulating the Company's operation to ensure achievements in accordance with the practice of Good Governance.
- Approving the Company's investment plan proposed by the management under Investment Committee's approval. The Board has approved the investment policy No.1/2015 dated 15 May 2015 that allows the investment in equity market and provide guidelines on Company's investment to ensure highest benefits, good internal control and efficient risk management.
- Approving the Company's investment in business expansion or joint venture that bring highest benefits to the Company and its subsidiary.
- Establishing business ethics and consistently communicate such practice to director, management and all employees along with developing corporate culture in order to prevent corruption and monitoring the result regularly.
- Establishing good internal control and audit to protect the information and assets of the Company and its subsidiaries, clients, shareholders and stakeholders. Ensuring accurate accounting and finance to certify appropriate business operation with reasonable returns. Conduct annual evaluation on internal control and provide advices accordingly.
- Establishing risk management practice within the Company and its subsidiaries by assigning Risk Management Committee to set up policy concerning risk management in every business aspect as well as conduct reviews and evaluations with respect to the specified policy at least once a year.
- Endorsing the Company's financial statements presented in annual report.
- Appointing the Chief Executive Officer and Managing Director and monitor their performances with respect to entitled authorities and scope of responsibilities.
- Providing secretaries to the Company to comply with the regulations of the supervisory organization as well as to oversee the activities of the Board and examine the Company's performance with respect to the policies set by the Board. With additions of promoting the practice of Good Governance, securing documents and information and communicating with shareholders and supervisory organizations.
- Providing effective communication channels between the Company and shareholders, stakeholders as well as the public.
- Evaluating performance of the Company's board of directors annually to jointly examine the result and concerns in order to develop efficient solutions.
- Managing and monitoring its subsidiaries as the Company's unit – oversee their operations with respect to the Company's regulations.

In 2020, the Board of Directors held six meetings in total.

- **Roles and responsibilities of the Audit Committee**

- Ensuring accuracy and transparency on financial reports of the Company and its Subsidiary together with the Company's Auditor and the concerned Management.
- Ensuring compliance with the law concerning the Securities Company Act, SET regulations, and other applicable laws.
- Ensuring accountable internal controls within the Company and its Subsidiaries. Ensure independence of Internal Audit Unit and oversee its operation as proposed by Management. Provide approval on transfers, removal, and evaluations of the Internal Audit Manager.
- Selecting and appoint the Company's Auditor as well as the remunerations.
- Ensuring legal compliance concerning related transactions or transactions with conflicts of interest to maintain the Company's benefit.
- Preparing and disclosing Audit Committee reports in the annual reports that are endorsed by the Chairperson of the Audit Committee. The reports must consist of the following:
  - Observing on financial information disclosure in terms of accuracy and accountability
  - Observing on the Company's internal controls
  - Observing on the appropriateness of the auditors
  - Observing on compliance with SEC and SET regulations and any other applicable laws
  - Observing on the Company's conflicts of interest
  - Observing on any transactions concerning interests of shareholders or investors within the scope of authorities provided by the Board.
  - Conducting any other responsibilities as deemed appropriate by the Board.

In 2020, the Good Governance Committee held one meeting in total.

- **Roles and responsibilities of the Nomination and Remuneration Committee**

- Recruiting eligible persons and nominate them as the Company's Directors, members of sub-committees, CEO/Managing Director candidates to the Board or the shareholders, provided that the candidates are eligible in accordance with the qualifications set by the Board and the regulations of the supervisory organizations.
- Nominating eligible persons as candidates for Independent Director by which the evaluations on their autonomy are conducted prior to the nominations.
- Providing reliable advice on any amendments in the number of the Company's Directors to the Board of Directors as needed or deemed appropriate.
- Reviewing remuneration plans and policies of the Company and its Subsidiaries with respect to the Company's and its subsidiaries' annual business plans and benefits of shareholders
- Developing policies and regulations concerning the remunerations of the Directors, the Sub-Committees, the CEO/Managing Director and propose them to meetings of the Board or shareholders for approval.
- Developing remuneration structures for the Directors, the Sub-Committees, the CEO/Managing Director that correlate with their responsibilities and are able to retain or attract qualified persons to the Company and propose them to meetings of the Board or shareholders for approval.
- Reviewing remuneration structures of the employees in the Company and its Subsidiaries and propose suggestions to the Board to seek approval prior to annual remuneration.
- Reviewing contract fees and other benefits for management and employees holding significant positions (if any) as well as the agreements on employment of authorities and make proposals to Management.

In 2020, the Risk Management Committee held two meetings in total.

- **Roles and responsibilities of the Good Governance Committee**

- Defining the boundaries of the good governance of the Company and its Subsidiaries as well as recommend the guidelines of good governance and make proposals to the Board.
- Monitoring the operations of the Board and management to ensure compliance with the good governance practice stated by the Company and the supervisory organizations.
- Reviewing and revising the good governance guidelines of the Company and its Subsidiaries to keep up with international standards and make proposals to the Board.
- Reviewing the autonomy of the Board and any conflicts of interest that may occur.
- Proposing methods for evaluating the Board and Sub-Committees as well as overseeing the evaluation and reporting to the Board for future improvement.
- Reviewing the performance evaluation process of the Board and the Sub-Committees annually.

In 2020, the Good Governance Committee held one meeting in total.

- **Roles and responsibilities of the Risk Management Committee**

- Providing assistance to the Board in managing risk and set up risk management policies, strategies, and risk control measures in every aspect of the Company and its Subsidiaries to guarantee systematic risk control.
- Defining risk control practice to each unit of the Company and its Subsidiaries, as well as monitor and manage risk within the specified realm and ensure compliance with the risk management principles stated by supervisory organizations.
- Ensuring adequate risk assessments and risk management – from internal and external factors - for the Company and its Subsidiaries, as well as conducting an analysis and proposing solutions.
- Monitoring and evaluating risk management in each department, and ensure that the Company and its Subsidiaries possess sufficient infrastructure, resources, and adequate risk control systems.
- Reviewing the Company and its Subsidiaries' risk management systems to ensure total coverage of all business transactions, as well as assigning individuals or sub-committees to oversee and manage large-scale risk and report to the Risk Management Committee.
- Preparing annual performance evaluation reports for the Risk Management Committee, set up performance targets for the following year, and make proposals to the Board.
- Conducting any other responsibilities as deemed appropriate by the Board and the Risk Management Committees.

In 2020, the Risk Management Committee held two meetings in total.

- **Roles and responsibilities of the Investment Committee**

- Defining the Company and its Subsidiary's investment plans that comply with the Board policies approved during Board Meeting Number 1/2015 on May 15, 2015.
- Defining and review the investment policy of the Company and its Subsidiaries corresponding with the investment conditions to maximize the Company's interests and make proposals to the Board.
- Reviewing risk management policies and measures so they match the Company's policies on investment.
- Overseeing the Company's investment policy to comply with the policy set by the Board.
- Reviewing the Company's annual investment plan and make proposals to the Board.
- Conducting a study on targeted businesses or enterprises in order to ensure maximum returns and make proposals to the Board is authorized to utilize the Company's expenses to invite or employ external experts as advisors for joint investment.

- Nominating the Company's representative for election as Director or Executive of the invested company upon the Board's approval.
- Overseeing investments with respect to the Company's guidelines and report on the performance of the investment to the Board.
- Proposing a change in capital investment or a termination of a joint investment to the Board.
- Conducting any other responsibilities as deemed appropriate by the Board and the Risk Management Committees.

In 2020, the Investment Committee held four meetings in total.

- **Roles and responsibilities of the CEO**

- Studying the goals, business direction, and investment policies, as well as the Company and its Subsidiary's business strategy for the purpose of presenting it to the Board
- Studying, approving, monitoring, and regulating the Company's operations so that they comply with the policies, plans, and investment strategy that the Board has approved with the approval of the Executive Board.
- Screening the annual budget as the Company, the Subsidiary, or Affiliated Companies within the Group prepare and present their proposals to the Board for approval with the agreement of the Executive Board.
- Ordering/coordinating policies or business strategies that the Board has approved to Management and the Subsidiary so that they may fulfil their expected duties.
- Monitoring and supervising operations and the risk management process. Following up on assessments of the Company and the Subsidiary's Management to ensure that they are following set policies.
- Studying and providing suggestions, consultation, and advice for establishing solutions to problems, as well as encoring the development of procedures in the Company and its Subsidiary.
- Studying and providing advice about rules, discipline, and regulations in the Subsidiary's major business operations so that they comply with the Company's policies.
- Having the power to issue orders, set regulations, make announcements, and keep records so that business operations are in order and follow Company policies, with this benefiting the Company in terms of corporate governance and internal corporate discipline.
- Appointing or relocating personnel depending on their work, examining the Company and its Subsidiary's Management's goodwill and remuneration and presenting them to the Board for approval with the Executive Board's agreement.

### **7.13 NOMINATION AND APPOINTMENT OF DIRECTORS AND EXECUTIVES**

- **Nomination of Directors**

As concluded by the Board Meeting No. 2/2014 on June 24, 2014, the Nomination and Remuneration Committee was appointed to examine the appropriateness of the structure of the Company's Board of Directors as well as to specify the qualifications and eligibilities of Directors and top executives and their evaluations.

According to the Company's Articles of Association, a shareholder has one vote per share as stated by the Public Limited Companies Act of B.E. 2535 (1992). The selection of directors in Articles 17 – 38 of Section 5 of the Company's Articles of Association can be summarized as follows:



- The Board consists of at least five, but no more than twelve Directors, with at least half of the total number having to be residents of Thailand. The Board members are not required to hold shares.
- The qualifications for Directors are as follows:
  - They must be natural, sui juris persons
  - They must not be bankrupt or incapable
  - They must never have been imprisoned for charges concerning illegal asset possession
  - They must never have been punished, fired, or removed from positions as a civil servants or government officers due to charges of fraudulent practices
- If any Director lacks qualifications mentioned in item 2 or the Shareholders' Meeting resolves to remove him or her from the position, the Director must leave his or her position. Resignation notices should be presented to the Company and are considered effective on the date they are received.
  - The selection of Directors is carried out during Shareholders' Meetings following the regulations below.
  - Each shareholder has one vote per share.
  - The candidates may receive votes as individuals or as groups at a time depending on the decisions of Shareholders' Meetings. In each voting session, shareholders have to exercise all their existing votes without breaking down to vote for different candidates or groups of candidates.
- Candidates are appointed to vacant positions in respect to the number of votes they receive. In case of a tie, the Chairman of the meeting has casting the vote.
- In every Annual Shareholder Meeting, one-third of Directors should leave their positions. If the concurrent number of Directors are not divisible by three, the approximation can be applied. Directors who have left their positions may be re-elected. During the first two years after the Company's registration, Directors are randomly chosen and asked to leave their positions, whereas the Directors with the longest office terms are to leave their positions afterward.
- **Apart from serving a complete term, a Director is to leave his or her position in cases of:**
  - Death
  - Resignation
  - Lacking qualifications or possessing any conditions prohibited by the Public Limited Companies Act;
  - Resolution of Shareholders' Meetings in relation to item 8
  - Removal by court orders
- Any Director who wishes to resign should submit their resignation letter to the Company. The resignation is effective on the date the letter is received.
- The Shareholders' Meeting resolves to remove Directors from their position by votes of more than three quarters of the number of shareholders attending the meeting with voting rights by which the total number of shares accounts for more than half of the overall number of shares held by the attending shareholders with voting rights.
- In cases where a Director position has been left vacant due to reasons other than the expiration of the associated term, the Board is to appoint a qualified individual who is not prohibited from the position due to the Public Limited Company Act B.E. 2535 (1992) or the Securities and Exchange Act B.E. 2535 (1992) to serve as a substitute for the Director at the next Board meeting. Barring cases where the remaining tenure of the position is less than two months, the individual replacing the Director will stay in the title only until the term expires. The Board Resolution indicated in the first paragraph must be made with no less than three quarters of the remaining Directors.

- In cases where the position of Director is vacant, leaving the number of remaining Directors insufficient for Board Meetings, the rest of the Directors can only act on behalf of the Board in setting up Shareholders' Meetings in order to select new Directors to fill the vacant positions. As per the first paragraph, such meetings must take place within a month of the day in which the Director positions were left vacant to the extent which there were an insufficient number of Directors officially a Board Meeting. The individuals filling the vacant positions as per the first paragraph will stay in those positions until the end of the previous Directors' remaining term.
- In cases where all the Directors have left their positions, they are to hold the title of 'Acting Director' to continue running the Business as is necessary until a new set of Directors take over the positions, barring cases where courts of law have otherwise ordered the removal of the Board. The Company must arrange a Shareholders' Meeting to select a new Board within a month of the old one having left their positions. The invitations for the meeting must be sent to shareholders no less than 14 days prior to the event.
- Directors have the right to receive no more than 10 percent of the Company's net profit as remuneration. This is within their discretion, and they are also entitled to attendance fees, transportation fees, benefits, and other forms of compensation, as well as reimbursement for entertainment and other work-related expenses as per Company regulations. The text in the first paragraph does not impact the rights of Directors selected from staff and any of the Company's employees to receive compensation or benefits as staff members or employees of the Company.
- The Board is to directly elect one of their members as its Chairperson as the Board sees fit, and can select one or more Directors to hold the position of Vice-Chairperson. The Chairperson will assign the new Vice-Chairperson their duties according to regulations.
- At least two-thirds of all Directors must attend a meeting for it to meet the quorum. The Chairperson acts as the head of Board Meetings. In cases where the Chairperson is unable to attend or fulfill their duties, if the Vice Chairperson is present, they will head the meeting. However, if they are not present or unable to fulfill the duty, the Directors attending the meeting are to choose one Director who will act as the head of the meeting. Decisions of Board Meetings come from majority votes. One Director has one vote with the exception of those with a vested interest in an issue, who cannot vote on that item. If the votes in favor and those against are equal in number, the head of the meeting will have an extra vote in order to make casting the vote.
- When calling for meetings, the Chairperson or appointed individuals must send meeting invitations to the Directors no less than seven days prior to the meeting except in urgent cases. In order to protect the Company's rights and benefits, the notifications are to be done via other means, with it being possible to set meetings even earlier than that.
- Directors must fulfill their duties according to the law, objectives, articles of association, and Shareholders' Meeting resolutions with honesty, integrity, and care for the sake of the Company.
- Directors are prohibited from operating similar types of businesses and competing directly with the Company or being partners in a limited partnership or other PLC that operates in the same business and is competing with the Company regardless of whether it is done for their own benefit or that of others unless the Shareholders' Meeting is notified prior to the appointment of the relevant Directors.
- Directors must notify the Company immediately in cases where they directly or indirectly benefit from any contracts that the Company has made or when the number of the Company or its Affiliates' shares or debentures that the Director is holding increases or decreases.
- The Board must hold meetings at least every three months in the province of its headquarters, or in nearby provinces, or at other locations with set times, dates, and sites based upon the Chairperson's discretion. Two or more Directors may make a request for the Chairperson to call a Board Meeting. In such cases, the Chairperson or a Director appointed by the Chairperson will set a meeting date within 14 days of the date the request was made.

- When signing (in a legally binding manner) on behalf of the Company, either the Chairperson or Executive Chairperson will sign and stamp the Company's seal, or two other Directors can jointly sign and stamp the seal. The Board has the power to study and change Directors empowered to sign legally binding documents on behalf of the Company.
- If Director purchases Company assets, sells assets to the Company, or operates any businesses dealing with the Company without approval from the Board, any transactions will not be binding to the Company whether the Director does so in their own or another person's name.
- Directors are to notify the Company immediately when they hold stock or debentures in the Company or its Affiliates by indicating the increase or decrease in their total value during the fiscal year.

#### • **Nomination of Independent Directors**

On the appointment of independent director, the Board shall consider the candidate's eligibility in accordance with the minimum requirements of the SEC and assigned responsibilities stated within the announcement on Eligibilities and Scope of Audit Committee of the SET as follow:

- Holds shares of no more than one percent of the number of shares with voting rights of the Company, its subsidiaries, affiliates, or related companies. The shareholding also includes those shares held by the Independent Director's related parties.
- Does not hold or has never held a position in the Company as a Director involved in employee management, or a position/consultant receiving a salary or any other significant positions of the Company unless they were out of such a position for a least two years prior to the latest appointment. The aforementioned condition does not apply to Independent Directors with former experience as civil servants of a public sector with major shareholding proportions.
- Is not a close family member, by blood or by law, i.e. parents, spouses, siblings, children and their spouses, of a member of Management, major shareholders with significant control over the Company, or candidates of such positions in the Company and its Subsidiaries.
- Has never had business relationship with the Company, its Subsidiaries, Affiliates, major shareholders, or individuals who have authority to control the Company in any way that impacts judgement. In addition to never having been a major shareholder of the Company, its Subsidiaries, its Affiliates, or individuals with direct control over the Company's business, unless the candidate has been out of such a position for at least two years prior to the appointment.
- Has never been an auditor of the Company, its Subsidiaries, Affiliates, major shareholders, significant authorities, or a partner of the audit service provider unless the individual has been out of such a position for at least two years prior to the appointment.
- Has never worked in any service profession that includes legal or financial counseling that receive service fees greater than two million baht per year from the Company, its Subsidiaries, Affiliates, major shareholders, shareholders/individuals with the authority to control, or partners of service professions unless the candidate has been out of such a position for at least two years prior to the appointment.
- Is not an Independent Director who has been appointed on behalf of the Company's Directors, major shareholders, or shareholders with relations to major shareholders.
- Is not in a business with similar objectives or in competition with the Company and its Subsidiaries. Is not a partner or a director involved in employee management, or a position or Consultant receiving salary, or a shareholder with more than one percent of the total number of shares with voting right of any company with similar objectives or in competition with the Company and its Subsidiaries.
- Not being in any other conditions that may affect judgment regarding the Company's operations.

- **Succession plan for top management position**

Board Meeting No. 07/2017 on 13 November 2017 approved the succession plan for top management position under the presentation from the Nomination and Remuneration Committee, which is shown below.

The company has a succession plan and processes which are related to the vision, mission, business goals, and corporate culture to ensure smooth succession of top management position. The process is also including the preparation of replacement process to prevent the interruption of the company's business operations. The succession plan had been prepared by the Nomination and Remuneration Committee to propose to the Board of Directors for approval. The process starts with the Human Resources Department to determine the criteria for consideration and select potential top executive candidate based on knowledge, competency, skills required, and other criterias. Through the evaluation process, the Human Resources Department will present executive information to replace top management position for the Nomination and Compensation Committee's approval who will present to the Board of Directors for further approval.

#### **7.14 BOARD DIVERSITY POLICY**

In its nomination of directors, the Company emphasizes various factors. It has prepared a Board Skill Matrix to set and inspect the qualifications of potential Directors, considering skills and the lack of them, including those qualities that might comply with the Organization's business strategies.

The Company also has to consider Board diversity. The Board sets criteria for its Directors' education levels, knowledge, ability, skills, careers, working experience, and areas of expertise. Furthermore, they must have leadership skills and vision, both of which are useful in business operations. Other criteria include honesty, integrity, and ethics, while race, languages, and religion are not issues.

#### **7.15 NUMBER OF LISTED COMPANY OF DIRECTORS ENTITLEMENT POLICY**

To ensure that Directors devote their time to working efficiently. The Board limits Directors to holding positions in no more than five registered companies.

#### **7.16 NUMBER OF LISTED COMPANY OF CHIEF EXECUTIVE OFFICE ENTITLEMENT POLICY**

The Executive Chairperson is encouraged to devote their time to fulfilling their duties efficiently. The Board allows for the holding of director positions in no more than five other registered companies.

#### **7.17 DIRECTORS' MEETING ATTENDANCE POLICY**

Board Meetings are held every three months, with special meetings possibly being held whenever necessary. To encourage Directors to regularly attend Board Meetings, the Board requires that meetings and votes require at least two-thirds of Directors must attend to meet the quorum. Each Director should attend at least 75 percent of all meetings in a year. The Company prepares Board Meeting schedules a year in advance and sends out meeting invitations with agendas five working days before meetings so that Directors have sufficient time to prepare.

Directors who are not members of Management, Independent Directors, and Audit Directors can meet between themselves as deemed appropriate to discuss issues regarding parts of their areas of interest without having Management in attendance.

When necessary, Directors who are unable to attend any Board Meetings can give notification of their reasons for doing so to the Chairperson at the first opportunity before the meeting.

## 7.18 CORPORATE GOVERNANCE OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Company's Board of Directors has imposed a policy regarding the regulation and monitoring of Subsidiary and Affiliated Companies in order to secure accountability and transparency. This is to ensure efficient control over the business directions of Subsidiary and Affiliated Companies as they are monitored and regulated by the Company's internal unit, by which investors and stakeholders' benefits credibility are secured.

Through the appointment of the Company's Executives, who are eligible and qualified under the regulations of the Capital Market Supervisory Board, as members of the Boards of Directors of the Subsidiary and Affiliated Companies, their performances are well monitored in addition to the use of standardized practices on information disclosures, data mining, and accounting systems to facilitate the composition of consolidated financial reports within time limits.

## 7.19 TRANSACTION APPROVAL

After the resolution of Board Meeting Number 1/2559 (1/2016) on January 26, 2016, the Board resolved to modify the authority to approve asset acquisitions and dispositions by the Company in accordance with Notification Number 2/2558 (2/2015) Re: Authority to approve items related to expenses and purchases of assets by the Company in order to create more flexibility in business operations. This was effective as of February 1, 2016. Details are as follows:

- The Chairperson is in charge of approving expenses or purchases within the annual budget, which is approved by the Board.
- The Chairperson or CEO must handle approval of expense or asset purchase transactions that are not in the annual budget or over the budget by no more than three million baht. In cases where they are over by more than three million baht, requests for increased budgets must be made to the Board.
- The CEO has authority over approval of staff compensation barring expenses that are prescribed by welfare regulations or the Company's other regulations. The Board in turn is in charge of approving the CEO's expenses.
- For expenses that are incurred according to the rules and/or division-regulated parts of the Company's business, the relevant division is to serve as their inspector and approval must be requested from the CEO.
- The highest-ranking executive is to handle approval of recurring expenses in which cash amounts of no more than 1000 baht are advanced.
- To prepare the Company's capital for investment, the Investment Division is to present a plan for approval at an Investment Committee Meeting and at a Board Meeting.
- The Company will proceed according to the law, announcements, regulations, measures, and rules of relevant agencies when preparing acquisitions and dispositions of assets.

## 7.20 AUDIT FEES

As per the resolution of the Annual Shareholders' Meeting in 2020, the auditor from Deloitte Touche Tohmatsu Jaiyos Co., Ltd was appointed as the Company's Auditor. The audit fee for 2020 was set at 1.18 million baht, with the fees for 2019 and 2020 consisting of the Company's Auditor's fees and other services with the following details:

TRANSACTIONS	2019	2020
Audit Fees	1.18	1.18
Other services	None	None
Total	1.18	1.18

## 8 | CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company and its affiliates recognize the importance of and have given attention to support efforts at corporate social responsibility (CSR) and combat corruption, including the following of good corporate governance principles in companies registered with the SET. The Company believes that practicing business with fairness under good corporate governance will create trust with its stakeholders.

However, any business operation expects some sort of return, namely profit, and wishes for stability, advancement, or growth. For a business to grow sustainably though, this must not be based solely on the organizations benefit or profit, but also on consideration for returning its earnings in the form of positive outcomes to society. A fair business with social considerations working under good corporate governance should experience sustainable success.

### 8.1 FAIR BUSINESS PRACTICES

The Company supports and strictly fair business practice rules and regulations with the attention to the legal and ethical dimensions, transparency without concern to benefits that might otherwise be earned through improper actions. The Company set up and establish the following guidelines to ensure the fair business practices:

- Setting up guidelines of responsibility for its Board of Directors and executives to work within based on the principles of fair competition and business practices that utilize rightfulness and fairness. For example, No engaging in immoral actions that would harm competitors and taking advantage of personnel and subordinates.
- Establishing business practice guidelines with partners and associates that strictly follow the law and mutually set agreements, not procuring competitors' sensitive information through illegal means, as well as not attempting to defame them.
- Collecting of fees from general clients must strictly follow the rules and regulations regarding commission rates for security trading set by the SET and SEC.

### 8.2 ANTI-CORRUPTION

The Company has firmly established policies regarding morals, ethics, and transparency in its business practices, including anti-corruption efforts within the organization. The establishments also include policies and procedures for anti-corruption under the ANTI-MONEY LAUNDERING ACT, which must be followed strictly by management, personnel, and all associated companies.

### The Company's anti-corruption policies are as follows:

- A policy preventing the giving or acceptance of gifts, valuables, or any other benefits such as entertainment or unreasonable expenses that do not meet the Company's rules from customers and business associates.
- A policy against bribes aimed at facilitating or promoting relationships in business directly and indirectly.
- A procurement policy requiring fairness and transparency according to the proper regulations and guidelines.
- Supporting the Free Trade policy by avoiding fraudulent activities or any actions that might infringe upon copyright or intellectual property.
- A policy regarding donations and all types of support funds that requires that they be carried out with complete transparency and follow the laws of any involved nations.

### 8.3 RESPECTING HUMAN RIGHTS AND GIVING THE WORKFORCE FAIR TREATMENT

The Company supports and respects the protection of human rights by treating customers and all stakeholders equally and fairly. This includes proper development of personnel advancement at every level:

- Setting up appropriate benefits for personnel such as a Provident Fund (PVD), medical treatment and yearly health inspections, life and accident insurance, funeral assistance for employees and their families, and childbirth allowances.
- Ensuring the equal and fair treatment of all employees and providing suitable compensation according to their education, ability, responsibilities, and work performance. This is done through use of the KPI system to assess performance to make decisions regarding compensation, yearly bonuses, and promotions.
- Setting up employee relation activities, such as (1) "Management meets staff" events every three months to provide opportunities for personnel to make comments about new innovations or suggestions about the organization directly to executives. Employees are to be treated equally and fairly at such events. (2) 'Happy Friday' activities (3) Corporate lunches (4) Staff birthday parties (5) New Year celebrations to promote unity among staff members and provide opportunities for executives and employees to interact outside work. They aim to reduce working gaps between management and personnel and improve their working relationship. Furthermore, they serve to improve morale and continue the process of bonding employees to the organization.
- The Securities Company supports activities to boost employee morale such as setting up promotions for marketing personnel who have opened up the most customer accounts and engaged in the most overall trading (of securities and bonds), as well as arranging yearly staff parties to express gratitude to the staff.
- Transparency and fairness in the hiring process with consideration of human and labor rights without bias in regard to race, sex, age, religion, physical condition, wealth, or social status.
- Encouraging new ideas and innovations, harmony and unity, as well as respecting privacy rights and engaging in defamation.
- Giving attention to employee safety and health in the workplace in addition to ensuring its cleanliness and tidiness. This includes following the 5S method, with focus given to yearly check-ups and having basic medical supplies on hand in the office.
- Emphasizing training and development of personnel to improve their abilities year after year by encouraging and supporting them in their efforts to advance their own education, knowledge, capabilities, and skills that may prove beneficial in providing service to the Company's customers. This should also serve to support business growth in the context of constant and rapid change.



#### 8.4 RESPONSIBILITY TO CONSUMERS

The Company aims to deliver its clients the highest possible satisfaction by being attentive, ensuring their benefits, and offering excellent products and services. This includes ensuring customers' information remains confidential, fair, and transparent treatment in consumer relations, developing formats and channels of service, as well as offering a variety of products by emphasizing complete accuracy and useful information that does not distort any facts. In order to offer the best possible service to clients, such a thing is done within the shortest time frame possible in order to keep abreast with the situation.

Furthermore, the Company and the Securities Company give the utmost importance to maintaining their customers, business associates, and stakeholders' benefits and confidential information with honesty and integrity. They have prepared channels for these groups' complaints, providing information, and setting up clear processes to expedite efficiency, fairness, and trustworthiness. They have also joined a process to settle disputes through the SEC.

#### 8.5 ENVIRONMENTAL CONSERVATION

Although the Company's work processes do not significantly impact the environment, it still recognizes the importance of properly managing natural resources and effectively reducing energy consumption. The Company has policies on providing knowledge about and staff training regarding the environment:

- Strictly obeying the law and regulations regarding the environment.
- Encouraging and rallying personnel to aid each other in saving electricity, conserve the environment, and continually adjust their work processes to preserve it.
- Realizing effective water consumption by regularly inspecting water pipes and meters.
- Providing training through the "Conserving Nature and the Environment" program to employees, particularly in regard to using natural resources with complete understanding of their value and reducing waste. This includes methods for environment friendly lifestyles, as well as reducing toxic substances in the household and office.





## 8.6 COMMUNITY AND SOCIAL DEVELOPMENT

The Company is aware of its role and responsibility in caring for communities through activities that comply with its business and operations, especially in terms of supporting education, cultivating religion, and societal improvement.

In 2020, with the coronavirus (COVID-19) outbreak affecting worldwide since the beginning of the year, several countries were facing the economic crisis and sudden economic recession from the disease control measures. As a result, overall economy of Thailand also has been heavily damaged especially the key industries such as tourism, airlines, as well as a sharp decline in exports from lower global demand. Moreover, many businesses need to be shut down which significantly impact on income and employment nationwide.

To be a part of supporting people who received impact from COVID-19 situation, Country Group Holdings Public Company Limited and its subsidiaries established social contribution project “PUN NAM JAI CHUAY COVID-19” by providing and distributing 10,000 sets of relief supplies bags to the people who had been suffered in Bangkok and other communities nearby factories in various provinces.

With the budget of over 5.5 million baht and donation from employees, this project had been continuously supported and encouraged the communities to go through the crisis together during May and June 2020. In addition, the project and activity had been taken into account of safety of participants and implemented in accordance with the safety measure of the Ministry of Public Health by using social distancing, wearing masks to prevent the disease, and cleaning equipments consistently. With orderly manner and strictly coordinated with relevant government agencies and community leaders, this project and activities was successfully accomplished.

## 9 | INTERNAL CONTROLS AND RISK MANAGEMENT

### 9.1 THE BOARD OF DIRECTORS' OPINIONS

The Company has assigned the Audit Committee, an independent group whose duty is to review the sustainability of each step-in internal control system operations, to report, monitor, and disclose sufficient, thorough, and accurate information in order to ensure that its internal auditing of operation and systematic development reviews prove consistently effective. Meetings are held between management and the licensed auditor in order to prevent and correct mistakes with the proper criteria and effectiveness. Each quarter, the Company sets up at least one meeting of the Audit Committee. In 2020, there were four such meetings.

The Board carried out an assessment of the sufficiency of its internal control system and assessment form with three members of the Audit Committee in attendance. The review consisted of analyzing information and different reports, along with question-and-answer sessions by management regarding the efficiency of five areas in particular:

- The organization and environment
- Risk management
- Management operation control
- Information and communication systems
- The monitoring system

Following the assessment, the Board decided that the Company already possessed a proper and sufficient internal control system with enough personnel to proceed efficiently under such a system. Wonlop Vilaivaravit, Auditor of Deloitte Touche Tohmatsu Jaiyos Co. Ltd, the Company's auditor for the quarter and 2020 in general, did not reveal any errors within the interior control system in the audit report.

Furthermore, the Company has also established a control mechanism to oversee its subsidiaries and affiliates through having its agents serve as members of their individual Boards of Directors at proportions matching the stakes held in each company. This serves to allow administration and monitoring of their work processes to ensure that they are following Company policy, as well as set up preventative and risk-reducing mechanisms within these groups' activities in order to avoid damages or losses that may otherwise occur. In addition, it also allows for the carrying out of regular monitoring and assessments at least once a quarter, with the Company having insured the directors, personnel, and the firm's own responsibilities to the amount of 100 million baht to reduce and soften the impact of possible risks from the Group's business activities.

### 9.2 HEAD OF THE AUDITOR AND COMPLIANCE DIVISION

The Company's Audit and Internal Audit Divisions' duties are to ensure that its business activities and related work follow the law and its policies by reporting directly to the Audit Committee, including senior executives, and serve in an advisory role in regard to rules and regulations. Following Meeting Number 4/2017 on November 13, 2017, the Committee appointed Mr.Pitakphol Roongrojsuwan to oversee the business processes of the Company and its subsidiaries in order to ensure that they follow the rules and regulations under its policy

## 10 | RELATED PARTY TRANSACTIONS

Related parties are those parties linked to the Group and Company by common shareholders or directors.

DETAILS OF SIGNIFICANT RELATED PARTIES' TRANSACTIONS OF THE COMPANY ARE AS FOLLOWS:

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (MILLION BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2020	2019	
Country Group Securities Public Company Limited	Trade and other receivables	174.88	86.53	Entrance into securities trading transactions fall within the normal course of business for the company and its subsidiary. This is done at the market price, which offers the same rates as general clients
	Trade and other payables	10.47	7.86	
	Other current financial assets	850.00	536.66	
	Fee and service expenses	1.60	8.08	
	Interest income	24.42	1.23	
	Investment in subsidiary company	2,470.53	2,470.53	
	Debtenture	25.60	49.00	
	Finance costs	0.11	0.39	
	Dividend income	-	89.51	
		Dividend payments were per the resolution from the Annual General Shareholders' Meeting		

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (MILLION BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2020	2019	
MFC Asset Management Public Company Limited	Investment in associated company	675.01	675.01	Entrance into investments is within the normal course of business for the Company
	Dividend income	31.36	40.77	Dividend payments were per the resolution from the Annual General Shareholders' Meeting
	Fee and service fees	0.07	0.21	Management fees are part of the Company's normal business procedures at estimated market price
Padang Industry Public Company Limited	Investment in associated company	827.44	827.44	Entrance into investments is within the normal course of business for the Company
	Dividend income	-	-	Dividend payments were per the resolution from the Annual General Shareholders' Meeting
Country Group Development Public Company Limited	Other non-current financial assets	448.77	658.20	Entrance into investments is within the normal course of business for the Company
Genki Capital Co., Ltd.	Investment in subsidiary company	25.00	25.00	Entrance into investments is within the normal course of business for the Company
	Trade and other receivables	0.96	0.41	
	Short-term loan to subsidiaries	61.00	-	Short-term loan from subsidiary company is a form of financial support that falls under the normal course of business for the company and its subsidiary
Genki Power One Co., Ltd.	Interest incomes	3.71	-	
	Short term loan to subsidiary company	69.13	69.13	Short-term loan from subsidiary company is a form of financial support that falls under the normal course of business for the company and its subsidiary
	Interest income	4.29	4.29	
Tech Reform Co., Ltd.	Trade and other receivables	3.15	7.00	
	Trade and other receivables	0.63	0.63	Entrance into transaction is within the normal course of business for the Company
	Trade and other receivables	0.63	0.63	

Details of significant related parties' transactions of the Subsidiary are as follows:

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (MILLION BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2020	2019	
Country Group Holdings Public Company Limited	Brokerage fee – Securities and derivative	6.07	7.79	Entrance into securities trading transactions and SBL transaction fall within the normal course of business for the Subsidiary Company. This is done at the market price, which offers the same rates as general clients.
	Securities business receivables	2.94	7.72	
	Securities business payables	2.94	6.48	
	Deposit for customer's account	165.58	41.33	
	Fee and service income	6.21	0.25	
	Non-collateralised investment	25.64	49.08	Entrance into investments is within the normal course of business for the Subsidiary Company.
	Interest income	-	0.39	Short-term loans to the Parent Company is a form of financial support that falls under the normal course of business for the Company and its subsidiary.
	Debt and other borrowings	850.00	536.72	Entrance into finance transaction fall within the normal course of business for the subsidiary company.
	Finance cost	28.92	1.28	
	Other assets	0.02	0.14	Entrance into transaction is within the normal course of business for the subsidiary company.
	Other liabilities	1.92	0.45	
	Dividend paid	-	89.51	Dividend Payment were per the resolution from the annual General Shareholders' Meeting.

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (MILLION BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2020	2019	
Padang Industry Public Company Limited and group	Brokerage fee – Securities	0.93	0.06	Entrance into securities trading transactions fall within the normal course of business for the Subsidiary Company. This is done at the market price, which offers the same rates as general clients.
	Securities sold under sell and buy back agreements	367.97	320.32	Transactions for the purpose of bond trading are within the Subsidiary Company's normal business procedures, and rates are fixed to the market rate.
	Fee and service income	0.56	9.59	Fee income from services provided as an agent of stock warrant acceptance and underwriting fee including bond representative fee fall within the Subsidiary Company's normal course of business procedures, and rates are fixed to the market rate.
	Other liabilities	0.37	0.77	Entrance into transactions fall within the normal course of business for the Subsidiary Company.
	Non-collateralised investment	224.21	220.35	Entrance into investments is within the normal course of business for the Subsidiary Company
	Debt issued and borrowings	-	89.72	Entrance into financing transactions fall within the normal course of business for the Subsidiary Company.
	Financial cost	0.39	1.68	

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (MILLION BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2020	2019	
MFC Asset Management Public Company Limited and Mutual fund managed by related company.	Brokerage fee - Securities	112.24	75.90	Entrance into securities trading transactions and SBL transaction fall within the normal course of business for the Subsidiary Company. This is done at the market price, which offers the same rates as general clients.
	Fee and service expense	0.61	1.05	
	Securities business receivable	76.41	160.50	
	Other assets	0.18	-	
	Securities business payable	3.09	7.29	
	Selling agent fee	4.19	0.62	Selling agent fee is in the normal course of business for the Subsidiary Company, and rates are fixed to the market rate.
	Fee and service incomes	0.15	0.19	Advisory Fees are in the normal course of business for the Subsidiary Company, and rates are fixed to the market rate.
	Non-collateralised investment	20.49	-	Entrance into transactions fall within the normal course of business for the Subsidiary Company

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (MILLION BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2020	2019	
Country Group Development Public Company Limited	Non-collateralised investment	682.43	131.12	Entrance into investments is within the normal course of business for the Subsidiary Company.
	Fee and service income	9.45	6.76	Underwriting fee and bond representative fee fall within the normal course of business for the Subsidiary Company. This is done at the market price, which offers the same rates as general clients.
	Other assets	4.74	-	
	Other liabilities	0.45	0.45	
EDP Enterprise Company Limited	Premises and equipment expenses	1.37	1.37	Warehouse rental expenses are in the normal course of the Subsidiary Company.
Related persons	Brokerage fee – Securities and derivative	0.12	1.33	Entrance into securities trading transactions fall within the normal course of business for the Subsidiary Company. This is done at the market price, which offers the same rates as general clients.
	Deposit for customer's account	2.49	4.23	
	Securities business receivables	386.55	561.01	
	Finance cost	0.01	0.06	
	Interest income	23.62	12.99	

The audit committee has opinion that all aforementioned transactions have pricing policies and conditions in line with the normal business, necessity, appropriate and reasonable. Moreover, accuracy and completion of information disclosure related to these transaction are completed with the SET regulations.



## MEASURES AND PROCEDURES FOR RELATED PARTY TRANSACTIONS

The Company has set up measures for controlling related party transactions between the Company, its subsidiary, and others who may have conflicts of interest, personal interest, or possible future conflicts of interest in accordance with the notifications of the SEC or SET. The Audit Committee will provide opinions about the necessity of transactions and the appropriate market price, as well as comparing prices with those outside the Company.

In the event that the Audit Committee lacks the expertise to handle any related party transactions, the Company will arrange for an independent expert or the Company's Auditor to comment on such transactions in order to provide comments to those of the Audit Committee and/or the Board of Directors and/or shareholders, depending on the situation. Those with conflicts of interest or personal interests will not be able to vote on resolutions regarding related party transactions.

Furthermore, the Company will disclose information on connected transactions and vital asset acquisitions or dispositions of the Company and its Subsidiaries in accordance with the notifications of the SEC and the SET, as well as the accounting standards of the Federation of Accounting Professions under the Royal Patronage of his Majesty the King (FAP).

## POLICIES OR TENDENCIES FOR FUTURE RELATED PARTY TRANSACTIONS

The Company and its subsidiary may enter into related party transactions with the potential for conflicts of interest down the line. In the event of normal business transactions and normal business supporting transactions under general trade conditions with individuals who may have conflicts of interest, the Company has set a policy for preparing prices which can be compared with those from outsiders. This operates according to and strictly follows Board-approved guidelines under the Securities and Exchange Act B.E. 2535 (1992). Prices must be set clearly and fairly, and terms must not lead to any transfers of benefits. Because more people may have potential conflicts of ties increase after the restructuring is complete. The majority of such transactions will be business deals related to securities trading.

However, in the event of new transactions or changing conditions, the Internal Audit and Compliance Department will review the information and prepare and submit a report to the Audit Committee so that the latter may consider it and make decisions regarding the appropriateness of prices and reasonableness of transactions on the quarterly basis. In the case of normal business transactions, normal business support transactions, and other related party transactions, the Company will follow the above measures to control related party transactions.

# 11 | FINANCIAL STATEMENTS AND PERFORMANCE

## FINANCIAL STATEMENTS

### 11.1 AUDITOR

2020, 2019 and 2018 Mr. Wonlop Vilaivaravit, CPA Number 6797 Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

### 11.2 SUMMARY OF AUDITOR OPINION IN THE PAST THREE YEARS

2020: Unqualified opinion

2019: Unqualified opinion

2018: Unqualified opinion

### 11.3 AUDITOR'S REMUNERATION

#### 1. Audit Fee

##### 1.1 AUDIT FEE OF THE COMPANY

- In 2020, the Company received approval from Annual Ordinary Shareholders' Meeting Number 1/2563 (1/2020)'s Resolution to appoint an auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to serve as their own auditor, as well as to set the audit fee in 2020 at 1.18 million baht.
- In 2019, the Company received approval from Annual Ordinary Shareholders' Meeting Number 1/2562 (1/2019)'s Resolution to appoint an auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to serve as their own auditor, as well as to set the audit fee in 2019 at 1.18 million baht.
- In 2018, the Company received approval from Annual Ordinary Shareholders' Meeting Number 1/2561 (1/2018)'s Resolution to appoint an auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to serve as their own auditor, as well as to set the audit fee in 2018 at 1.18 million baht.

##### 1.2 AUDIT FEE OF THE SUBSIDIARY COMPANY (CGS)

- In 2020, the Subsidiary received approval from the Annual Ordinary Shareholders' Meeting Resolution to appoint an auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to serve as their own auditor, as well as to set the audit fee in 2020 at 2.62 million baht.
- In 2019, the Subsidiary received approval from the Annual Ordinary Shareholders' Meeting Resolution to appoint an auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to serve as their own auditor, as well as to set the audit fee in 2019 at 2.42 million baht.
- In 2018, the Subsidiary received approval from the Annual Ordinary Shareholders' Meeting Resolution to appoint an auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to serve as their own auditor, as well as to set the audit fee in 2018 at 2.32 million baht.

##### 1.3 Non Audit Fee

- None -

## 11.4 CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

Unit: Baht

ASSETS	CONSOLIDATED FINANCIAL STATEMENTS					
	AS AT DECEMBER 31					
	2020	%	2019	%	2018	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	831,049,444	8.89	352,423,627	3.99	764,689,492	8.35
Trade and other current receivables	132,063,671	1.41	76,793,438	0.87	102,297,975	1.12
Receivables from Clearing House and broker - dealers	195,989,527	2.10	91,394,517	1.03	241,386,690	2.63
Securities and derivatives business receivables	2,049,698,906	21.93	1,889,578,669	21.41	1,322,103,550	14.43
Derivative assets	2,113,700	0.02	-	-	-	-
Other current financial assets	3,246,733,975	34.73	3,487,324,206	39.52	3,342,601,363	36.49
Total Current Assets	6,457,649,223	69.08	5,897,514,457	66.82	5,773,079,070	63.02
<b>NON-CURRENT ASSETS</b>						
Other non-current financial assets	477,325,119	5.11	730,064,488	8.27	1,269,787,336	13.86
Investments in associates	1,569,675,602	16.79	1,548,446,126	17.55	1,565,180,722	17.09
Long-term to other companies	58,153,921	0.62	-	-	-	-
Investment property	48,348,309	0.52	45,805,463	0.52	-	-
Property, plant and equipment	131,832,858	1.41	153,222,944	1.74	177,697,617	1.94
Right-of-use assets	48,978,789	0.52	-	-	-	-
Intangible assets	119,678,463	1.28	116,752,446	1.32	114,444,851	1.25
Deferred tax assets	283,662,464	3.03	184,605,851	2.09	148,428,682	1.62
Other non-current assets	153,373,212	1.64	149,060,143	1.69	111,497,749	1.22
Total Non-Current Assets	2,891,028,737	30.92	2,927,954,461	33.18	3,387,036,957	36.98
<b>TOTAL ASSETS</b>	<b>9,348,677,960</b>	<b>100.00</b>	<b>8,825,468,918</b>	<b>100.00</b>	<b>9,160,116,027</b>	<b>100.00</b>

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Unit: Baht

LIABILITIES AND SHAREHOLDERS' EQUITY	CONSOLIDATED FINANCIAL STATEMENTS					
	AS AT DECEMBER 31					
	2020	%	2019	%	2018	%
<b>CURRENT LIABILITIES</b>						
Short-term borrowings from financial institutions	350,000,000	3.74	150,000,000	1.70	-	-
Securities sold under sell and buy back agreements	1,287,284,231	13.77	964,180,755	10.93	-	-
Trade and other current payables	381,925,870	4.09	149,131,690	1.69	124,722,303	1.36
Payables to Clearing House and broker-dealers	230,871,919	2.47	315,344,553	3.57	246,173,586	2.69
Securities business payables	946,147,106	10.12	273,545,381	3.10	1,630,005,282	17.79
Derivatives liabilities	-	-	2,686,135	0.03	-	-
Current portion of long-term liabilities	37,393,897	0.40	-	-	-	-
Current portion of debentures	-	-	978,117,861	11.08	-	-
Debts issued and borrowings	19,883,867	0.21	176,568,250	2.00	211,166,928	2.31
Corporate income tax payable	8,958,725	0.10	17,967,616	0.20	-	-
<b>Total Current Liabilities</b>	<b>3,262,465,615</b>	<b>34.90</b>	<b>3,027,542,241</b>	<b>34.30</b>	<b>2,212,068,099</b>	<b>24.15</b>
<b>NON-CURRENT LIABILITIES</b>						
Debentures	730,975,232	7.82	-	-	1,036,820,446	11.32
Lease liabilities	12,978,721	0.14	-	-	-	-
Non-current provisions employee benefits	39,836,799	0.43	32,486,444	0.37	22,662,774	0.25
Other non-current liabilities	2,462,351	0.02	4,387,392	0.05	1,825,455	0.02
<b>Total Non-Current Liabilities</b>	<b>786,253,103</b>	<b>8.41</b>	<b>36,873,836</b>	<b>0.42</b>	<b>1,061,308,675</b>	<b>11.59</b>
<b>TOTAL LIABILITIES</b>	<b>4,048,718,718</b>	<b>43.31</b>	<b>3,064,416,077</b>	<b>34.72</b>	<b>3,273,376,774</b>	<b>35.74</b>

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Unit: Baht

LIABILITIES AND SHAREHOLDERS' EQUITY	CONSOLIDATED FINANCIAL STATEMENTS					
	AS AT DECEMBER 31,					
	2020	%	2019	%	2018	%
<b>SHAREHOLDERS' EQUITY</b>						
<b>SHAREHOLDERS' EQUITY</b>						
Authorized share capital						
6,143,905,902 ordinary shares						
of Baht 1 each	6,143,905,902		6,143,905,902		6,143,905,902	
Issued and paid-up share capital						
4,336,923,080 ordinary shares of Baht 1						
each, fully paid	4,336,923,080	46.39	4,336,923,080	49.14		
4,336,906,384 ordinary shares of Baht 1						
each, fully paid					4,336,906,384	47.35
Ordinary shares held by subsidiary	(9,850)	(0.0001)	(9,850)	(0.0001)	(9,850)	(0.0001)
Share premium	669,079,930	7.16	669,079,930	7.58	669,063,234	7.30
Other component of shareholders' equity	(501,240,978)	(5.36)	(280,035,606)	(3.17)	(83,205,868)	(0.91)
Retained earnings						
Appropriated - Statutory reserve	163,831,167	1.75	157,736,088	1.79	148,552,970	1.62
Unappropriated	877,411,093	9.39	871,470,637	9.87	796,305,192	8.69
Treasury Stock	(258,746,978)	(2.77)	(6,923,476)	(0.08)	-	-
<b>EQUITY ATTRIBUTABLE TO OWNERS</b>	<b>5,287,247,464</b>	<b>56.56</b>	<b>5,748,240,803</b>	<b>65.13</b>	<b>5,867,612,062</b>	<b>64.05</b>
<b>OF THE PARENT</b>						
<b>NON-CONTROLLING INTERESTS</b>	<b>12,711,778</b>	<b>0.13</b>	<b>12,812,038</b>	<b>0.15</b>	<b>19,127,191</b>	<b>0.21</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>5,299,959,242</b>	<b>56.69</b>	<b>5,761,052,841</b>	<b>65.28</b>	<b>5,886,739,253</b>	<b>64.26</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>9,348,677,960</b>	<b>100.00</b>	<b>8,825,468,918</b>	<b>100.00</b>	<b>9,160,116,027</b>	<b>100.00</b>

\*Notes to the financial statements form an integral part of these financial statements

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENT					
	FOR THE YEARS ENDED DECEMBER 31,					
	2020	%	2019	%	2018	%
<b>REVENUES</b>						
Brokerage fees	999,984,609	70.51	559,096,549	50.71	300,170,937	48.69
Fees and services income	72,416,553	5.11	128,385,712	11.65	75,623,939	12.27
Interest income	184,512,224	13.01	136,606,298	12.39	81,644,383	13.24
Gain on investments and derivatives	44,610,630	3.14	183,581,943	16.65	56,193,881	9.11
Dividend income	16,618,443	1.17	39,682,060	3.60	53,128,956	8.62
Other incomes	40,218,938	2.83	21,102,078	1.91	15,357,135	2.49
Share of profit of associates accounted for using equity method	59,942,347	4.23	33,984,879	3.09	34,387,189	5.58
<b>Total revenues</b>	<b>1,418,303,744</b>	<b>100.00</b>	<b>1,102,439,519</b>	<b>100.00</b>	<b>616,506,420</b>	<b>100.00</b>
<b>EXPENSES</b>						
Employee benefits expenses	661,068,414	46.61	489,262,296	44.38	352,408,305	57.16
Fee and service expenses	225,073,773	15.87	156,995,869	14.24	92,899,852	15.07
Bad debt and doubtful accounts (Reversal)	-	-	9,024,407	0.82	(10,248,364)	(1.66)
Other expenses	206,239,505	14.54	193,571,530	17.56	159,592,913	25.89
<b>Total expenses</b>	<b>1,092,381,692</b>	<b>77.02</b>	<b>848,854,102</b>	<b>77.00</b>	<b>594,652,706</b>	<b>96.46</b>
Profit from operating activities	325,922,052	22.98	253,585,417	23.00	21,853,714	3.54
Finance costs	(131,389,822)	(9.26)	(117,532,564)	(10.66)	(82,200,842)	(13.33)
Impairment loss determined in accordance with TFRS9	(51,570,286)	(3.64)	-	-	-	-
<b>INCOME BEFORE INCOME TAX</b>	<b>142,961,944</b>	<b>10.08</b>	<b>136,052,853</b>	<b>12.34</b>	<b>(60,347,128)</b>	<b>(9.79)</b>
<b>INCOME TAX INCOME (EXPENSES)</b>	<b>10,938</b>	<b>0.00</b>	<b>(52,492,631)</b>	<b>(4.76)</b>	<b>25,399,227</b>	<b>4.12</b>
<b>NET INCOME (LOSS) FOR THE YEARS</b>	<b>142,972,882</b>	<b>10.08</b>	<b>83,560,222</b>	<b>7.58</b>	<b>(34,947,901)</b>	<b>(5.67)</b>

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENT					
	AS AT DECEMBER 31					
	2020	%	2019	%	2018	%
NET INCOME (LOSS) FOR THE YEAR						
ATTRIBUTABLE TO						
Owners of parent	142,177,814	10.02	82,610,415	7.49	(35,066,631)	(5.69)
Non-controlling interests	795,068	0.06	949,807	0.09	118,730	0.02
NET INCOME (LOSS) FOR THE YEAR	142,972,882	10.08	83,560,222	7.58	(34,947,901)	(5.67)
TOTAL COMPREHENSIVE LOSS						
ATTRIBUTABLE TO						
Owners of parent	(209,132,275)	(14.75)	(112,436,069)	(10.20)	(151,107,065)	(24.51)
Non-controlling interest	(135,083)	(0.01)	1,148,873	0.10	(8,549)	(0.00)
TOTAL COMPREHENSIVE LOSS	(209,267,358)	(14.76)	(111,287,196)	(10.10)	(151,115,614)	(24.51)
FOR THE YEARS						
EARNINGS (LOSS) PER SHARE						
ATTRIBUTABLE						
TO OWNERS OF PARENT						
Basic earnings (loss) per share	0.0351		0.0190		(0.0081)	
Diluted earnings (loss) per share	0.0351		0.0190		(0.0081)	

## 12 | MANAGEMENT DISCUSSION AND ANALYSIS

THE SIGNIFICANT FINANCIAL INFORMATION FOR COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES (“THE COMPANY”) IS AS FOLLOWS:

Units: Million baht

	2020	2019	2018
TOTAL ASSETS	9,348.68	8,825.47	9,160.12
TOTAL LIABILITIES	4,048.72	3,064.42	3,273.38
TOTAL SHAREHOLDERS' EQUITY	5,299.96	5,761.05	5,886.74
TOTAL REVENUES	1,418.30	1,102.44	616.50
TOTAL EXPENSES	1,275.34	966.38	676.85
NET PROFIT (LOSS)	142.97	83.56	(34.95)

หน่วย : ล้านบาท

FINANCIAL RATIO	2020	2019	2018
Net profit (loss) margin (Percentage)	10.02	7.68	(5.69)
Liquid assets to total assets (Percentage)	73.58	74.41	63.02
Earning assets to total assets (Percentage)	80.65	87.78	67.42
Debt-to-equity ratio (times)	0.77	0.53	0.56



## COMPANY PERFORMANCE ANALYSIS

The Company's main source of income consisted of brokerage fees, fees and services income, gain on investments and derivatives, interest and dividend income, interest from margin loans (from securities trading), and shares of profits from investments in associated companies. The proportion of each major source of income, including the growth of each, is as follows:

Units: Million baht

REVENUES	2020		2019		2018	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
Brokerage fees	999.98	70.51	559.10	50.71	300.17	48.69
Fees and services income	72.42	5.11	128.39	11.65	75.63	12.27
Interest income	184.51	13.01	136.61	12.39	81.64	13.24
Gain on investments and derivatives	44.61	3.14	183.58	16.65	56.19	9.11
Dividend income	16.62	1.17	39.68	3.60	53.13	8.12
Share of profit from investments in associated companies	59.94	4.23	33.98	3.09	34.38	5.58
Other income	40.22	2.83	21.10	1.91	15.36	2.49
<b>TOTAL</b>	<b>1,418.30</b>	<b>100.00</b>	<b>1,102.44</b>	<b>100.00</b>	<b>616.50</b>	<b>100.00</b>

The Company would like to announce the operating results for the year ended December 31, 2020, which has been audited by auditor as follows:

Units: Million baht

INCOME STATEMENTS	FOR THE YEARS ENDED 31 DECEMBER			
	2020	2019	CHANGES	%
Total Revenues	1,358.36	1,068.45	289.91	27.13
Total Expenses	1,275.34	966.38	308.96	31.97
Share of Profit from investment in associates	59.94	33.98	25.96	76.40
Profit before Income Tax	142.96	136.05	6.91	5.08
Income Tax Income (Expenses)	0.01	(52.49)	52.50	(100.02)
<b>NET PROFIT FOR THE YEARS</b>	<b>142.97</b>	<b>83.56</b>	<b>59.41</b>	<b>71.10</b>

The Company would like to announce the operating results of the Company for the year ended December 31, 2020, which has been audited by an auditor as follows:

The Company's net profit is Baht 142.97 million, an increase of Baht 59.41 million or 71.10% increase from last year's net profit of Baht 83.56 million. The main reasons are as follows:

1. The Company's total revenue is Baht 1,358.36 million, an increase of Baht 289.91 million or 27.13% from last year's total revenue of Baht 1,068.45 million. Details are as follows:
  - Brokerage fees increased by Baht 440.88 million due to an increase in average daily trading volume in both securities and derivatives which is consistent with the increasing in trading volume both SET and TFEX in 2020.
  - Interest income increased by Baht 47.90 million due to an increase in interest income on margin loan and interest income from corporate debentures.
  - Fee and Service incomes decreased by Baht 55.97 million due a decrease in underwriting fees and advisory fees.
  - Gains on investments and derivatives decreased by Baht 138.97 million for the year.
  - Other incomes increased by Baht 19.12 million due to gain on foreign exchange rate
2. The Company's total expense was Baht 1,275.34 million, an increase of Baht 308.96 million or 31.97% from last year's total expense of Baht 966.38 million. Details are as follows:
  - Employee benefit expenses increased by Baht 171.81 million due to the increased remuneration expenses related to increasing brokerage fees.
  - Fee and service expenses increased by Baht 68.07 million which is the direct variable expense related to the increasing of brokerage fees.
  - Impairment loss increased by Baht 42.55 million due to the first adoption of TFRS9
3. The Company's share of profit from investments in associates was Baht 59.94 million, an increase of Baht 25.96 million or 76.40% from the net profit of previous year of Baht 33.98 million. This is due to an increase in the net profit of Companies' associates.

## CONSOLIDATED FINANCIAL STATEMENT OF FINANCIAL POSITION

Unit : million baht

	2020	2019	CHANGES	%
TOTAL ASSETS	9,348.68	8,825.47	523.21	5.93
TOTAL LIABILITIES	4,048.72	3,064.42	948.30	32.12
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	5,287.25	5,748.24	(460.99)	(8.02)
NON-CONTROLLING INTERESTS	12.71	12.81	(0.1)	(0.78)
TOTAL SHAREHOLDERS' EQUITY	5,299.96	5,761.05	(461.09)	(8.00)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,348.68	8,825.47	523.21	5.93

## TOTAL ASSETS

As of December 31, 2020, the Company possessed total assets worth 9,348.68 million baht, a increase of 523.21 million baht or 5.93 % from 8,825.47million baht in 2019.

The changes in total assets were mainly attributable to the following factors:

Units: Million baht

SIGNIFICANT ASSETS	2020	%	2019	%
Cash and cash equivalents	831.05	8.89	352.42	3.99
Other financial assets	3,724.06	39.84	4,217.39	47.79
Receivables from Clearing House and broker - dealers	195.99	2.10	91.39	1.04
Securities and derivatives business receivables	2,049.70	21.93	1,889.58	21.41
Investments in associates	1,569.68	16.79	1,548.45	17.55
Others	978.20	10.45	726.24	8.22
TOTAL	9,348.68	100.00	8,825.47	100.00

1. As of December 31, 2020, the Company possessed cash and cash equivalents amounting to 831.05 million baht, a increase of 478.63 million baht or 135.81 % from 352.42 million baht in 2019. The cash and cash equivalents were mostly made up of cash and cash equivalents, along with deposits in the form of cash and short-term deposits within the Company's financial institutions, so that they would be flexible enough for use as working capital for daily operations
2. As of December 31, 2020, the Company had other financial assets in the amount of 3,724.06 million baht, a decrease of 493.33 million baht or 11.70 % compared to 4,217.39 million baht in 2019 due to a decrease in re-measurement in investment.

DETAILS OF INVESTMENTS	2020	2019
<b>Other current financial assets</b>		
Unit trusts	109.28	732.34
Listed securities	670.02	1,093.83
Debt instruments	2,331.22	1,581.94
Debt instruments held to maturity	82.00	25.00
Deposits at financial institutions	54.21	54.21
<b>Other non-current financial assets</b>		
Listed securities	471.17	723.91
Equity securities	6.16	6.16
<b>TOTAL</b>	<b>3,724.06</b>	<b>4,217.39</b>

The majority of the investments are in listed securities, debt instruments, and unit trusts that are in demand.

The Company set up an Investment Committee to oversee securities investments for the Company's accounts and those of its subsidiaries, who will be responsible for establishing circumspect investment guidelines. The Company and its subsidiaries also solidified a complete readjustment of the allowance for changes in value and allowance for impairment loss according based on accordance with accounting standards and SEC announcements.

- As of December 31, 2020, the Company possessed 195.99 million baht in receivables from clearing house, an increase of 104.60 million baht or 114.45 % compared to the previous year. The receivables from clearing house were made up of the value of net sales to customers and subsidiaries' accounts during the last two days of the year.
- As of December 31, 2020, the Company's net securities and derivatives business receivables came out to 2,049.7 million baht, an increase of 160.12 million baht or 8.47 % compared to the previous year at 1,889.58 million baht which mainly due to increases in receivables from customers' cash account of 75.85 million baht and increases in guarantee deposit receivable of 215.89 million baht. This was the net value of securities business receivables and derivatives business receivables in the last two business days of the year.

## ALLOWANCE FOR EXPECTED CREDIT LOSS

Regarding to policies for allowances for doubtful accounts, subsidiaries have their own for establishing such allowances through their assessment of individual debtors' financial status. Such assessments include consideration for the risk of repayment and the value of any collateral used. Subsidiaries have set allowances for doubtful accounts based on principals and interest. Their debt is also classified according to the Office of the SEC's Notifications Number KorThor. 33/2543 and 5/2544, dated August 25, 2000 and February 15, 2001, respectively.

As at December 31, 2020, the subsidiary has securities and derivative business receivable Baht 423.8 million which the allowance for expected credit loss was fully set up for allowance for expected credit loss.

As at December 31, 2019, the subsidiary has ceased to recognize the interest income from securities and derivative business receivable Baht 388.0 million which the allowance for doubtful debt was fully set up for doubtful status.

## TOTAL LIABILITIES

As of December 31, 2020, the Company had total liabilities amounting to 4,048.72 million baht, a decrease of 984.30 million baht or 32.12% compared to the previous year at 3,064.42 million baht.

The significant changes in the Company's liabilities were as follows:

Unit : million baht

SIGNIFICANT LIABILITIES	2020	%	2019	%
Short-term borrowing from financial institutions	350.00	8.65	150.00	4.89
Securities sold under sell and buy back agreements	1,287.28	31.79	964.18	31.46
Payables to Clearing House and broker-dealers	230.87	5.70	315.34	10.29
Securities business payables	946.15	23.37	273.55	8.93
Debts issued and borrowings	19.88	0.49	176.57	5.76
Debentures	730.97	18.05	978.12	31.92
Other	483.57	11.95	206.66	6.74
<b>TOTAL</b>	<b>4,048.72</b>	<b>100.00</b>	<b>3,064.42</b>	<b>100.00</b>

- As of December 31, 2020, the Company had payables to clearing house and broker-dealers totaling 230.87 million baht, a decrease of 84.47 million baht or 26.79 % compared to the previous year. Payables to clearing house and broker-dealers came from buy value of clients' trading activities in subsidiary within last two business days of the year
- As at December 31, 2020 and 2019, the subsidiary company has securities sold under sell and buy back agreements, amount of Baht 1,287.30 million and Baht 964.20 million respectively as debenture sold under sell and buy back agreements.
- As of December 31, 2020, the Company had securities business payables of 946.15 million baht, an increase of 672.60 million baht or 245.88 % from the previous year at 273.55 million, which mainly due to increases in payables under cash accounts of 537.28 million baht.
- On May 15, 2020, the Company issued Baht 368.30 million subordinated and secured debentures in registered name form and secured debentures with debenture holder's representative, which had the objective to repay the Company maturity debenture. Debenture was fully repayable on May 15, 2022, which bear interest at the fixed rate of 6.75% per annum. Interest payment term which be paid every three-month on February 15, May 15, August 15, and November 15 of each year through the terms of debenture. As at December 31, 2020, the debenture outstanding balance in the consolidated financial statements was Baht 338.53 million.
- On September 25, 2020, the Company issued Baht 398.20 million subordinated and secured debentures in registered name form and secured debentures with debenture holder's representative, which had the objective to increase the Company investment including acquired the potential business and operated working capital. Debenture was fully repayable on September 25, 2022, which bear interest at the fixed rate of 6.75% per annum. Interest payment term which be paid every three-month on March 25, June 25, September 25, and December 25 of each year through the terms of debenture. As at December 31, 2020, the debenture outstanding balance in the consolidated financial statements was Baht 392.45 million.

## SHAREHOLDERS' EQUITY

As of December 31, 2020, the Company had total shareholders' equity of 5,299.96 million baht, a decrease of 461.09 million baht or 8.00 % from the 5,761.05 million baht of the previous year.

unit : million baht

	TOTAL OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
Outstanding balance as of January 1, 2020	5,748.24	12.81	5,761.05
Treasury share during the year	(251.82)	-	(251.82)
Statutory reserve	(0.04)	0.04	-
Total comprehensive income (loss) for the year	(209.13)	(0.14)	(209.27)
Balance as of December 31, 2020	5,287.25	12.71	5,299.96

## Liquidity and Sufficiency of Capital

The majority of the sources of capital in business operations came from the Company's own funds. Furthermore, its credit line stemmed from various commercial banks serving as sources of turnover/working capital and supporting business operations. Additionally, the Company issued unsubordinated and unsecured debentures amounting to 766.50 million baht, which specify the names of their holders and representatives. This was done for the purpose of expansion of investment.

The net capital ratios of the Company's subsidiaries as of December 31, 2020 and 2019 were 40.88 percent and 32.52 percent, respectively. This was quite enough compared to the seven percent minimum rate mandated by the SEC that securities companies must maintain.

## Summary

The Company is known for its financial strength and high liquidity. As of December 31, 2020, it possessed cash and cash equivalents amounting to 831.05 million baht (8.89 percent of the Company's total assets). Moreover, it also had the total investment amount of 3,724.06 million baht (39.84 percent of the Company's total assets). In addition, the company had the ratio of liquid assets to total assets at 73.58 percent, the earning assets to total assets ratio at 80.65 percent, and the ratio of debt to shareholders' equity at 0.77 times.

The Company has three main strategies that drive its success:

- 1) Efficient asset management,
- 2) Restructuring of its affiliates with emphasis on producing better returns, and
- 3) Acquiring businesses with high growth potential.

For the year ending December 31, 2020, company performance shown as net profit of 142.97 million baht increased by 59.41 million baht from last year net profit of 83.56 million baht. The main reason is the sharply increase in revenue from commission, interest income and share of profit of associates.

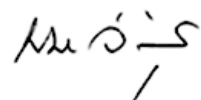
# REPORT OF THE AUDIT COMMITTEE

Dear CGH Shareholders:

Country Group Holdings PCL's Audit Committee is appointed by the Board of Directors and consists of three independent directors who are well qualified in the areas of finance, accounting, and law. The Audit Committee fulfils its duties independently from Management due to the boundaries of its duties and assigned responsibilities. In 2020, the Audit Committees held four meetings in total, the essential duties of the Committee were as follows:

1. Reviewing and confirming financial statements and consolidated financial statements (quarterly and annual), including ensuring the sufficient disclosure of vital and relevant data. These statements have already passed the review and inspection process from the Auditor prior to being presented to the Board for approval. The Board has met with the Management of the Accounting Division and the Auditor before giving its approval in order to ensure the accuracy and trustworthiness of such reports based on accounting standards. This should prove useful for shareholders and investors.
2. The Company's internal audit system worked with the Audit and Control Division, the Auditor, and Management to review the effectiveness of the internal controls system in risk management and found that in the past year, the internal controls system was sufficient for such purposes. This concurred with comments from the Auditor's review which stated that there was nothing noticeably amiss with the system.
3. Reviewing the principles of Good Governance regarding the law, along with SET guidelines and regulations to ensure that the Company's operations were transparent and trustworthy to shareholders and investors.
4. Making suggestions regarding the Audit and Control Division's reviews and internal audits (quarterly and annual). This included fixing shortcomings by both the internal audit process and the Auditor, providing advice on how to improve monitoring and oversight, and complying with policies defined by external groups and professional standards.
5. After selecting and preparing to appoint the Company's Auditor and appraising what the auditing fee should be for 2020 by studying factors such as services provided, knowledge, skills, experience, ability to work independently, and other related work, the Audit Committee decided that the Auditor was suitably qualified and suggested appointing the 2020 Auditor to the Board before requesting approval at the Annual Shareholders' Meeting.
6. Studying and making comments about lists of links and areas of potential conflicts of interest so that the Company might act carefully, reasonably, and with consideration to all stakeholders. Such information much be disclosed with transparency in its entirety in a manner befitting SET regulations.

From the duties listed above, the Audit Committee feels that overall, the Company has sufficient and proper internal controls systems for its business operations given that they appropriately cover risks and follow relevant laws with Good Governance. The preparations for the Company's financial reports and data were disclosed transparently in a trustworthy manner.



( Mr. Nipon Wisitayuthasart )  
Audit Committee Chairperson  
February 25, 2020

# THE BOARD OF DIRECTORS' REPORT ON ITS RESPONSIBILITY TO FINANCIAL REPORT

The Board of Directors is responsible for the consolidated financial statements of Country Group Holdings Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Country Group Holdings Public Company Limited (the "Company"), including financial information as appeared in this annual report. The financial statements were stated in accordance with generally accepted accounting principles, applying the appropriate accounting policies and consistently adhered with careful discretion and best estimation in the preparation. Besides, significant information was disclosed sufficiently in the notes accompanying the financial statements for the benefit of shareholders and investors in a transparent manner.

The Board of Directors has provided and maintained the appropriate and efficient internal control system to reasonably ensure that the accounting data are accurate, complete, and sufficient to maintain its assets and to prevent fraud and materially irregular operation.

In this regard, the Board of Directors has appointed the Audit Committee to review the accounting policies, the quality of the financial reports, the internal control, and internal audit systems. The opinions of the Audit Committee with regard to the matters, which appear in the Report of the Audit Committee, are already shown in this annual report.

The consolidated financial statements and the separate financial statements of the Company have been audited by the Company's Auditor, namely Deloitte Touche Tohmatsu Jaiyos Co. Ltd. In auditing, the Board of Directors provided all relevant information and documents to enable the Auditor to examine and express his opinion in conformity with generally accepted auditing standards. The Auditor's opinion, which appears in the auditor's report, is already shown in this annual report.

The Board of Directors is of the opinion that the overall internal control system of the Company is satisfactory and can bring about reasonable confidence that the consolidated financial statements and the separate financial statements of the Company for the year ending December 31, 2020 were reliable and prepared in conformity with generally accepted accounting principles and carried out accurately in accordance with law and all relevant rules and regulations and were sufficiently disclosed.



(Mr. Sadawut Taechaubol)  
Chairperson



(Mr. Tommy Taechaubol)  
Director and Chief Executive Officer



# REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS  
COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED

## OPINION

We have audited the consolidated financial statements of Country Group Holdings Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Country Group Holdings Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2020, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Country Group Holdings Public Company Limited and its subsidiaries and of Country Group Holdings Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

## BASIS FOR OPINION

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## KEY AUDIT MATTERS

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

KEY AUDIT MATTERS	AUDIT RESPONSES
<p><b>Revenue recognition - Brokerage fee of a subsidiary</b></p> <p>Brokerage fees are fees from securities business and derivatives business which have terms and conditions to charge the fees based on trading volume. Key audit matter is whether the brokerage fees are occurrence and have been completely and accurately recognized in accordance with Thai Financial Reporting Standards.</p> <p>The accounting policies of revenue recognition, the details of brokerage fees and operating segment information were disclosed in Notes 3.3, 35 and 49 to the financial statements respectively.</p>	<p>Our audit procedures were as follows:</p> <ul style="list-style-type: none"> <li>• Understand the revenue recognition process and related internal control procedures</li> <li>• Review the design and implementation of the internal control procedures</li> <li>• Perform the operating effectiveness testing over the internal control procedures around revenue recognition process including related information and technology system and Perform substantive testing as follows: <ul style="list-style-type: none"> <li>- Examine the trading volume information of securities and derivative of the customers and brokerage fees rates, recalculate the brokerage fees and examine the related supporting documents of those revenues whether the brokerage fees are occurrence and have been completely and accurately recognized</li> <li>- Perform substantive analytical procedures relating to the brokerage fees.</li> </ul> </li> </ul>
<p><b>Valuation of investments measured at amortize cost and impairment consideration</b></p> <p>Investments consist of investments in equity and debt securities and investments in subsidiary and associated companies. The Group's managements have to consider the valuation of investments and impairment indicators to estimate the expected credit loss provision of those investments measured at amortize cost. The valuation of investment measured at amortize cost and impairment consideration are depended on the management judgement and key assumptions. Therefore, the key audit matter is whether the valuation of investments measured at amortize cost and the impairment have been recognized in accordance with Thai Financial Reporting Standards.</p> <p>The accounting policies of investments in equity and debt securities and investments in subsidiary and associated companies and the details of investments in equity and debt securities and investments in subsidiary and associated companies were disclosed in Notes 3.1, 3.9, 6, 13, and 14 to the financial statements respectively.</p>	<p>Our audit procedures were as follows:</p> <ul style="list-style-type: none"> <li>• Understand the measurement of investment measured at amortize cost valuation and the impairment consideration process and related internal control procedures</li> <li>• Review the design and implementation of the internal control procedures</li> <li>• Perform the operating effectiveness testing over the internal control procedures around the measurement of investment measured at amortize cost valuation and the impairment consideration process and Perform substantive testing as follows: <ul style="list-style-type: none"> <li>- Examine the supporting documents in relation to the management consideration of the measurement of investment measured at amortized cost valuation and the impairment indicators for investment</li> <li>- Assess the appropriateness of valuation model and key assumptions the management used in measurement of investment measured at amortize cost valuation and estimation of the impairment provision for investment.</li> </ul> </li> </ul>

## OTHER INFORMATION

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and separate financial statements and our auditors' report thereon, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

## EMPHASIS OF MATTER

We draw attention to Note 2.4 and Note 2.7 to the financial statements that the Group has adopted group of Financial Instruments Standards and Thai Financial Reporting Standard No. 16 "Leases" which become effective for fiscal years beginning on or after January 1, 2020. The Group elected to recognize the cumulative effect of initially applying such Standards as the adjustments to the beginning balances of retained earnings and other components of shareholders' equity of the reporting period. Our opinion is not modified in respect of this matter.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines 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, management is responsible for assessing the Group's 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 management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 the 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. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we 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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Wonlop Vilaivaravit

Certified Public Accountant (Thailand)

Registration No. 6797

BANGKOK

February 25, 2021

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

## COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	831,049,444	352,423,627	302,856,918	188,790,669
Trade and other current receivables	7	132,063,671	76,793,438	186,643,700	101,883,570
Receivables from Clearing House and broker - dealers	8	195,989,527	91,394,517	-	-
Securities and derivatives business receivables	9	2,049,698,906	1,889,578,669	-	-
Short-term loan to subsidiaries	11	-	-	130,132,650	69,132,650
Derivative assets	12	2,113,700	-	-	-
Other current financial assets	6.1	3,246,733,975	3,487,324,206	1,601,297,207	2,218,556,280
Total Current Assets		6,457,649,223	5,897,514,457	2,220,930,475	2,578,363,169
NON-CURRENT ASSETS					
Other non-current financial assets	6.4	477,325,119	730,061,488	450,675,139	664,011,133
Investments in associates	13	1,569,675,602	1,548,446,126	1,502,449,120	1,502,449,120
Investments in subsidiaries	14	-	-	2,495,527,937	2,495,525,198
Long-term loan to other companies	15	58,153,921	-	-	-
Investment property	16	48,348,309	45,805,463	-	-
Property, plant and equipment	17	131,832,858	153,222,944	2,340,690	6,167,980
Right-of-use assets	18	48,978,789	-	9,413,763	-
Intangible assets	19	119,678,463	116,752,446	-	-
Deferred tax assets	20	283,662,464	184,605,851	140,378,417	81,400,750
Other non-current assets	21	153,373,212	149,060,143	3,735,387	2,684,639
Total Non-Current Assets		2,891,028,737	2,927,954,461	4,604,520,453	4,752,238,820
TOTAL ASSETS		9,348,677,960	8,825,468,918	6,825,450,928	7,330,601,989

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

## COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2020

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions	22	350,000,000	150,000,000	-	-
Securities sold under sell and buy back agreements	23	1,287,284,231	964,180,755	-	-
Trade and other current payables	24	381,925,870	149,131,690	247,510,376	34,142,592
Payables to Clearing House and broker-dealers	25	230,871,919	315,344,553	-	-
Securities business payables	26	946,147,106	273,545,381	-	-
Derivatives liabilities	12	-	2,686,135	-	-
Current portion of long-term lease liabilities	18	37,393,897	-	7,166,470	-
Current portion of debentures	27	-	978,117,861	-	1,027,200,000
Debts issued and borrowings	28	19,883,867	176,568,250	-	-
Corporate income tax payable		8,958,725	17,967,616	-	-
Total Current Liabilities		3,262,465,615	3,027,542,241	254,676,846	1,061,342,592
NON-CURRENT LIABILITIES					
Debentures	27	730,975,232	-	751,861,659	-
Lease liabilities	18	12,978,721	-	2,525,179	-
Non-current provisions for employee benefits	29	39,836,799	32,486,444	10,520,812	9,010,288
Other non-current liabilities		2,462,351	4,387,392	-	-
Total Non-Current Liabilities		786,253,103	36,873,836	764,907,650	9,010,288
TOTAL LIABILITIES		4,048,718,718	3,064,416,077	1,019,584,496	1,070,352,880

## COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2020

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	30				
Authorized share capital					
6,143,905,902 ordinary shares of Baht 1 each		6,143,905,902	6,143,905,902	6,143,905,902	6,143,905,902
Issued and paid-up share capital					
4,336,923,080 ordinary shares of Baht 1 each,					
fully paid		4,336,923,080	4,336,923,080	4,336,923,080	4,336,923,080
Ordinary shares held by subsidiary		(9,850)	(9,850)	-	-
Share premium	32	669,079,930	669,079,930	1,421,742,574	1,421,742,574
Other component of shareholders' equity		(501,240,978)	(280,035,606)	(401,871,398)	(192,418,392)
Retained earnings					
Appropriated					
Statutory reserve	34	163,831,167	157,736,088	59,256,193	58,814,733
Unappropriated		877,411,093	871,470,637	648,562,961	642,110,590
Treasury Stock - ordinary share	30	(258,746,978)	(6,923,476)	(258,746,978)	(6,923,476)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		5,287,247,464	5,748,240,803	5,805,866,432	6,260,249,109
NON-CONTROLLING INTERESTS					
		12,711,778	12,812,038	-	-
TOTAL SHAREHOLDERS' EQUITY		5,299,959,242	5,761,052,841	5,805,866,432	6,260,249,109
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,348,677,960	8,825,468,918	6,825,450,928	7,330,601,989

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

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
REVENUES					
Brokerage fees	35	999,984,609	559,096,549	-	-
Fees and service income	36	72,416,553	128,385,712	-	-
Interest income	37	184,512,224	136,606,298	53,308,936	22,532,305
Gain on investments and derivatives	38	44,610,630	183,581,943	37,138,447	54,116,685
Dividend income		16,618,443	39,682,060	37,668,504	143,758,363
Other incomes	39	40,218,938	21,102,078	12,821,149	417,757
Total revenues		1,358,361,397	1,068,454,640	140,937,036	220,825,110
EXPENSES					
Employee benefits expenses		661,068,414	489,262,296	51,164,401	65,592,508
Fees and service expenses		225,073,773	156,995,869	8,061,257	4,732,503
Bad debt and doubtful accounts	40	-	9,024,407	-	-
Other expenses	43	206,239,505	193,571,530	21,844,263	25,788,368
Total expenses		1,092,381,692	848,854,102	81,069,921	96,113,379
Profit from operating activities		265,979,705	219,600,538	59,867,115	124,711,731
Finance costs		(131,389,822)	(117,532,564)	(57,652,336)	(66,742,241)
Impairment loss determined in accordance with TFRS 9	40	(51,570,286)	-	-	-
Share of profit of associates accounted for using equity method	2.3.3	59,942,347	33,984,879	-	-
INCOME BEFORE INCOME TAX		142,961,944	136,052,853	2,214,779	57,969,490
INCOME TAX INCOME (EXPENSES)	45	10,938	(52,492,631)	6,614,416	(11,905,413)
NET INCOME FOR THE YEARS		142,972,882	83,560,222	8,829,195	46,064,077



COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
OTHER COMPREHENSIVE INCOME (LOSS)					
Components of other comprehensive income					
that will be reclassified to profit or loss					
Losses on re-measuring					
investments held as available for sale		-	(287,656,622)	-	(288,152,197)
Adjustment surplus on re-measuring					
investments held as available for sale disposed					
during the years		-	55,753,422	-	24,483,450
Share of other comprehensive loss of associates		(57,883)	(11,132,296)	-	-
Income tax relating to components of other					
comprehensive income that will be reclassified					
to profit or loss		-	46,380,640	-	52,733,749
		(57,883)	(196,654,856)	-	(210,934,998)
Components of other comprehensive income that					
will not be reclassified to profit or loss					
Losses on sale of investments in equity securities		(131,329,433)	-	(1,935,364)	-
Losses on remeasuring investment in equity securities					
as measured at fair value through					
other comprehensive income	45	(266,944,733)	-	(261,816,258)	-
Remeasurement of post-employment					
benefit obligation		-	786,762	-	(3,606,010)
Share of other comprehensive income (loss) of associates					
using the equity method		(7,297,138)	1,178,028	-	-
Income tax relating to components of other comprehensive					
income that will not be subsequently reclassified to					
profit or loss	45	53,388,947	(157,352)	52,363,252	721,202
		(352,182,357)	1,807,438	(211,388,370)	(2,884,808)
Other comprehensive loss for the years - net of tax		(352,240,240)	(194,847,418)	(211,388,370)	(213,819,806)
TOTAL COMPREHENSIVE LOSS FOR THE YEARS		(209,267,358)	(111,287,196)	(202,559,175)	(167,755,729)

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
INCOME ATTRIBUTABLE TO					
Owners of parent		142,177,814	82,610,415	8,829,195	46,064,077
Non-controlling interests		795,068	949,807	-	-
NET INCOME FOR THE YEARS		142,972,882	83,560,222	8,829,195	46,064,077
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO					
Owners of parent		(209,132,275)	(112,436,069)	(202,559,175)	(167,755,729)
Non-controlling interest		(135,083)	1,148,873	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEARS		(209,267,358)	(111,287,196)	(202,559,175)	(167,755,729)
EARNINGS PER SHARE ATTRIBUTABLE					
TO OWNERS OF PARENT					
Basic earnings per share	46 Baht	0.0351	0.0190	0.0022	0.0106
Diluted earnings per share	46 Baht	0.0351	0.0190	0.0022	0.0106

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

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2020

Notes	CONSOLIDATED FINANCIAL STATEMENTS										Unit : Baht
	Owners of the parent								Non-controlling interests	Total shareholders' equity	
	Issued and paid-up share capital	Premium on share capital	Appropriated statutory reserve	Unappropriated	Treasury Stock - ordinary share	Other component of shareholders' equity	Share of other comprehensive loss in associates	Total owners of the parent			
							</				

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2020

Notes	CONSOLIDATED FINANCIAL STATEMENTS										Unit : Baht
	Owners of the parent							Non-controlling interests	Total shareholders' equity		
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Treasury Stock - ordinary share	Other component of shareholders' equity				Total owners of the parent	
			Appropriated statutory reserve	Unappropriated		Losses on remeasuring investment in equity as measured at fair value through other comprehensive income	Share of other comprehensive loss in associates				
	4,336,913,230	669,079,930	157,736,088	871,470,637	(6,923,476)	(214,458,195)	(65,577,411)	5,748,240,803	12,812,038	5,761,052,841	
2.7	-	-	-	894,720	-	(894,720)	-	-	-	-	
	4,336,913,230	669,079,930	157,736,088	872,365,357	(6,923,476)	(215,352,915)	(65,577,411)	5,748,240,803	12,812,038	5,761,052,841	
30	-	-	-	-	(251,823,502)	-	-	(251,823,502)	-	(251,823,502)	
				1,601	-	-	-	1,601	(4,340)	(2,739)	
			6,095,079	(6,134,242)	-	-	-	(39,163)	39,163	-	
			-	142,177,814	-	-	-	142,177,814	795,068	142,972,882	
			-	(130,999,437)	-	-	(7,355,021)	(351,310,089)	(930,151)	(352,240,240)	
	4,336,913,230	669,079,930	163,831,167	877,411,093	(258,746,978)	(428,308,546)	(72,932,432)	5,287,247,464	12,711,778	5,299,959,242	

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

**COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Notes	SEPARATE FINANCIAL STATEMENTS						Unit : Baht
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Treasury Stock - ordinary share	Other component of shareholders' equity	Total shareholders' equity
				Appropriated statutory reserve	Unappropriated			
					Gains (losses) on remeasuring investment in equity as measured at fair value through other comprehensive income			
<b>Balance as at January 1, 2019</b>		4,336,906,384	1,421,725,878	56,511,529	601,234,525	-	18,516,606	6,434,894,922
<u>Change in shareholders' equity during the year</u>								
Issued ordinary shares	30	16,696	16,696	-	-	-	-	33,392
Treasury share during the year	30	-	-	-	-	(6,923,476)	-	(6,923,476)
Statutory reserve		-	-	2,303,204	(2,303,204)	-	-	-
Net profit for the year		-	-	-	46,064,077	-	-	46,064,077
Total comprehensive loss for the year		-	-	-	(2,884,808)	-	(210,934,998)	(213,819,806)
<b>Balance as at December 31, 2019</b>		4,336,923,080	1,421,742,574	58,814,733	642,110,590	(6,923,476)	(192,418,392)	6,260,249,109
<b>Balance as at January 1, 2020</b>		4,336,923,080	1,421,742,574	58,814,733	642,110,590	(6,923,476)	(192,418,392)	6,260,249,109
<u>Change in shareholders' equity during the year</u>								
Treasury share during the year	30	-	-	-	-	(251,823,502)	-	(251,823,502)
Statutory reserve		-	-	441,460	(441,460)	-	-	-
Net profit for the year		-	-	-	8,829,195	-	-	8,829,195
Total comprehensive loss for the year		-	-	-	(1,935,364)	-	(209,453,006)	(211,388,370)
<b>Balance as at December 31, 2020</b>		4,336,923,080	1,421,742,574	59,256,193	648,562,961	(258,746,978)	(401,871,398)	5,805,866,432

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

## COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the years		142,972,882	83,560,222	8,829,195	46,064,077
Adjustments					
Income tax (income) expenses		(10,938)	52,492,631	(6,614,416)	11,905,413
Depreciation and amortization		70,350,224	28,758,227	10,855,395	3,904,961
Impairment loss determined in accordance with TFRS 9		51,570,286	9,024,407	-	-
Unrealized (gains) losses on re-measuring fair value		172,524,055	(60,017,298)	5,107,640	(17,813,736)
Gains from sales investment		(5,801,557)	(110,290,486)	(44,430,918)	(31,668,016)
Gains on disposal and written off equipment and intangible assets		(199,975)	(6,482,116)	-	-
Share of profit from investments for using equity method		(59,942,347)	(33,984,879)	-	-
Employee benefit expenses		10,465,104	11,500,432	1,510,524	1,668,798
Finance costs		131,389,822	117,532,564	57,652,336	66,742,241
Interest income		(184,512,224)	(136,606,298)	(53,308,936)	(22,532,305)
Dividend income		(16,618,443)	(39,682,060)	(37,668,504)	(143,758,363)
Gain (loss) from operating activities before changes in operating assets and liabilities		312,186,889	(84,194,654)	(58,067,684)	(85,486,930)
(Increase) decrease in operating assets					
Trade and other current receivables		(78,181,341)	63,103,062	(75,897,963)	(36,764,664)
Receivables from Clearing House and broker-dealers		(104,595,010)	149,992,173	-	-
Securities business receivables and Derivatives business receivable		(195,966,804)	(576,499,525)	-	-
Trading investments		(354,844,763)	72,292,426	1,169,052,991	(1,081,506,443)
Derivatives assets		(2,113,700)	-	-	-
Other non-current assets		(3,262,321)	(60,022,392)	-	(1,062,239)
Increase (decrease) in operating liabilities					
Securities sold under sell and buy back agreements		323,103,476	(202,469,602)	-	-
Trade and other current payables		229,295,471	1,986,309	214,039,981	(14,857,878)
Payables to Clearing House and broker-dealers		(84,472,634)	69,170,968	-	-
Securities business payables		648,820,959	(281,747,640)	-	-
Derivatives liabilities		(2,686,135)	2,686,135	-	-
Non-current provisions for employee benefit		(3,114,749)	(890,000)	-	-
Other non-current liabilities		35,986,372	(10,046,115)	4,181,642	-
Cash received (paid) from operating activities		720,155,710	(856,638,855)	1,253,308,967	(1,219,678,154)
Cash received from interest		174,558,953	106,350,019	54,657,738	18,639,460
Cash paid for interest		(74,563,338)	(28,853,371)	(6,451,381)	(962,707)
Cash paid for corporate tax		(55,883,447)	(24,658,644)	(1,050,748)	(179,518)
Net cash flows provided by (used in) operating activities		764,267,878	(803,800,851)	1,300,464,576	(1,202,180,919)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for purchase of equity or debt instrument		(1,821,979,786)	(114,739,153)	(3,015,718,646)	(7,888,344)
Cash received from sale of equity or debt instrument		2,114,196,941	413,736,202	2,442,621,409	181,209,939

## COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Cash paid for general investment		-	(410,880)	-	-
Cash paid for purchase of share of a subsidiary from non-controlling interests		(2,739)	(69,793)	(2,739)	(69,788)
Cash received from dividend of investments in associates		31,357,850	40,765,205	31,357,850	40,765,205
Cash received from dividend of investment in subsidiaries		-	-	-	89,505,737
Cash received from dividend of investments in securities		16,859,762	41,669,182	6,310,654	15,291,212
Cash paid for loan to other parties		(58,153,921)	-	-	-
Cash paid for short-term loan to subsidiaries		-	-	(71,000,000)	-
Cash received from short-term loan to subsidiaries		-	-	10,000,000	-
Cash paid for purchase of equipment and intangible assets		(13,184,898)	(40,015,899)	(11,900)	(29,693)
Cash received from sale of equipment and intangible assets		200,000	16,561,402	-	-
Cash paid for investment property		(3,700,000)	-	-	-
Cash received from capital reduction		-	-	-	993,169,771
Net cash flows provided by (used in) investing activities		265,593,209	357,496,266	(596,443,372)	1,311,954,039
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash received from issued ordinary shares		-	33,392	-	33,392
Cash received from short-term borrowings					
from financial institution	4.2	200,000,000	150,000,000	-	-
Cash paid for debts issued and borrowings	4.2	(592,500,000)	(35,000,000)	-	-
Cash received from debts issued and borrowings	4.2	435,000,000	-	-	-
Cash paid for debenture redemption	4.2	(999,004,288)	-	(1,027,200,000)	(52,600,000)
Cash received from issued debenture	4.2	747,680,018	-	747,680,018	-
Cash paid for treasury stock		(251,823,502)	(6,923,476)	(251,823,502)	(6,923,476)
Cash paid for short-term loan from a subsidiary		-	-	-	(16,178,082)
Cash paid for dividends		-	(609,155)	-	-
Cash paid from capital reduction of subsidiary					
from non-controlling interests		-	(6,830,229)	-	-
Cash received from capital acquisition in subsidiary					
from non-controlling interests		-	40	-	-
Cash paid for lease liabilities		(39,334,881)	-	(7,358,854)	-
Interest paid		(51,252,617)	(66,631,852)	(51,252,617)	(66,631,852)
Net cash flows provided by (used in) financing activities		(551,235,270)	34,038,720	(589,954,955)	(142,300,018)
Net increase (decrease) in cash and cash equivalents		478,625,817	(412,265,865)	114,066,249	(32,526,898)
Cash and cash equivalents as at January 1,		352,423,627	764,689,492	188,790,669	221,317,567
<b>Cash and cash equivalents as at December 31,</b>	5	<b>831,049,444</b>	<b>352,423,627</b>	<b>302,856,918</b>	<b>188,790,669</b>

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

**COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**1. GENERAL INFORMATION**

**1.1 The Company's general information**

Country Group Holdings Public Company Limited (the "Company") was registered as a Public Limited Company under Thai laws on May 15, 2014. The registered head office is located at 132, Sindhorn Tower 3, 20th Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330.

The Company has extensive transactions and relationships with the related company. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred had the Company operated without such affiliations.

**1.2 General information of Country Group Securities Public Company Limited**

Country Group Securities Public Company Limited (the "subsidiary"), is incorporated in Thailand since 1993. The subsidiary converted the status to be a Public Limited Company in accordance with the Public Limited Companies Act on February 17, 1994. The head office is located at 132, Sindhorn Tower 1, 3<sup>rd</sup> Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330.

As at December 31, 2020 and 2019, the subsidiary has 7 branches.

On October 22, 2008, the Ministry of Finance had approved the securities business license type Kor No. Lor Kor-0002-01 for the subsidiary and cancelled the old securities business licenses No. 51/2517 and No. 18/2547. The securities business license type Kor is the license that undertakes securities business in various categories consisting of

1. Securities Brokerage
2. Securities Trading
3. Securities Underwriting
4. Investment Advisory Service
5. Mutual Fund Management
6. Private Fund Management
7. Securities Borrowing and Lending
8. Venture Capital Management.



The subsidiary was granted a license No. 0007/2551 on August 13, 2008 to undertake the derivatives agent from the Office of the Securities and Exchange Commission which has been effective since July 31, 2008.

The subsidiary was granted a license on July 12, 2010 to undertake the securities borrowing and lending business as the Principal from the Office of the Securities and Exchange Commission.

The Office of the Securities and Exchange Commission has approved the subsidiary to act as the financial advisory from March 21, 2017 to March 20, 2022.

The subsidiary was granted a license on June 8, 2017 to undertake the private fund (except provident fund) from the Office of the Securities and Exchange Commission.

The mutual fund management and the venture capital management shall be commenced only after the subsidiary is granted the approval from the Office of the Securities and Exchange Commission.

The subsidiary was granted a license on November 6, 2018 to undertake the derivatives dealer from the Office at the Securities and Exchange Commission.

Regarding to the subsidiary's Board of Director's meeting No. 1/2019 held on the February 26, 2019, the Board passed a resolution for the subsidiary to establish a new company namely Country Group Advisory Company Limited in order to support the financial advisory and investment banking business.

On April 22, 2019, the subsidiary paid for investment in the Country Group Advisory Company Limited in amount of Baht 9,999,960 and on May 3, 2019, the Country Group Advisory Company Limited was established which registered capital of Baht 10 million, consist of 1,000,000 ordinary shares at a par value of Baht 10 each, with owned 99.99% by the subsidiary.

### **Coronavirus Disease 2019 Pandemic**

The Coronavirus disease 2019 ("COVID-19") pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

## 2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 Country Group Holdings Public Company Limited and its subsidiaries (the “Group”) maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.

The consolidated and separate statements of financial position as at December 31, 2019 have been reclassified to conform to the classification used in the consolidated and separate statements of financial position as at December 31, 2020 as follows:

	<b>As at December 31, 2019</b>		<b>Previous Classification</b>	<b>New Classification</b>
	<b>CONSOLIDATED FINANCIAL STATEMENT</b>	<b>SEPARATE FINANCIAL STATEMENTS</b>		
	<b>Baht</b>	<b>Baht</b>		
Other current financial asset	3,487,324,206	2,218,556,280	Current investments	Other current financial assets
Other non-current financial assets	730,061,488	664,011,133	Investments held as available for sale and other long-term investments	Other non-current financial assets
Non-current provisions for employee benefits	32,486,444	9,010,288	Provisions for employee benefits	Non-current provisions for employee benefits
Investment property	22,460,000	-	Other non-current assets	Investment property
Investment property	23,345,463	-	Property, plant and equipment	Investment property
Securities sold under sell and buy back agreements	964,180,755	-	Securities business payable	Securities sold under sell and buy back agreements

The consolidated and separate statements of profit or loss and other comprehensive income for the year ended December 31, 2019 have been reclassified to conform to the classification used in the consolidated and separate statements of profit or loss and other comprehensive income for the year ended December 31, 2020 as follows:

	<b>For the year ended December 31, 2019</b>		<b>Previous Classification</b>	<b>New Classification</b>
	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>SEPARATE FINANCIAL STATEMENTS</b>		
	<b>Baht</b>	<b>Baht</b>		
Dividend income	39,682,060	143,758,363	Interest and dividend income	Dividend income
Interest income	34,769,851	-	Interest on margin loans	Interest income
Interest income	38,483,036	-	Gains on investments and derivatives	Interest income
Finance costs	26,395,880	-	Gains on investments and derivatives	Finance costs

- 2.2 The Group’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2020 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statement (No.3) B.E. 2562” dated December 26, 2019. The additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission. No. SorTor. 6/2562, dated January 8, 2019, regarding “The Form of Financial Statements for Securities Companies (No.3)”, which is effective for the financial statements for the accounting periods beginning on or after January 1, 2020 onwards.

- 2.3 The consolidated financial statements include the financial statements of Country Group Holdings Public Company Limited and its subsidiaries, which the subsidiaries detailed as following:

Company's name	Nature of business	Country of incorporation	Percentage of Shareholding		Assets as a percentage to the consolidated total assets		Revenues as a percentage to the consolidated total revenues	
			As at		As at		For the years ended	
			December 31,		December 31,		December 31,	
			2020	2019	2020	2019	2020	2019
			Percent	Percent	Percent	Percent	Percent	Percent
<u>Subsidiaries</u>								
Country Group Securities Public Company Limited	Securities business	Thailand	99.3	99.3	62.4	51.4	94.1	89.0
Genki Capital Company Limited	Pawnbroking	Thailand	100.0	100.0	0.9	0.3	0.3	0.0
<u>Indirect Subsidiaries</u>								
Genki Power One Company Limited	Energy	Thailand	100.0	100.0	0.8	0.9	0.0	0.0
Country Group Advisory Company Limited	Finance Advisory and Investment Banking	Thailand	99.9	99.9	0.3	0.1	1.1	0.0

- 2.3.1 Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- 2.3.2 The financial statements of the subsidiaries for the year ended December 31, 2020 included in the consolidated financial statements were audited.
- 2.3.3 Share of other comprehensive of associates accounted for using equity method expressed as a percentage of total revenues of the Group presented in the consolidated financial statements for the years ended December 31, 2020 and 2019 as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2020		2019	
	Share of profit of associates accounted for using equity method	Percentage of total revenues	Share of profit of associates accounted for using equity method	Percentage of total revenues
	Baht	Percent	Baht	Percent
MFC Asset Management				
Public Company Limited	36,971,360	2.6	32,563,662	3.0
Padaeng Industry Public Company Limited	22,970,987	1.6	1,421,217	0.1
Total	59,942,347		33,984,879	

## 2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements, except the financial reporting standards:

### **Group of Financial Instruments Standards**

#### **Thai Accounting Standards (“TAS”)**

TAS 32 Financial Instruments: Presentation

#### **Thai Financial Reporting Standards (“TFRS”)**

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

#### **Thai Financial Reporting Standard Interpretations (“TFRIC”)**

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

### **Thai Financial Reporting Standard No. 16 “Leases” (“TFRS 16”)**

TFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. This TFRS superseded the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 “Leases”, Thai Accounting Standard Interpretation No.15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No.27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No.4 “Determining whether on Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

During the year, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements, except the following financial reporting standards:

#### Group of Financial Instruments Standards

In the current year, the Group has initially applied Group of Financial Instruments Standards. The Group has elected to recognize the cumulative effect of initially adopting of TFRS 9 as an adjustment to the opening balance of retained earnings and other components of shareholders' equity of the reporting period.

TFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

The Group has applied TFRS 9 in accordance with the transition provisions set out in TFRS 9.

- 1) Classification and measurement of financial assets and liabilities

The date of initial application is January 1, 2020. Accordingly, the Group has applied the requirements of TFRS 9 to instruments that continue to be recognized as at January 1, 2020 and has not applied the requirements to instruments that have already been derecognized as at January 1, 2020. Comparative amounts in relation to instruments that continue to be recognized as at January 1, 2020 have not been restated.

#### Classification and measurement of financial assets

All recognized financial assets that are within the scope of TFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost.
- All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).
- The Group irrevocable elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination in other comprehensive income.

When a debt investment measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortized cost or at FVTOCI are subject to impairment

The director of the Group reviewed and assessed the Group's existing financial assets as at January 1, 2020 based on the facts and circumstances that existed at that date and concluded that the initial application of TFRS 9 has had the following impact on the Group's financial assets as regards their classification and measurement:

- The Group's investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as investments held as available-for-sale and were measured at fair value at each reporting date under TAS 105 "Accounting for Investments in Debt and Equity Securities" have been designated as at FVTOCI. The change in fair value on these equity instruments continues to be accumulated in the investment revaluation reserve.
- There is no change in the measurement of the Group's investments in equity instruments that are held for trading; those instruments were and continue to be measured at FVTPL.
- Investments classified as held-to-maturity under TAS 105 "Accounting for Investments in Debt and Equity Securities" and loans and receivables as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

### Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method at FVTPL.

- Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination (ii) held for trading or (iii) it is designated as at FVTPL.

- Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

### 2) Impairment of financial assets

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

TFRS 9 requires the Group to recognize a loss allowance for expected credit losses on;

- (1) Debt investments measured subsequently at amortized cost or at FVTOCI
- (2) Receivable from Clearing house and broker-dealer and
- (3) Securities and Derivatives business receivables

In particular, TFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group are required to measure the loss allowance for that financial instrument at an amount equal to 12-month ECL. TFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for receivable from clearing house and broker-dealer and securities business receivables and derivative business receivables in certain circumstances.



The Group adopted this group of financial standard by using the modified retrospective method of initial adoption of which the cumulative effect is recognized as an adjustment to the retained earnings as at January 1, 2020, and the comparative information was not restated.

The cumulative effect of the change accounting policies is described in Note 2.7.

#### Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”)

The Group has applied TFRS 16 using the cumulative catch-up approach which:

- Requires the Group to recognize the cumulative effect of initially applying TFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not restate the comparative information and continue to present comparative information under TAS 17 “Leases” and TFRIC 4

#### Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. TFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on “risk and rewards” in TAS 17 “Leases” and TFRIC 4

The Group applies the definition of a lease and related guidance set out in TFRS 16 to all lease contracts entered into or changed on or after January 1, 2020 (whether it is a lessor or a lease in the lease contract). In preparation for the first-time application TFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in TFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

#### Impact on Lessee Accounting

##### Former operating lease

TFRS 16 changes how the Group accounts for lease previously classified as operating leases under TAS 17, which were off balance sheet.

Applying TFRS 16, for all leases (except as noted below), the Group:

- 1) Recognizes right-of-use assets and lease liabilities in the consolidated and separate statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with TFRS 16.
- 2) Recognizes depreciation of right-of-use assets and interest on lease liabilities in the consolidated and separate statement of comprehensive income.



- 3) Separates the total amount of cash paid into a principal portion and interest (presented within financing activities) in the consolidated and separate statement of cash flows.

Lease incentives (e.g. rent free period) are recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under TAS 17 they resulted in the recognition of a lease incentive, amortized as a reduction of rental expenses on a straight-line basis.

Under TFRS 16, right-of-use assets are tested for impairment in accordance with TAS 36 “Impairment of Assets”.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, small items, the Group has opted to recognize a lease expense on a straight-line basis as permitted by TFRS 16. This expense is presented within “other expenses” in the consolidated and separate statement of profit or loss and other comprehensive income.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying TAS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognized under TAS 37 “Provisions, Contingent Liabilities and Contingent Assets” in the statement of financial position before the date of initial application as an alternative to performing an impairment review.
- The Group has elected not to recognize right-of-use assets and lease liabilities to leases for which the lease term end within 12 months of the date of initial application.
- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

#### Impact on Lessor Accounting

TFRS 16 does not change substantially how a lessor accounts for leases. Under TFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, TFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under TFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under TAS 17).

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

#### Financial impact of the initial application of TFRS 16

The Group recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The Group has adopted the modified retrospective approach and the impact from the adoption of new financial reporting standards on the lease liabilities of the comparative figures have not been restated.

The following table shows the operating lease commitments disclosed applying TAS 17 as at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the consolidated and separate statements of financial position at the date of initial application.

#### As at January 1, 2020

	<b>Consolidated financial statements</b>	<b>Unit : Thousand Baht Separate financial statements</b>
Operating lease commitments as at December 31, 2019	90,953	18,153
Short-term lease commitment and lease at low-value asset	(811)	-
Effect of discounting the above amounts	(7,772)	(1,723)
Lease liabilities recognized as at January 1, 2020	<u>82,370</u>	<u>16,430</u>

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on April 22, 2020, detail as follows:

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

The Group has not adopted such accounting treatment guidance in the preparation of the financial statements for the year ended December 31, 2020.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group has not adopted such accounting treatment guidance in the preparation of the financial statements for the year ended December 31, 2020.

## 2.5 Thai Financial Reporting Standard No.16 “Leases”

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from 1 June 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

## 2.6 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

### Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

### Definition of Business

The revised Thai Financial Reporting Standard No.3 "Business Combinations" clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

### Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 "Presentation of Financial Statements" and Thai Accounting Standards No.8 "Accounting Policies, Changes in Accounting Estimates and Errors", including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

### The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 "Financial Instruments" and Thai Financial Reporting Standard No.7 "Financial Instruments: Disclosures".

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

## 2.7 Impact of first-time adoption of financial reporting standards related to Group of Financial Instruments Standards and Thai Financial Reporting Standard No. 16 "Leases"

The Group has adopted financial reporting standards related to Group of Financial Instruments Standards and TFRS 16. The cumulative effect of initially applying these standards is recognized as an adjustment to retained earnings as at January 1, 2020 and the comparative information was not restated.

The impacts of retained earnings and other component of shareholder's equity as at January 1, 2020 and reclassifications from changes in accounting policies due to the adoption of these standards are presented as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at	Effect from		As at
	December 31,	Group of financial	TFRS 16	January 1,
	2019	instruments		2020
	Baht	Baht	Baht	Baht
<b>STATEMENTS OF FINANCIAL POSITION</b>				
<b>ASSETS</b>				
Other current financial assets	-	3,487,324,206	-	3,487,324,026
Other non-current financial assets	-	730,061,488	-	730,061,488
Short-term Investments				
- Trading investments	3,054,570,024	(3,054,570,024)	-	-
- Investment held as available-for-sales	353,544,182	(353,544,182)	-	-
- Investments held-to-maturity	79,210,000	(79,210,000)	-	-
Investment held as available-for-sales	723,905,058	(723,905,058)	-	-
Other long-term investments				
- General investments	6,156,430	(6,156,430)	-	-
Right-of-use assets	-	-	82,370,037	82,370,037
<b>LIABILITIES</b>				
Liabilities under finance lease agreements	-	-	82,370,037	82,370,037
<b>SHAREHOLDERS' EQUITY</b>				
Unappropriated retained earnings	871,470,637	894,720	-	872,365,357
Other component of shareholders' equity	(280,035,606)	(894,720)	-	(280,930,326)

## SEPARATE FINANCIAL STATEMENTS

	As at	Effect from		As at
	December 31,	Group of financial	IFRS 16	January 1,
	2019	instruments		2020
	Baht	Baht	Baht	Baht
<b>STATEMENTS OF FINANCIAL POSITION</b>				
<b>ASSETS</b>				
Other current financial assets	-	2,218,556,280	-	2,218,556,280
Other non-current financial assets	-	664,011,133	-	664,011,133
Short-term Investments				
- Trading investments	1,303,351,094	(1,303,351,094)	-	-
- Investment held as available-for-sales	353,544,182	(353,544,182)	-	-
- Investments held-to-maturity	561,661,004	(561,661,004)	-	-
Investment held as available-for-sales	664,011,113	(664,011,113)	-	-
Right-of-use assets	-	-	16,429,968	16,429,968
<b>LIABILITIES</b>				
Liabilities under finance lease agreements	-	-	16,429,968	16,429,968
<b>SHAREHOLDERS' EQUITY</b>				
Unappropriated retained earnings	642,110,590	-	-	642,110,590
Other component of shareholders' equity	(192,418,392)	-	-	(192,418,392)

The table below shows information relating to financial assets and financial liabilities that are reclassified in accordance with the practice of changes in financial reporting standards and financial instruments group and IFRS 16.

## CONSOLIDATED FINANCIAL STATEMENTS

	Carrying amounts	Remeasurements	Reclassifications	Carrying amounts	Category
	As at			As at	
	December 31, 2019			January 1, 2020	
	Baht	Baht	Baht	Baht	
<b>Financial assets</b>					
Cash and cash equivalents	352,423,627	-	-	352,423,627	Amortised cost
Trade and other current receivables	76,793,438	-	-	76,793,438	Amortised cost
Receivables from Clearing House and broker-dealers	91,394,517	-	-	91,394,517	Amortised cost
Securities and derivatives business receivable	1,889,578,669	-	-	1,889,578,669	Amortised cost
Other current financial assets					
- Investment measured at fair value through profit or loss	-	-	3,054,570,024	3,054,570,024	Fair value through profit or loss
- Investment measured at fair value through other comprehensive income	-	-	353,544,182	353,544,182	Fair value through other comprehensive income
- Investments measured at amortized cost	-	-	79,210,000	79,210,000	Amortised cost
Other non-current financial assets					
- Investment measured at fair value through other comprehensive income	-	-	730,061,488	730,061,488	Fair value through other comprehensive income
Right-of-use assets	-	82,370,037	-	82,370,037	Amortised cost
Short-term investments					
- Trading investments	3,054,570,024	-	(3,054,570,024)	-	
- Investment held as available-for-sales	353,544,182	-	(353,544,182)	-	
- Investments held-to-maturity	79,210,000	-	(79,210,000)	-	
Investment held as available-for-sales	723,905,058	-	(723,905,058)	-	
Other long-term investments					
- General investments	6,156,430	-	(6,156,430)	-	

## CONSOLIDATED FINANCIAL STATEMENTS

	Carrying amounts As at December 31, 2019	Remeasurements	Reclassifications	Carrying amounts As at January 1, 2020	Category
	Baht	Baht	Baht	Baht	
Payables to Clearing House and broker - dealers	315,344,553	-	-	315,344,553	Amortised cost
Securities business payables	273,545,381	-	-	273,545,381	Amortised cost
Derivatives liabilities	2,686,135	-	-	2,686,135	Fair value through profit or loss
Debts issued and borrowings	176,568,250	-	-	176,568,250	Amortised cost
Current portion of debentures	978,117,861	-	-	978,117,861	Amortised cost
Liabilities under finance lease agreements	-	82,370,037	-	82,370,037	Amortised cost

## SEPARATE FINANCIAL STATEMENTS

	Carrying amounts As at December 31, 2019	Remeasurements	Reclassifications	Carrying amounts As at January 1, 2020	Category
	Baht	Baht	Baht	Baht	
<b>Financial assets</b>					
Cash and cash equivalents	188,790,669	-	-	188,790,669	Amortised cost
Trade and other current receivables	101,883,570	-	-	101,883,570	Amortised cost
Short-term loan to subsidiaries	69,132,650	-	-	69,132,650	Amortised cost
Other current financial asset					
- Investment measured at fair value through profit or loss	-	-	1,303,351,094	1,303,351,094	Fair value through profit or loss
- Investment measured at fair value through other comprehensive income	-	-	353,544,182	353,544,182	Fair value through other comprehensive income
- Investments measured at amortized cost	-	-	561,661,004	561,661,004	Amortised cost
Other non-current financial assets					
- Investment measured at fair value through other comprehensive income	-	-	664,011,113	664,011,113	Fair value through other comprehensive income
Right-of-use assets	-	16,429,968	-	16,429,968	Amortised cost
Short-term investment					
- Trading investments	1,303,351,094	-	(1,303,351,094)	-	
- Investment held as available-for-sales	353,544,182	-	(353,544,182)	-	
- Investments held-to-maturity	561,661,004	-	(561,661,004)	-	
Investment held as available-for-sales	664,011,133	-	(664,011,133)	-	
<b>Financial liabilities</b>					
Trade and other current payables	34,142,592	-	-	34,142,592	Amortised cost
Current portion of debts issued and borrowings	1,027,200,000	-	-	1,027,200,000	Amortised cost
Liabilities under finance lease agreements	-	16,429,968	-	16,429,968	Amortised cost

### 3. SIGNIFICANT ACCOUNTING POLICIES

The Group changed in accounting policies due to the Group has adopted the revised and new financial reporting standards which described in Note 2.4. The significant change of accounting policy were contrast as below:

#### 3.1 Financial instruments

##### *Policies applicable from January 1, 2020*

Financial assets and financial liabilities are recognized in the Group's consolidated and separate statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

##### **Financial assets**

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### Classification of financial assets

##### (i) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period. Interest income is recognized in profit or loss and included in the "interest income" line item.

##### (ii) Debt instruments classified as at FVTOCI

The corporate bonds held by the Group are classified as at FVTOCI. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these corporate bonds are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.



(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if;

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be classified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with TFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the “gains and return of financial instruments” line item in profit or loss.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of TFRS 9.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically;

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called “accounting mismatch”) that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

#### Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, Receivable from Clearing House and broker - dealer and Securities business receivable and Derivative business receivable. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for investment in debt instrument by amortized cost or at FVTOCI, receivables from clearing house , broker-dealers and securities and derivatives business receivable. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### (i) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(ii) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

### **Financial liabilities**

All financial liabilities are measured subsequently at amortized cost using the effective interest method at FVTPL.

#### *Financial liabilities designated as at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if;

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if;

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- It forms part of a contract containing one or more embedded derivatives, and TFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the “Gains and return on financial instruments” line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability’s credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

*Financial liabilities measured subsequently at amortized cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

*Derecognition of financial liabilities*

The Group derecognizes financial liabilities only when the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between; (1) the carrying amount of the liability before the modification; and (2) the present value of cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

***Policies applicable before January 1, 2020*****(1) Securities and derivatives business receivables/Securities and derivatives business payables**

Securities and derivatives business receivables are the net balance after deducting allowance for doubtful accounts. Securities business receivables consist of receivables from securities businesses of cash accounts, margin loans, guaranteed deposit receivables, securities borrowing and lending receivables and other receivables. Receivables from securities businesses of cash accounts are the receivables that were derived from cash settlements within 2 working days for equity securities business receivables and agreed payment for debt securities business receivables, after the securities purchasing date. Margin loans are accounts that debtors are granted loans for securities purchasing with collaterals at the rate which is not lower than the rate required by the Stock Exchange of Thailand. Other receivables include overdue securities and derivatives receivables of cash accounts and securities and derivatives receivables which are the subject of legal proceedings, are undergoing restructuring or are settling in installments.

Securities and derivatives business payables are the obligations of the Group in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales or securities borrowing, and obligations to return assets held by the Group as collateral for securities lending.

The allowance for doubtful accounts is based on the assessment of the status of individual debtor and overall debtors as well as the requirements as stated in the Office of the Securities and Exchange Commission's Notifications No. KorThor. 33/2543 and KorThor. 5/2544 dated August 25, 2000 and February 15, 2001, respectively. Such assessment takes into consideration various factors including the risks involved and the value of collateral. Allowance is made for the estimated losses that might be incurred where the debts are not fully secured and/or there exists a possibility that principal and interest cannot be recovered in full.

Such debt classifications and provisions are in accordance with guidelines by the Office of the Securities and Exchange Commission as follows:

- a) Assets classified as bad debt are to satisfy the following criteria:
  - 1) Loans balances which the Group has already made every effort to collect, but which remain unpaid and which the Group has already written off in accordance with tax law.
  - 2) Loans balances which the Group has forgiven.
- b) Doubtful debt is defined as the uncollateralized portion of the value of a debt which meets the following criteria:
  - 1) General loans, problem financial institution loans, and other loans for which the collateral value is less than the loan balance.
  - 2) Installment loans with repayments scheduled less frequently than every 3 months which principal or interest is overdue by more than 3 months.
  - 3) Installment loans with repayments scheduled over than every 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received.
- c) Sub-standard debt is defined as the collateralized portion of loans which meet the criteria in b).

Loans classified as bad debt will be written off when identified. Provision will be set aside for loans classified as doubtful at not less than 100% of the doubtful debt balance.

## (2) Investment

Investments in marketable securities held for trading are stated at fair value, with any resultant gain or loss on re-measuring investments recognized in the statements of comprehensive income.

Investments in debt securities that the Group intends and is able to hold to maturity are stated at amortized cost less impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortized using the effective interest rate method over the period to maturity.

Investments in debt securities and marketable equity securities other than those securities held for trading or intended to be held to maturity, are classified as being available-for-sale investments and are stated at fair value, with any resultant gain or loss on re-measuring investments being recognized as other component of owners' equity in owners' equity. The exception is impairment losses, which is recognized in the statements of comprehensive income. When these investments are disposed, the cumulative gain or loss previously recognized directly in other component of owners' equity in owners' equity is recognized in the statements of comprehensive income. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized in the statements of comprehensive income.

Investments in deposits at financial institutions include fixed deposit accounts, promissory notes with an original maturity of longer than 3 months from acquisition date, deposit used as collateral and certificate of deposit with maturities within 3 months from acquisition date which the Group intends to hold to roll over them.

Investments in equity securities which are not marketable are stated at cost, net allowance for impairment, if any.

The fair value of marketable security is based on the latest bid price of the last working day of the period/year as quoted on the Stock Exchange of Thailand. The fair value of unit trusts of closed - end fund is determined from their net asset value. The fair value of debentures is calculated by using the latest bid yield as quoted by the Thai Bond Market Association.

The weighted average method is used for computation of the cost of investments in equity securities. The first-in first-out method is used for computation of the cost of investments in derivatives.

### Impairment

Loss on impairment, if any of investments is recognized in the statements of comprehensive income when the carrying amount exceeds its recoverable value.



### 3.2 Lease

#### *Policies applicable from January 1, 2020*

##### The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

##### The Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies

TFRS 15 to allocate the consideration under the contract to each component.

***Policies applicable before January 1, 2020***

Leased assets

Leases in terms of which the Group assumes substantial the risk and rewards of ownership other than legal title are classified as finance leases. Leased asset acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and allowance for impairment (if any). Lease payments are apportioned between the finance charges and reduction of the lease liability. Finance charges are charged directly to the statements of comprehensive income.

3.3 Revenue recognition

Brokerage fees and fees and service income

1) Brokerage fees

Brokerage fees on securities and derivatives trading are recognized at a point in time on execution date of the trades at a percentage of the transaction value of the trades executed.

2) Fees and service income

Underwriting fee income and fund arranging fee income

Revenue from underwriting and fund arrangement services are recognized when the relevant placing, underwriting, sub-underwriting or arrangement services activities are completed. Accordingly, the revenue is recognized at a point in time.

Financial advisory fee income

Financial advisory fee income is recognized when the Group has satisfied its performance obligation in providing the promised service to the customer, and recognized based on contractual rate agreed with customers. Accordingly, the revenue is recognized at over time.

Private fund management fee income

Private fund management fee is recognized as a performance obligation satisfied over time which is charged at a percentage of the net asset value of the funds, on the basis stipulated in each fund's agreements.

Selling agent fee

Selling agent fee is comprised of commission income from front end fee and back end fee which are recognized on completion of the transaction, and retaining fee income which is recognized when service rendered over the period of time.

## 3) Interest income

**Accounting policy adopted since January 1, 2020**

The Company recognized interest income using the effective interest rate method.

The Company calculates interest income by applying the effective interest rate to the gross book value of financial assets which are not impaired.

**Accounting policy adopted before January 1, 2020**

## Interest on margin loans

Interest is recognized on an accrual basis, but where there is uncertainty as to the collectability of loans and interest, the Group stops using an accrual basis.

In the following cases, collectability of loans and interest is held to be uncertain.

- 1) Loans which are not fully collateralized.
- 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months.
- 3) Installment loans with repayments scheduled over than every 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received.
- 4) Problem financial institution.
- 5) Other receivables from which interest payment is overdue for 3 months or more.

These conditions are based on the guidelines stipulated by the Office of the Securities and Exchange Commission.

## 4) Gains (losses) on investments and derivatives

Gains (losses) on investments and derivatives are recognized as income or expenses on trading date.

### 3.4 Expenses recognition

Expenses are recognized on an accrual basis.

### 3.5 Recognition and amortization of customer deposits

Money which customers have placed with the subsidiary in cash accounts, cash balance and credit balance for securities trading and derivatives trading is recorded as the asset and liability of the subsidiary. As at the statement of financial position date, the subsidiary writes these amounts off from both assets and liabilities and presents only assets and liabilities which belong to the subsidiary.

### 3.6 Cash and cash equivalents

Cash and cash equivalents include cash on hand, current deposit accounts, saving deposit accounts, time deposit with maturities not later than 3 months from acquisition date, and without commitments, call notes receivables and term promissory notes with maturities within 3 months from acquisition date. This accords with the Notification issued by the Office of the Securities and Exchange Commission.

### 3.7 Receivables from/ payables to Clearing House and broker-dealers

Net balances of receivable and payable incurred from settlement of securities and derivatives trading each day through Thailand Securities Depository Co., Ltd., and net balances of receivable and payable included from settlement of foreign securities trading each day through foreign securities companies, are presented as net balance receivables or payables from/to Clearing House.

### 3.8 Borrowing and lending of securities

The Group is engaged in securities borrowing and lending, whereby the Group acts as a principal of the borrowers and lenders of securities.

The Group records its obligations to return borrowed securities which it has lent as “Payables under securities borrowing and lending business” in the statement of financial position. At the end of the reporting period, the balance of payables under securities borrowing and lending business are adjusted based on the latest offer price quoted on the Stock Exchange of Thailand of the last working day of the year. Gains or losses arising from such adjustment are included in part of profit or loss in the statement of comprehensive income. The Group records cash paid as collateral for securities borrowing as “Guaranteed deposit receivables”. Fees from borrowing are recognised on an accrual basis over the term of the lending.

### 3.9 Investments in subsidiaries and associates

Investments in associates are accounted for in the consolidated financial statements using the equity method.

Investment in subsidiaries and associates are accounted for in the separate financial statements using the cost method less allowance for impairment loss, if any.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Any excess of the cost of acquisition over the carrying amount of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment.

Loss on impairment, if any of investments in subsidiaries and associates is recognized in the statements of profit or loss and other comprehensive income.

### 3.10 Property, premises and equipment

Property is stated at cost. Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment, if any.

Depreciation is charged to the statements of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of an item from the date that premises and equipment are available to use.

The estimated useful lives are as follows:

Premises	20 years
Premises/leasehold improvement	5 years
Furniture and office equipment	3 - 5 years
Vehicles	5 years

#### Leased assets

Leases in terms of which the Group assumes substantial the risk and rewards of ownership other than legal title are classified as finance leases. Leased asset acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses, if any. Lease payments are apportioned between the finance charges and reduction of the lease liability. Finance charges are charged directly to the statements of profit or loss and other comprehensive income.

#### Impairment

Premises and equipment are tested for impairment when indicators of impairment are identified.

Gain and loss on disposals are determined by comparing proceeds with carrying amount and are included in the statements of profit or loss and other comprehensive income.

### 3.11 Intangible assets

Intangible assets with definite useful life are stated at cost less accumulated amortization and allowance for impairment, if any.

Amortization is charged to the statements of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of an item from the date that intangible assets with definite useful life are available for use.

The estimated useful lives are as follows:

Using derivatives business fee	1 - 5 years
Computer software	5 - 10 years

Some computer software have an indefinite useful life when there are no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Company.

Intangible assets with indefinite useful life are tested for impairment annually or whenever there is an indicators of impairment are identified, and allowance for impairment is recognized, if any.

### 3.12 Assets classified as held for sale

Assets are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, the Group's management anticipates the sale is highly probable and the assets are available for immediate sale in its present condition.

Assets held for sale consist of immovable properties which is stated at the lower of cost amount or fair value after deducting costs of sales.

### 3.13 Leasehold right

Leasehold right is stated at cost less accumulated amortization and allowance for impairment, if any.

Amortization is charged to the statements of profit or loss and other comprehensive income on a straight-line basis over the period of the lease term.

### 3.14 Investment property

Investment property is stated at cost less accumulated depreciation and allowance for impairment, if any.

### 3.15 Securities sold under sell and buy back agreements

Securities sold under sell and buy back agreements are securities that the Company sells and buy back at certain dates in the future at a fixed purchasing price. Securities sold under sell and buy back agreements presented as liabilities in the statement of financial position at the amount received from such transaction. The difference between the purchase and sale considerations is recognized on accrual basis on the period of time, which present as finance cost. Such securities are considered as collateral.

### 3.16 Securities business payables

Securities business payables are the obligations of the subsidiary in respect of its securities and derivatives businesses with outside parties.

### 3.17 Derivatives liabilities

Derivative warrants are recorded as liabilities items and the changes in fair value are recorded in the statements of profit or loss and other comprehensive income. The fair value of derivative warrants is based on the latest offer price of the last working day of the year as quoted on the Stock Exchange of Thailand.

### 3.18 Structured notes

Structured notes are debentures which the Company offered to customers, who are institutional investors or high net worth investors. The notes are issued under conditions approved by the Office of the Securities and Exchange Commission, and the underlying assets are securities listed on the Stock Exchange of Thailand.

The notes are recorded at amortised cost, adjusted by the discount on the notes. The discount is amortised by the effective rate method with the amortised amount presented as interest expenses in the statement of profit or loss and other comprehensive income.

Embedded derivatives are recorded as derivative assets at fair value and the changes in fair value are recorded in the statements of profit or loss and other comprehensive income. In determining the fair value, the company uses a valuation technique and theoretical model. The input to the model is derived from observable market conditions that include interest rate, underlying price and volatility of underlying asset.

### 3.19 Borrowings

Borrowings are recognized initially at fair value of proceeds received. Borrowings are subsequently stated at amortized cost using the effective yield method any difference between proceeds and the redemption value is recognized in the statements of profit or loss and other comprehensive income over the period of borrowings.

### 3.20 Provision for liabilities

The Group recognizes provision as liabilities in the financial statements when the amount of the liability can be reliably estimated and as commitments when it is likely that loss of resources which are of economic benefit to the Group will result from settlement of such commitments.

### 3.21 Employee benefits

#### 3.21.1 Provident fund

The contribution for employee provident fund is recorded as expense when incurred.

#### 3.21.2 Employee benefits obligation

The Group calculated the post-employment benefits obligation under the Thai Labor Protection Act based on actuarial assumptions at the end of reporting period using Projected Unit Credit Method, which is estimated based on the present value of expected cash flows of benefits to be paid in the future taken into account the actuarial assumptions, including salaries, turnover rate, mortality rate, years of service and other factors. Discount rate which calculates the post-employment benefit obligation based on yield rate of government bond.

The expenses for the defined post-employment benefits plan are recognized as personnel expenses in the statement of profit or loss and other comprehensive income.

Actuarial gains on defined post-employment benefits are recognized in other comprehensive income (loss).

### 3.22 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

#### Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

#### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognizes deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.



At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

### 3.23 Basic and diluted earnings per share

Basic earnings per share is determined by dividing net income attributable to owners of the Company for the year by the weighted average number of ordinary shares held by outside parties outstanding during the year. And diluted earnings per share was calculated based on the weighted average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

### 3.24 Foreign currency transactions

Transactions during the year denominated in foreign currencies are translated into Baht at rates of exchange on transaction dates. Monetary assets and liabilities in foreign currencies at the date of the financial statements are converted at the reference exchange rates established by the Bank of Thailand at that date. Gains or losses on exchange arising on translation and settlement is recognized as income or expense in the statements of profit or loss and other comprehensive income.

### 3.25 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3.26 Critical accounting judgments and key source of estimation uncertainty

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Group's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. Critical judgments in applying the Group's accounting policies are as follows:

#### 3.26.1 Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is probably that sufficient taxable profits will be available in the future against which the reversal of temporary differences can be deducted which involves judgement regarding the future financial performance of the Group.

#### 3.26.2 Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group's considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 29.

Past service cost related to the plan amendment is recognized as an expense in the statement of comprehensive income when the plan amendment is effective.

### 3.26.3 Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Board of Directors of the Company has set up a valuation committee, which is headed by the Chief Financial Officer, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses other observable information either directly or indirectly.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 50.6.

### 3.26.4 Calculation of loss allowance

When measuring expected credit losses the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of defaults is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

#### 4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

##### 4.1 Non-cash items are as follows:

During the year ended December 31, 2020, the Group recognized loss on re-measuring investments at fair value through other comprehensive income net from related income tax, which were presented as deduction from other component of shareholders' equity in the consolidated and separated financial statements amounting to approximately Baht (352.2) million and Baht (211.4) million, respectively.

During the year ended December 31, 2019, the Group recognized losses on re-measuring investments held as available for sale and adjustment surplus on re-measuring investments held as available for sale disposed during the years net from related income tax, which were presented as deduction from other component of shareholders' equity in the consolidated financial statements and separate financial statements amounting to approximately Baht (196.7) million and Baht (210.9) million, respectively.

##### 4.2 Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities for the years ended December 31, 2020 and 2019 in consolidated financial statements consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENT						Unit: Thousand Baht
	As at	Cash flows	Non-cash changes				As at
	January 1, 2020		Maturity	Renewal	Amortized	Other	December 31, 2020
Borrowing from financial							
Institutions							
Promissory note	150,000	200,000	-	-	-	-	350,000
Debt issued and borrowings							
Bill of exchange	167,500	(147,500)	1,137,500	(1,137,500)	-	-	20,000
Structured notes	10,000	(10,000)	-	-	-	-	-
Total	<u>177,500</u>	<u>(157,500)</u>	<u>1,137,500</u>	<u>(1,137,500)</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Debentures	978,118	(251,324)	-	-	4,182	-	730,976
Lease liabilities	82,370	(39,335)	-	-	-	7,338	50,373

Unit: Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENT						
	As at January 1, 2019	Cash flows	Non-cash changes				As at December 31, 2019
			Maturity	Renewal	Amortized	Other	
Short-term borrowing from financial Institutions							
Promissory note	-	150,000	-	-	-	-	150,000
Debt issued and borrowings							
Bill of exchange	212,500	(45,000)	(505,000)	505,000	-	-	167,500
Structured notes	-	10,000	-	-	-	-	10,000
Total	212,500	(35,000)	(505,000)	505,000	-	-	177,500
Debentures	1,036,820	-	-	-	-	(58,702)	978,118

Reconciliation of liabilities arising from financing activities for the years ended December 31, 2020 and 2019 in separate financial statements consisted of the following:

Unit: Thousand Baht

	SEPARATE FINANCIAL STATEMENT						
	As at January 1, 2020	Cash flows	Non-cash changes				As at December 31, 2020
			Maturity	Renewal	Amortized	Other	
Debentures	1,027,200	(279,520)	-	-	4,182	-	751,862
Lease liabilities	16,430	(7,359)	-	-	-	621	9,692

Unit: Thousand Baht

	SEPARATE FINANCIAL STATEMENT						As at December 31, 2019
	As at January 1, 2019	Cash flows	Non-cash changes				
			Maturity	Renewal	Amortized	Other	
Short-term borrowings from a subsidiary	16,178	(16,178)	-	-	-	-	-
Debentures	1,079,800	(52,600)	-	-	-	-	1,027,200

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2020 and 2019 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Cash, short-term deposits and promissory notes with maturities not later than 3 months from acquisition date	2,237,093,488	1,466,430,694	302,856,918	188,790,669
(Less) Deposits for customers' account*	(1,406,044,044)	(1,114,007,067)	-	-
Total	<u>831,049,444</u>	<u>352,423,627</u>	<u>302,856,918</u>	<u>188,790,669</u>

\* Deposit accounts for the customers were not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.

## 6. OTHER FINANCIAL ASSETS

### 6.1 Other current financial assets

6.1.1 Other current financial assets as at December 31, 2020 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENT			SEPARATE FINANCIAL STATEMENTS		
	As at December 31, 2020			As at December 31, 2020		
	Non-collateralised investments	Collateralised investments	Total	Non-collateralised investments	Collateralised investments	Total
	Baht	Baht	Baht	Baht	Baht	Baht
<b>Investment measured at fair value through profit or loss</b>						
Equity instruments:						
- Listed securities	324,234,816	-	324,234,816	39,166,671	-	39,166,671
- Units Trust	509,283,918	-	509,283,918	104,549,291	-	104,549,291
(Less) Investments held for customers*	(400,000,000)	-	(400,000,000)	-	-	-
Total	433,518,734	-	433,518,734	143,715,962	-	143,715,962
Debt instruments:						
- Debentures	1,012,014,962	-	1,012,014,962	179,793,866	-	179,793,866
- Securities sold under sell and buy back agreements	-	1,319,202,900	1,319,202,900	-	-	-
Total	1,012,014,962	1,319,202,900	2,331,217,862	179,793,866	-	179,793,866
Total	1,445,533,696	1,319,202,900	2,764,736,596	323,509,828	-	323,509,828
<b>Investment measured at fair value through other comprehensive income</b>						
Equity instruments:						
- Listed securities	345,787,379	-	345,787,379	345,787,379	-	345,787,379
<b>Investments measured at amortized cost</b>						
Debt instruments:						
- Debentures	82,000,000	-	82,000,000	872,000,000	-	872,000,000
- Promissory note	-	-	-	60,000,000	-	60,000,000
- Bill of Exchange	139,000,000	-	139,000,000	-	-	-
(Less) Expected credit loss	(139,000,000)	-	(139,000,000)	-	-	-
Total	82,000,000	-	82,000,000	932,000,000	-	932,000,000
Deposits in financial institutions						
- Fixed deposit	2,050,206,135	54,010,000	2,104,216,135	-	-	-
(Less) Deposits in customers' account*	(2,050,006,135)	-	(2,050,006,135)	-	-	-
Total	200,000	54,010,000	54,210,000	-	-	-
Total	82,200,000	54,010,000	136,210,000	932,000,000	-	932,000,000
<b>Total</b>	<b>1,873,521,075</b>	<b>1,373,212,900</b>	<b>3,246,733,975</b>	<b>1,601,297,207</b>	<b>-</b>	<b>1,601,297,207</b>

\* Investments and deposit held for customers are not required to present as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.

The above investments excluded customer's securities which were deposited with the subsidiary for securities brokerage purpose.

As at December 31, 2020, the subsidiary had investments measured at amortized cost amounting to Baht 139.0 million which the subsidiary has fully provided allowance for expected credit loss.

## 6.1.2 Current investments as at December 31, 2019 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2019		As at December 31, 2019	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
	Baht	Baht	Baht	Baht
<b>Trading investments</b>				
Equity securities:				
Unit trusts	1,230,807,678	1,232,336,697	730,807,678	731,825,486
Listed securities	780,592,605	740,293,458	254,185,907	235,505,903
(Less) Allowance for revaluation	(38,770,128)	-	(17,662,196)	-
(Less) Investment in customer account*	(500,000,000)	(500,000,000)	-	-
Total Equity securities	1,472,630,155	1,472,630,155	967,331,389	967,331,389
Debt instruments:				
Debentures	659,124,115	661,380,564	335,083,472	336,019,705
Securities sold under sell and buy back agreements	915,076,920	920,559,305	-	-
Add Allowance for revaluation	7,738,834	-	936,233	-
Total debt instruments	1,581,939,869	1,581,939,869	336,019,705	336,019,705
Total trading investments	3,054,570,024	3,054,570,024	1,303,351,094	1,303,351,094
<b>Investments held as available for sale</b>				
Equity securities:				
Listed securities	343,895,265	353,544,182	343,895,265	353,544,182
(Less) Allowance for revaluation	9,648,917	-	9,648,917	-
Total investments held as available for sale	353,544,182	353,544,182	353,544,182	353,544,182
<b>Investments with held-to-maturity</b>				
Debt instruments:				
Debenture	25,000,000		25,000,000	
Bill of exchange	139,000,000		540,000,000	
(Less) Discount	-		(3,338,996)	
(Less) Allowance for loss on impairment	(139,000,000)		-	
Total debts instruments	25,000,000		561,661,004	
Deposits in financial instruments:				
Fixed deposit	950,206,109		-	
Deposits with restriction	54,010,000		-	
(Less) Deposits in customers' account*	(950,006,109)		-	
Total deposits in financial instruments	54,210,000		-	
Total investments with held-to-maturity	79,210,000		561,661,004	
Total	3,487,324,206		2,218,556,280	

\* Deposit accounts for customer were not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.

The above investments excluded customer's securities which were deposited with the subsidiary for securities brokerage purpose.

As at December 31, 2019, the subsidiary had investments in debt instruments amounting to Baht 139.0 million which the subsidiary has fully provided allowance for loss on impairment.

6.2 Fair value of investment obligation in debt instruments and equity instruments classified by type :

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>		
	<b>As at December 31, 2020</b>	<b>As at December 31, 2019</b>
	<b>Baht</b>	<b>Baht</b>
Securities Borrowing and Lending	237,154,600	101,832,400
Securities pledge as collateral	54,010,000	54,010,000
Securities sold under sell and buy back agreements	1,319,202,900	920,559,305
Total	<u>1,610,367,500</u>	<u>1,076,401,705</u>

6.3 Deposit at financial institutions and investment in debt instruments classified by remaining periods to maturity

CONSOLIDATED FINANCIAL STATEMENT				
As at December 31, 2020				
	Less than 1 year	1 - 5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht
Investment measured at amortized cost				
Deposits in financial institutions	2,104,216,135	-	-	2,104,216,135
(Less) Deposits in customers' account*	(2,050,006,135)	-	-	(2,050,006,135)
Total	54,210,000	-	-	54,210,000

	CONSOLIDATED FINANCIAL STATEMENT			
	As at December 31, 2019			
	Less than 1 year	1 - 5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht
Investment measured at amortized cost				
Deposits with restriction	1,004,216,109	-	-	1,004,216,109
(Less) Deposits in customers' account*	(950,006,109)	-	-	(950,006,109)
Total	54,210,000	-	-	54,210,000

\* Deposit accounts for customer were not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.



## 6.4 Non-current financial assets as at December 31, 2020 consisted of the following:

### 6.4.1 Non-current financial assets as at December 31, 2020 are as follows:

	CONSOLIDATED FINANCIAL STATEMENT	SEPARATE FINANCIAL STATEMENT
	As at December 31, 2020	As at December 31, 2020
	Non-collateralised investment	Non-collateralised investment
	Baht	Baht
<b>Investment measured at fair value through other comprehensive income</b>		
Equity instrument:		
- Equity securities	47,986,194	-
- Listed securities	471,168,689	450,675,139
(Less) allowance for expected credit loss	(41,829,764)	-
Total	477,325,119	450,675,139

The Group has investments in companies that have financial position and performance problems as follows:

	CONSOLIDATED FINANCIAL STATEMENT			SEPARATE FINANCIAL STATEMENT		
	As at December 31, 2020			As at December 31, 2020		
	Cost	Fair Value	Allowance for expected credit loss	Cost	Fair Value	Allowance for loss on impairment
	Baht	Baht	Baht	Baht	Baht	Baht
<b>Investment measured at fair value through profit or loss</b>						
- Debentures	340,832,022	169,126,327	-	3,057,638	1,488,900	-
<b>Investment measured at fair value through other comprehensive income</b>						
- Ordinary shares	41,829,764	-	41,829,764	-	-	-

### 6.4.2 Investments held as available for sale as at December 31, 2019 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENT		SEPARATE FINANCIAL STATEMENT	
	As at December 31, 2019		As at December 31, 2019	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
	Baht	Baht	Baht	Baht
<b>Investments held as available for sale</b>				
Equity securities:				
Listed securities	974,105,102	723,905,058	914,183,041	664,011,133
(Less) Allowance for revaluation	(250,200,044)	-	(250,171,908)	-
Total	723,905,058	723,905,058	664,011,133	664,011,133

Unrealized gain (loss) on re-measuring investments held as available for sale recognized in other component of shareholders' equity in shareholders' equity were as follows:

	CONSOLIDATED FINANCIAL STATEMENT	SEPARATE FINANCIAL STATEMENT
	2019	2019
	Baht	Baht
Balance at beginning of the years	(83,205,867)	18,516,606
Change during the years		
- From re-measuring of investments	(287,656,622)	(288,152,197)
- Adjustments relating to the disposal of deficit on re-measuring investments disposed during the year*	55,753,422	24,483,450
- Share of loss on other comprehensive income of associates	(11,132,296)	-
- Income tax relating to components of other comprehensive income (loss)	46,380,640	52,733,749
Non-controlling interests	(174,883)	-
Balance at end of the years	(280,035,606)	(192,418,392)

\* The above transactions were previously recognized gain (loss) from re-measuring of investments in other comprehensive income in the prior years. Such investments were sold and recognized as gain or loss on investments in the statements of profit or loss and other comprehensive income for the years ended December 31, 2019.

6.4.3 Other long-term investments as at December 31, 2019 consisted of the following;

	CONSOLIDATED FINANCIAL STATEMENT
	2019
	Cost
	Baht
<b>General investments</b>	
Equity securities	47,986,194
(Less) Allowance for loss on impairment	(41,829,764)
Total general investments	6,156,430

The Group has investments in companies that have financial position and performance problems as follows:

	CONSOLIDATED FINANCIAL STATEMENT		
	As at December 31, 2019		
	Cost	Fair Value	Allowance for expected credit loss
	Baht	Baht	Baht
Ordinary shares	41,829,764	-	41,829,764

## 6.5 Investments in equity instrument measured at fair value through other comprehensive income

CONSOLIDATED FINANCIAL STATEMENT				
As at December 31, 2020				
The reason for using this method	Fair Value	Dividend income	Retained earning transferred within Shareholders' equity	Reason for transfer
	Baht	Baht	Baht	
Country Group Development Public Company Limited Foreign Investment	Intention to held in long-term period	448,772,460	-	-
Others	Intention to held in long-term period	343,843,379	528,872	3,410,314
	Intention to held in long-term period	30,496,659	1,065,165	10,474,153
Total		823,112,498	1,594,037	13,884,467

## 6.6 As at December 31, 2020 and December 31, 2019, deposits at financial institutions of the subsidiary have been pledged as collateral to banks as follows:

CONSOLIDATED FINANCIAL STATEMENTS		
As at December 31,		
	2020	2019
	Baht	Baht
Pledged as collateral for over-draft credit limit and borrowing	54,000,000	54,000,000
Others	10,000	10,000
Total	54,010,000	54,010,000

## 7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, 2020 and 2019 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Guarantee for securities receivables	59,735	59,953	173,166,852	80,111,526
Receivable from sales of securities and derivatives	3,977,875	61,112	3,977,875	6,544,048
Prepaid expenses	55,401,739	26,405,688	1,132,252	1,206,586
Accrued income	44,333,402	45,910,132	6,439,003	7,518,436
Deposit receivable	-	234,422	-	-
Collateral Deposit receivable	13,564,475	-	-	-
Others	14,726,445	4,122,131	1,927,718	6,502,974
Total	132,063,671	76,793,438	186,643,700	101,883,570

## 8. RECEIVABLES FROM CLEARING HOUSE AND BROKER-DEALERS

Receivables from clearing house and broker-dealers as at December 31, 2020 and 2019 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at December 31,	
	2020	2019
	Baht	Baht
Receivables from Clearing House	756,814,338	790,374,059
Receivables from foreign securities	-	7,290,662
(Less) Receivables from Clearing House for the customers*	(560,824,811)	(706,270,204)
Total	195,989,527	91,394,517

\* Receivables from Clearing House accounts for the customers is not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.

## 9. SECURITIES AND DERIVATIVES BUSINESS RECEIVABLES

Securities and derivative business receivables as at December 31, 2020 and 2019 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at December 31,	
	2020	2019
	Baht	Baht
<u>Securities business receivables</u>		
Customers' cash accounts	800,512,076	724,657,883
Margin loans	844,440,706	991,088,472
Guarantee deposit receivables	331,042,397	115,145,010
Securities borrowing and lending receivables	49,700,000	39,311,400
Other receivables		
- Receivables under litigation	387,522,473	387,522,473
- Other receivables	3,262,547	513,182
Total securities business receivables	2,416,480,199	2,258,238,420
(Less) Allowance for expected credit loss	(366,781,293)	-
(Less) Allowance for doubtful account	-	(368,659,751)
Total securities business receivables	2,049,698,906	1,889,578,669
<u>Derivatives business receivables</u>		
Receivables under litigation	36,742,993	-
Other receivables	5,285,691	-
(Less) Allowance for expected credit loss	(42,028,684)	-
Total derivatives business receivables	-	-
Total	2,049,698,906	1,889,578,669

As at December 31, 2020, the subsidiary has securities and derivative business receivable Baht 423.8 million which the allowance for expected credit loss was fully set up for allowance for expected credit loss.

As at December 31, 2019, the subsidiary has ceased to recognize the interest income from securities and derivative business receivable Baht 388.0 million which the allowance for doubtful debt was fully set up for doubtful status.

### Receivables classified by class

As at December 31, 2020 and 2019, the Group has classified securities business receivables including Derivatives business receivables, related accrued interest receivables and allowance for expected credit loss which were summarized as follows:

CONSOLIDATED FINANCIAL STATEMENT			
As at December 31, 2020			
	Securities and derivative business receivables and accrued interest receivables	Exposure at default	Allowance for expected credit loss
	Baht	Baht	Baht
<u>Securities business receivables</u>			
Account receivable that no significant increment of credit risk	2,028,444,544	2,028,444,544	-
Account receivable that significant increment of credit risk	-	-	-
Account receivable Impairment on credit loss	388,035,655	366,781,293	(366,781,293)
Total	2,416,480,199	2,395,225,837	(366,781,293)
<u>Derivatives business receivables</u>			
Account receivable that no significant increment of credit risk	-	7,224,462,481	-
Account receivable that significant increment of credit risk	-	-	-
Account receivable Impairment on credit loss	42,028,684	42,028,684	(42,028,684)
Total	42,028,684	7,266,491,165	(42,028,684)
Total	2,458,508,883	9,661,717,002	(408,809,977)

Unit : Million baht

CONSOLIDATED FINANCIAL STATEMENT			
As at December 31, 2019			
	Securities and derivative business receivables and accrued interest receivables	Allowance for doubtful account	Securities and derivative business receivable-net
Normal debts	1,870.2	-	1,870.2
Sub-standard debts	19.4	-	19.4
Doubtful of loss debts	368.7	(368.7)	-
Total	2,258.3	(368.7)	1,889.6

## 10. ALLOWANCE FOR EXPECTED CREDIT LOSS

Allowance for expected credit loss as at December 31, 2020 consisted of the following:

CONSOLIDATED FINANCIAL STATEMENT			
As at December 31, 2020			
Allowance for performing	Allowance for under- performing	Allowance for non-performing	Total
Baht	Baht	Baht	Baht
<u>Securities business receivables</u>			
Beginning balance	-	368,659,751	368,659,751
Change in ECL during the year	-	(1,878,458)	(1,878,458)
Ending balance	-	366,781,293	366,781,293
<u>Derivatives business receivables</u>			
Beginning balance	-	-	-
Change in ECL during the year	-	42,028,684	42,028,684
Ending balance	-	42,028,684	42,028,684
<u>Other assets</u>			
Beginning balance	-	97,670	97,670
Change in ECL during the year	-	11,420,059	11,420,059
Ending balance	-	11,517,729	11,517,729

Allowances for doubtful accounts as at December 31, 2019 consisted of the following:

CONSOLIDATED FINANCIAL STATEMENT	
As at December 31, 2019	
	Baht
Balances - beginning of the year	359,635,344
<u>Add</u> Allowances for doubtful accounts	9,024,407
Balances - ending of the year	368,659,751

## 11. SHORT-TERM LOAN TO SUBSIDIARIES

As at December 31, 2020 and 2019, short-term loan to subsidiaries in the separate financial statements was approximately Baht 130.1 million and Baht 69.1 million, respectively, due at call, carrying interest rate at 6.2% per annum and 6.3% per annum, respectively. Short-term loan to subsidiaries has no property, plant and equipment or other securities used as collateral.

## 12. DERIVATIVES ASSETS AND LIABILITIES

Derivatives assets and liabilities as at December 31, 2020 and 2019 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENT		CONSOLIDATED FINANCIAL STATEMENT	
	Assets		Liabilities	
	As at December 31, 2020		As at December 31, 2020	
	Fair value	Notional amounts	Fair value	Notional amounts
	Baht	Baht	Baht	Baht
Underlying assets				
Equity price	1,872,460	544,482,709	-	-
SET50 Index	241,240	13,401,400	-	-
Total	2,113,700	557,884,109	-	-

	CONSOLIDATED FINANCIAL STATEMENT		CONSOLIDATED FINANCIAL STATEMENT	
	Assets		Liabilities	
	As at December 31, 2019		As at December 31, 2019	
	Fair value	Notional amounts	Fair value	Notional amounts
	Baht	Baht	Baht	Baht
Underlying assets				
Equity price	-	-	2,686,135	109,450,724

Proportion of the notional of derivative transactions classified by counter parties consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		CONSOLIDATED FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2020	2019	2020	2019
	Assets	Assets	Liabilities	Liabilities
	%	%	%	%
Counter parties				
Clearing House	100	-	-	91
Third parties	-	-	-	9
Total	100	-	-	100

### 13. INVESTMENTS IN ASSOCIATES

As at December 31, 2020 and 2019, the Company had investment in associates for using equity method presented in the consolidated financial statements and using cost method in separate financial statements as follows:

Company's name	Nature of Business	Country of incorporation	Unit : Million Baht					
			Shareholding (percentage)		Equity method		Cost method	
			As at December 31,		As at December 31,		As at December 31,	
			2020	2019	2020	2019	2020	2019
MFC Asset Management Public Company Limited	Asset management	Thailand	24.96	24.96	486.6	487.5	675.0	675.0
Padaeng Industry Public Company Limited	Metal trading and renewable energy	Thailand	24.99	24.99	1,083.1	1,060.9	827.4	827.4
Total					1,569.7	1,548.4	1,502.4	1,502.4

Company's name	Unit : Million Baht	
	Dividends	
	2020	2019
MFC Asset Management Public Company Limited	31.4	40.8
Padaeng Industry Public Company Limited	-	-
Total	31.4	40.8

Details financial information summarized from the audited financial statements of the associates

The statements of financial position as at December 31, 2020 and 2019 were as follows:

Company's name	Paid-up share capital		Total assets		Unit : Million Baht	
	As at December 31,		As at December 31,		Total liabilities	
	2020	2019	2020	2019	2020	2019
MFC Asset Management Public Company Limited	125.6	125.6	1,467.6	1,328.5	403.6	226.0
Padaeng Industry Public Company Limited	2,260.0	2,260.0	6,842.2	7,053.7	2,421.3	2,717.6

The statements of profit or loss and other comprehensive income for the years ended December 31, 2020 and 2019 were as follows:

Company's name	Total revenues		Net income		Unit : Million Baht	
	Total comprehensive income					
	2020	2019	2020	2019	2020	2019
MFC Asset Management Public Company Limited	915.1	916.6	148.1	130.4	121.9	83.4
Padaeng Industry Public Company Limited	557.9	1,125.0	91.9	5.7	88.6	12.8



## 14. INVESTMENTS IN SUBSIDIARIES

The Company has investments in subsidiaries which are accounted for under the cost method in the separate financial statements as at December 31, 2020 and 2019 as follows:

Company's name	Percentage of		Paid-up share capital		Cost method	
	Shareholding (%)		As at December 31,		As at December 31,	
	As at December 31,		As at December 31,		As at December 31,	
	2020	2019	2020	2019	2020	2019
Country Group Securities Public Company Limited	99.3	99.3	1,589.7	1,589.7	2,470.5	2,470.5
Genki Capital Co., Ltd.	100.0	100.0	25.0	25.0	25.0	25.0
Total					2,495.5	2,495.5

Unit : Million Baht

Company's name	Dividends	
	2020	2019
Country Group Securities Public Company Limited	-	89.5

Unit : Million Baht

## 15. LONG-TERM LOANS TO OTHER COMPANIES

As at December 31, 2020, long-term loans to other companies in the consolidated financial statements were approximately Baht 58.2 million, interest rate as condition of the agreement with collateral. (As at December 31, 2019 : Nil)

## 16. INVESTMENT PROPERTY

Investment property as at December 31, 2020 and 2019 consisted of the following:

	Consolidated Financial Statements			
	Balance	Additions	Decreases	Balance
	as at			as at
	January 1,			December 31,
	2020			2020
	Baht	Baht	Baht	Baht
<b>Cost</b>				
Property	43,441,000	-	-	43,441,000
Plant	18,884,300	-	-	18,884,300
Plant improvement	1,161,193	3,700,000	-	4,861,193
Total cost	63,486,493	3,700,000	-	67,186,493
<b>Accumulated depreciation</b>				
Plant	(17,675,307)	(310,445)	-	(17,985,752)
Plant improvement	(5,723)	(846,709)	-	(852,432)
Total accumulated depreciation	(17,681,030)	(1,157,154)	-	(18,838,184)
Total	45,805,463			48,348,309

Consolidated Financial Statements				
	Balance as at January 1, 2019	Additions	Decreases	Balance as at December 31, 2019
	Baht	Baht	Baht	Baht
Cost				
Property	53,059,779	-	(9,618,779)	43,441,000
Plant	19,572,300	-	(688,000)	18,884,300
Plant improvement	-	1,161,193	-	1,161,193
Total cost	72,632,079	1,161,193	(10,306,779)	63,486,493
Accumulated depreciation				
Plant	(17,882,392)	(324,093)	531,178	(17,675,307)
Plant improvement	-	(5,723)	-	(5,723)
Total accumulated depreciation	(17,882,392)	(329,816)	531,178	(17,681,030)
Total	54,749,687			45,805,463
Depreciation for the years ended December 31,				
2020			Baht	1,157,154
2019			Baht	329,816

Reconciliation of investment property as at December 31, 2020 and 2019 are as follows:

<b>Consolidated Financial Statements</b>		
<b>As at December 31,</b>		
	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>
Book value at the beginning of the years	45,805,463	54,749,687
Addition	3,700,000	1,161,193
Disposal	-	(9,775,601)
Depreciation	<u>(1,157,154)</u>	<u>(329,816)</u>
Total	<u>48,348,309</u>	<u>45,805,463</u>

Fair value of investment property as at December 31, 2020 and 2019 are as follows:

<b>Consolidated Financial Statements</b>		
<b>As at December 31,</b>		
	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>
Investment property	111,556,390	111,556,390

As at December 31, 2020 and 2019, such investment property is mortgaged as collateral amounting to Baht 22.5 million for credit facility from a local financial institution.

## 17. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, 2020 and 2019 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENT				
	Balance as at January 1, 2020	Additions	Decreases	Transfer in/ (Transfer out)	Balance as at December 31, 2020
	Baht	Baht	Baht	Baht	Baht
<b>Cost</b>					
Property	69,160,140	-	-	-	69,160,140
Premises/leasehold improvement	111,565,797	8,168,786	-	-	119,734,583
Furniture and office equipment	193,482,709	1,929,246	(8,741,679)	-	186,670,276
Vehicles	16,272,711	-	-	-	16,272,711
Total cost	390,481,357	10,098,032	(8,741,679)	-	391,837,710
<b>Accumulated depreciation</b>					
Premises/leasehold improvement	(69,759,488)	(17,532,753)	-	-	(87,292,241)
Furniture and office equipment	(156,949,260)	(12,519,404)	8,741,654	-	(160,727,010)
Vehicles	(9,280,274)	(1,435,936)	-	-	(10,716,210)
Total accumulated depreciation	(235,989,022)	(31,488,093)	8,741,654	-	(258,735,461)
Allowance for impairment	(1,269,391)	-	-	-	(1,269,391)
Total	153,222,944				131,832,858

	CONSOLIDATED FINANCIAL STATEMENT				
	Balance as at January 1, 2019	Additions	Decreases	Transfer in/ (Transfer out)	Balance as at December 31, 2019
	Baht	Baht	Baht	Baht	Baht
<b>Cost</b>					
Property	69,160,140	-	-	-	69,160,140
Premises/leasehold improvement	106,549,289	6,018,359	(3,850,731)	2,848,880	111,565,797
Furniture and office equipment	192,179,870	20,327,321	(19,024,482)	-	193,482,709
Vehicles	16,296,038	7,164,000	(7,187,327)	-	16,272,711
Total cost	384,185,337	33,509,680	(30,062,540)	2,848,880	390,481,357
<b>Accumulated depreciation</b>					
Premises/leasehold improvement	(56,169,542)	(16,863,030)	3,273,084	-	(69,759,488)
Furniture and office equipment	(164,707,527)	(11,233,403)	18,991,670	-	(156,949,260)
Vehicles	(16,296,029)	(171,568)	7,187,323	-	(9,280,274)
Total accumulated depreciation	(237,173,098)	(28,268,001)	29,452,077	-	(235,989,022)
Leasehold improvement during construction	-	2,848,880	-	(2,848,880)	-
Allowance for impairment	(1,269,391)	-	-	-	(1,269,391)
Total	145,742,848				153,222,944

### Depreciation for the years ended December 31,

2020	Baht	31,488,093
2019	Baht	28,268,001

	SEPARATE FINANCIAL STATEMENT				
	Balance as at January 1, 2020	Additions	Decreases	Transfer in/ (Transfer out)	Balance as at December 31, 2020
	Baht	Baht	Baht	Baht	Baht
Cost					
Premises/leasehold improvement	12,985,889	-	-	-	12,985,889
Furniture and office equipment	6,803,003	11,900	-	-	6,814,903
Total cost	19,788,892	11,900	-	-	19,800,792
Accumulated depreciation					
Premises/leasehold improvement	(8,691,760)	(2,602,210)	-	-	(11,293,970)
Furniture and office equipment	(4,929,152)	(1,236,980)	-	-	(6,166,132)
Total accumulated depreciation	(13,620,912)	(3,839,190)	-	-	(17,460,102)
Total	6,167,980				2,340,690

	SEPARATE FINANCIAL STATEMENT				
	Balance as at January 1, 2019	Additions	Decreases	Transfer in/ (Transfer out)	Balance as at December 31, 2019
	Baht	Baht	Baht	Baht	Baht
Cost					
Premises/leasehold improvement	12,985,889	-	-	-	12,985,889
Furniture and office equipment	6,773,310	29,693	-	-	6,803,003
Total cost	19,759,199	29,693	-	-	19,788,892
Accumulated depreciation					
Premises/leasehold improvement	(6,093,137)	(2,598,623)	-	-	(8,691,760)
Furniture and office equipment	(3,622,814)	(1,306,338)	-	-	(4,929,152)
Total accumulated depreciation	(9,715,951)	(3,904,961)	-	-	(13,620,912)
Total	10,043,248				6,167,980

Depreciation for the years ended December 31,		
2020	Baht	3,839,190
2019	Baht	3,904,961

As at December 31, 2020 and 2019, the Group certain premises and equipment items have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those premises and equipment amounted to totaling approximately Baht 170.0 million and approximately Baht 170.3 million, respectively, in consolidated financial statements and amounted to totaling approximately Baht 0.8 million and approximately Baht 0.6 million, respectively, in separate financial statements.

## 18. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### Right-of-use assets

Right-of-use assets as at December 31, 2020 are as follows:

CONSOLIDATED FINANCIAL STATEMENT					
	Balance as at January 1, 2020	Effect of the initial adoption of TFRS 16	Additions	Decreases	Balance as at December 31, 2020
	Baht	Baht	Baht	Baht	Baht
Cost :					
Building	-	73,951,801	4,069,651	-	78,021,452
Vehicles	-	8,418,236	83,229	-	8,501,465
Total cost	-	82,370,037	4,152,880	-	86,522,917
Accumulated depreciation :					
Building	-	-	(34,067,636)	-	(34,067,636)
Vehicles	-	-	(3,476,492)	-	(3,476,492)
Total accumulated depreciation	-	-	(37,544,128)	-	(37,544,128)
Total	-				48,978,789
Depreciation for the years ended December 31, 2020				Baht	37,544,128

	SEPARATE FINANCIAL STATEMENT				
	Balance as at January 1, 2020	Effect of the initial adoption of TFRS 16	Additions	Decreases	Balance as at December 31, 2020
	Baht	Baht	Baht	Baht	Baht
Cost :					
Building	-	14,724,088	-	-	14,724,088
Vehicles	-	1,705,880	-	-	1,705,880
Total cost	-	16,429,968	-	-	16,429,968
Accumulated depreciation :					
Building	-	-	(6,310,323)	-	(6,310,323)
Vehicles	-	-	(705,882)	-	(705,882)
Total accumulated depreciation	-	-	(7,016,205)	-	(7,016,205)
Total	-				9,413,763
Depreciation for the years ended December 31, 2020				Baht	7,016,205

## Lease liabilities

Movements in lease liabilities for the year ended December 31, 2020 are as follows:

	CONSOLIDATED FINANCIAL STATEMENT	SEPARATE FINANCIAL STATEMENT
	As at December 31, 2020	As at December 31, 2020
	Baht	Baht
Lease liabilities as at January 1, 2020, as previously stated	-	-
Effects of the initial adoption of TFRS 16	82,370,037	16,429,968
Lease liabilities as at January 1, 2020, as restated	82,370,037	16,429,968
Addition	5,779,194	-
Interest expense	3,169,720	620,535
Lease obligation reduction/Repayment	(40,946,333)	(7,358,854)
Lease liabilities as at December 31, 2020	50,372,618	9,691,649

The undiscounted maturity analysis of lease liabilities as of December 31, 2020 are as follows:

	CONSOLIDATED FINANCIAL STATEMENT	SEPARATE FINANCIAL STATEMENT
	As at December 31, 2020	As at December 31, 2020
	Baht	Baht
<b>Lease liabilities</b>		
Current	37,393,897	7,166,470
Non-Current	12,978,721	2,525,179
Total Lease liabilities	50,372,618	9,691,649

The Group has adopted TFRS 16 from January 1, 2020 under the modified retrospective approach and the comparative figures have not been restated. The impact from the adoption of new financial reporting standard on the lease liabilities as at January 1, 2020 has been presented in Note 2.7.

## 19. INTANGIBLE ASSETS

Intangible assets as at December 31, 2020 and 2019 consisted of the following:

CONSOLIDATED FINANCIAL STATEMENT						
	Useful life	Balance as at January 1, 2020	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2020
		Baht	Baht	Baht	Baht	Baht
<b>Cost:</b>						
Using derivatives business fee	1 - 5 years	1,541,350	-	-	-	1,541,350
Computer software	5 - 10 years and indefinite useful life	121,613,688	1,450,779	-	1,395,937	124,460,404
Securities license	-	2,657,500	-	-	-	2,657,500
Derivative business membership	-	15,945,000	-	-	-	15,945,000
Total cost		141,757,538	1,450,779	-	1,395,937	144,604,254
<b>Accumulated amortization:</b>						
Using derivatives business fee	1 - 5 years	(1,541,346)	-	-	-	(1,541,346)
Computer software	5 - 10 years	(26,491,688)	(160,849)	-	-	(26,652,537)
Securities license	-	-	-	-	-	-
Derivative business membership	-	-	-	-	-	-
Total accumulated amortization		(28,033,034)	(160,849)	-	-	(28,193,883)
Computer software in process		5,256,237	1,636,087	-	(1,395,937)	5,496,387
Allowance for impairment		(2,228,295)	-	-	-	(2,228,295)
<b>Intangible assets</b>		<b>116,752,446</b>				<b>119,678,463</b>

CONSOLIDATED FINANCIAL STATEMENT						
	Useful life	Balance as at January 1, 2019	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2019
		Baht	Baht	Baht	Baht	Baht
<b>Cost:</b>						
Using derivatives business fee	1 - 5 years	1,541,350	-	-	-	1,541,350
Computer software	5 years and indefinite useful life	120,560,883	737,455	-	315,350	121,613,688
Securities license	-	2,657,500	-	-	-	2,657,500
Derivative business membership	-	15,945,000	-	-	-	15,945,000
Total cost		140,704,733	737,455	-	315,350	141,757,538
<b>Accumulated amortization:</b>						
Using derivatives business fee	1 - 5 years	(1,541,346)	-	-	-	(1,541,346)
Computer software	5 years	(26,331,278)	(160,410)	-	-	(26,491,688)
Securities license	-	-	-	-	-	-
Derivative business membership	-	-	-	-	-	-
Total accumulated amortization		(27,872,624)	(160,410)	-	-	(28,033,034)
Computer software in process		3,841,037	1,730,550	-	(315,350)	5,256,237
Allowance for impairment		(2,228,295)	-	-	-	(2,228,295)
<b>Intangible assets</b>		<b>114,444,851</b>				<b>116,752,446</b>
<b>Amortization for the years ended December 31,</b>						
2020					<b>Baht</b>	<b>160,849</b>
2019					<b>Baht</b>	<b>160,410</b>

Intangible assets of the subsidiary have an indefinite useful life such as derivative business membership, securities license and computer software when there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the entity.

As at December 31, 2020 and 2019, the subsidiary certain intangible assets have been fully amortized but are still in use. The original cost, before deducting accumulated amortization, of those intangible assets amounted to totaling approximately Baht 11.3 million.

## 20. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities as at December 31, 2020 and 2019 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Deferred tax assets	291,625,326	194,369,704	143,748,824	88,596,512
Deferred tax liabilities	(7,962,862)	(9,763,853)	(3,370,407)	(7,195,762)
Deferred tax assets - net	283,662,464	184,605,851	140,378,417	81,400,750

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2020	Items as recognized into Income or Loss	Items as recognized into Other Comprehensive Income	Balance as at December 31, 2020
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Temporary differences				
Allowance for doubtful accounts	70,246,619	-	-	70,246,619
Allowance for impairment on investments	30,800,000	-	-	30,800,000
Loss carry forward income tax	35,666,930	3,173,207	-	38,840,137
Provisions for employee benefits	6,497,289	1,470,071	-	7,967,360
Deficit on re-measurement investments	51,120,062	37,898,347	52,683,958	141,702,367
Lease liabilities	-	274,227	-	274,227
Others	38,804	1,755,812	-	1,794,616
Total	194,369,704	44,571,664	52,683,958	291,625,326
<b>Deferred tax liabilities</b>				
Temporary differences				
(Surplus) deficit on re-measuring investments	(9,763,853)	1,096,002	704,989	(7,962,862)
Total	(9,763,853)	1,096,002	704,989	(7,962,862)
<b>Total</b>	<b>184,605,851</b>			<b>283,662,464</b>



## CONSOLIDATED FINANCIAL STATEMENT

	Balance as at January 1, 2019	Items as recognized into Income or Loss	Items as recognized into Other Comprehensive Income (Loss)	Balance as at December 31, 2019
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Temporary differences				
Allowance for doubtful accounts	68,441,738	1,804,881	-	70,246,619
Allowance for impairment on investments	30,800,000	-	-	30,800,000
Loss carry forward income tax	49,737,360	(14,070,430)	-	35,666,930
Provisions for employee benefits	4,532,555	2,122,086	(157,352)	6,497,289
Deficit (surplus) on re-measurement investments	-	(1,305,054)	52,425,116	51,120,062
Others	68,804	(30,000)	-	38,804
Total	153,580,457	(11,478,517)	52,267,764	194,369,704
<b>Deferred tax liabilities</b>				
Temporary differences				
(Surplus) deficit on re-measuring investments	(5,151,775)	1,432,398	(6,044,476)	(9,763,853)
Total	(5,151,775)	1,432,398	(6,044,476)	(9,763,853)
<b>Total</b>	148,428,682			184,605,851

## SEPARATE FINANCIAL STATEMENT

	Balance as at January 1, 2020	Items as recognized into Income or Loss	Items as recognized into Other Comprehensive Income	Balance as at December 31, 2020
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Temporary differences				
Loss carry forward income tax	35,666,930	3,173,207	-	38,840,137
Provisions for employee benefits	1,802,058	302,105	-	2,104,163
Deficit (surplus) on re-measurement investments	51,120,062	(29,380)	51,658,263	102,748,945
Lease liability	-	55,577	-	55,577
Others	7,462	(7,462)	-	-
Total	88,596,512	3,494,047	51,658,263	143,748,822
<b>Deferred tax liabilities</b>				
Temporary differences				
(Surplus) deficit on re-measuring investments	(7,195,762)	3,120,368	704,989	(3,370,405)
Total	(7,195,762)	3,120,368	704,989	(3,370,405)
<b>Total</b>	81,400,750			140,378,417

SEPARATE FINANCIAL STATEMENT				
	Balance as at January 1, 2019	Items as recognized into Income or Loss	Items as recognized into Other Comprehensive Income	Balance as at December 31, 2019
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Temporary differences				
Loss carry forward income tax	43,361,191	(7,694,261)	-	35,666,930
Provisions for employee benefits	747,096	333,760	721,202	1,802,058
Deficit (surplus) on re-measurement investments	-	(1,305,054)	52,425,116	51,120,062
Others	(2,539)	10,001	-	7,462
Total	44,105,748	(8,655,554)	53,146,318	88,596,512
<b>Deferred tax liabilities</b>				
Temporary differences				
(Surplus) deficit on re-measuring investments	(4,254,537)	(3,249,858)	308,633	(7,195,762)
Total	(4,254,537)	(3,249,858)	308,633	(7,195,762)
<b>Total</b>	39,851,211			81,400,750

The Group used a tax rate of 20% for calculation of deferred tax for the years ended December 31, 2020 and 2019.

## 21. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, 2020 and 2019 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Clearing fund	91,450,541	75,155,978	-	-
Advance receivables	80,134	80,134	-	-
Deposits	16,897,385	17,156,529	2,240,090	2,240,090
Withholding tax receivables	10,611,849	9,322,239	1,495,297	444,549
Others	34,333,303	47,345,263	-	-
Total	153,373,212	149,060,143	3,735,387	2,684,639

## 22. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Short-term borrowings from financial institutions as at December 31, 2020 and 2019 consisted of the following:

CONSOLIDATED FINANCIAL STATEMENT					
As at December 31, 2020					
Rate (%)	Remaining periods to maturity				
	Less than	1 - 5	Over	Total	
	1 year	years	5 years		
	Baht	Baht	Baht	Baht	
Promissory Note	2.8 - 3.5	350,000,000	-	-	350,000,000
CONSOLIDATED FINANCIAL STATEMENT					
As at December 31, 2019					
Rate (%)	Remaining periods to maturity				
	Less than	1 - 5	Over	Total	
	1 year	years	5 years		
	Baht	Baht	Baht	Baht	
Promissory Note	2.9 - 4.5	150,000,000	-	-	150,000,000

## 23. SECURITIES SOLD UNDER SELL AND BUY BACK AGREEMENTS

As at December 31, 2020 and 2019, the subsidiary company has securities sold under sell and buy back agreements, amount of Baht 1,287.3 million and Baht 964.2 million respectively as debenture sold under sell and buy back agreements.

## 24. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2020 and 2019 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Trade payables	3,068,637	3,577,065	708,537	572,879
Securities payable	218,639,569	-	229,094,982	7,723,012
Accrued interest	4,455,442	-	4,780,404	-
Accrued bonuses	29,976,644	31,916,682	7,738,151	8,863,571
Accrued profit sharing from branches/ marketing teams management	48,509,749	44,928,239	-	-
Withholding tax and specific business tax payable	13,848,397	5,413,575	1,649,932	2,954,835
Value-added-tax payable	5,720,237	3,873,639	-	-
Other payables	5,299,467	12,520,727	80,203	5,356,159
Unearned revenue	6,011,111	9,125,000	-	-
Accrued other expenses	46,396,617	37,776,763	3,458,167	8,672,136
Total	381,925,870	149,131,690	247,510,376	34,142,592

**25. PAYABLES TO CLEARING HOUSE AND BROKER-DEALERS**

Payables to Clearing House and broker-dealers as at December 31, 2020 and 2019 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at December 31,	
	2020	2019
	Baht	Baht
Payables to Clearing House	224,842,941	253,007,275
Payables from foreign securities brokers	6,028,978	62,337,278
Total	230,871,919	315,344,553

**26. SECURITIES BUSINESS PAYABLES**

Securities business payables as at December 31, 2020 and 2019 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at December 31,	
	2020	2019
	Baht	Baht
Payables under cash accounts	708,992,506	171,712,981
Payables under securities borrowing and lending business	237,154,600	101,832,400
Total	946,147,106	273,545,381

**27. DEBENTURES**

On December 1, 2017, the Company issued approximately Baht 1,079.80 million unsubordinated and unsecured debentures in registered name form and unsecured debentures with debenture holder's representative, which had the objective to increase the Company investment. Debenture was fully repayable on June 1, 2020, which bear interest at the fixed rate of 6.25% per annum. Interest payment term which be paid every three-month on March 1, June 1, September 1, and December 1 of each year through the terms of debenture.

These debenture was registered with the Thai Bond Market Association and the Stock Exchange of Thailand on December 1, 2017.

On August 28, 2019, the Company partially redeemed debentures from the second market amount of Baht 52.60 million which is according to the rights and duty of debenture issuer and debenture holder, therefore as at December 31, 2019 the debenture outstanding balance in the consolidated and separate financial statements was Baht 978.12 million and Baht 1,027.20 million, respectively. In addition, the Company was fully repayable on June 1, 2020.

On May 15, 2020, the Company issued Baht 368.30 million subordinated and secured debentures in registered name form and secured debentures with debenture holder's representative, which had the objective to repay the Company maturity debenture. Debenture was fully repayable on May 15, 2022, which bear interest at the fixed rate of 6.75% per annum. Interest payment term which be paid every three-month on February 15, May 15, August 15, and November 15 of each year through the terms of debenture. As at December 31, 2020, the debenture outstanding balance in the consolidated and separate financial statements was Baht 338.53 million and Baht 362.09 million, respectively.

On September 25, 2020, the Company issued Baht 398.20 million subordinated and secured debentures in registered name form and secured debentures with debenture holder's representative, which had the objective to increase the Company investment including acquired the potential business and operated working capital. Debenture was fully repayable on September 25, 2022, which bear interest at the fixed rate of 6.75% per annum. Interest payment term which be paid every three-month on March 25, June 25, September 25, and December 25 of each year through the terms of debenture. As at December 31, 2020, the debenture outstanding balance in the consolidated and separate financial statements was Baht 392.45 million and Baht 389.77 million, respectively.

## 28. DEBTS ISSUED AND BORROWINGS

Debts issued and borrowings as at December 31, 2020 and 2019 consisted of the following:

CONSOLIDATED FINANCIAL STATEMENT				
As at December 31, 2020				
Interest rate per annum (percent)	Remaining periods to maturity			Total Baht
	Within 1 year Baht	1 - 5 years Baht		
Debts issued and borrowings				
Bill of exchange	3.0 - 3.5	19,883,867	-	19,883,867
CONSOLIDATED FINANCIAL STATEMENT				
As at December 31, 2019				
Interest rate per annum (percent)	Remaining periods to maturity			Total Baht
	Within 1 year Baht	1 - 5 years Baht		
Debts issued and borrowings				
Bill of exchange	3.0 - 3.3	166,609,119	-	166,609,119
Structured notes	1.3 - 1.8	9,959,131	-	9,959,131
Total		176,568,250	-	176,568,250

## 29. PROVISIONS FOR EMPLOYEE BENEFITS

The Group operates post-employment benefits plan under the Thai Labor Protection Act, which were considered as unfunded defined benefit plans.

Employee benefit obligations as at December 31, 2020 and 2019 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Post-employment benefit obligations	39,836,799	32,486,444	10,520,812	9,010,288

Amounts recognized in the statement of profit or loss and other comprehensive income for post-employment benefits for the years ended December 31, 2020 and 2019 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Current service cost	9,678,652	7,600,612	1,309,596	1,209,206
Interest cost	786,452	604,527	200,928	170,163
Past service cost	-	3,295,293	-	289,429
Actuarial (gain) loss on re-measurements of defined benefit plans	-	(786,762)	-	3,606,010
Total	10,465,104	10,713,670	1,510,524	5,274,808

Movements in the present value of the post-employment benefit obligations for the years ended December 31, 2020 and 2019 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Beginning balance of employee benefit obligations	32,486,444	22,662,774	9,010,288	3,735,480
Current service cost	9,678,652	7,600,612	1,309,596	1,209,206
Interest cost	786,452	604,527	200,928	170,163
Past service cost	-	3,295,293	-	289,429
Actuarial (gain) loss on re-measurements of defined benefit plans				
- from changes in demographic assumptions	-	(1,249,457)	-	(480,021)
- from changes in financial assumptions	-	(4,332,860)	-	(413,473)
- from changes in experience adjustments	-	4,795,555	-	4,499,504
(Less) Employee benefits paid during the years	(3,114,749)	(890,000)	-	-
Balance at end of the years	39,836,799	32,486,444	10,520,812	9,010,288

The principle actuarial assumptions used to calculate the obligation under the defined benefits plan as at December 31, 2020 and 2019 were as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2020	2019	2020	2019
	(% p.a.)	(% p.a.)	(% p.a.)	(% p.a.)
Financial assumptions				
Discount rate	2.2 - 2.5	2.2 - 2.5	2.2	2.2
Employee turnover	0 - 25.0	0 - 25.0	0 - 15.0	0 - 15.0
	Subject to the range of age of employees	Subject to the range of age of employees	Subject to the range of age of employees	Subject to the range of age of employees
Expected rate of salary increase	2.0 - 3.0	2.0 - 3.0	3.0	3.0

Significant actuarial assumptions for the determination of the obligations for employee benefits are discount rate, expected salary increase rate and mortality rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

Impact on the Provisions for employee benefits increases (decreases) as at December 31, 2020 and 2019 were as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Discount rate - increase by 1%	(3,148,057)	(2,528,383)	(605,106)	(453,373)
Discount rate - decrease by 1%	3,634,935	2,923,784	732,398	552,711
Salary increase rate - increase by 1%	4,034,075	2,893,922	826,917	541,692
Salary increase rate - decrease by 1%	(3,547,025)	(2,551,739)	(701,847)	(453,759)
Life expectancy - increase by 1 year	194,932	153,320	37,620	27,567
Life expectancy - decrease by 1 year	(193,589)	(152,247)	(37,284)	(27,309)

The sensitivity analysis presented above may not be representative of the actual change in the employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the employee benefit obligations have been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits plan. The Group already reflected the effect of such change by recognizing past service cost as an expense in statement of profit or loss and other comprehensive income.

### 30. SHARE CAPITAL

The weighted average number of ordinary shares for the years ended December 31, 2020 and 2019, is calculated as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Shares	Shares	Shares	Shares
Number of ordinary shares outstanding as at January 1,	4,328,306,130	4,336,896,534	4,328,315,980	4,336,906,384
Weighted average number of increased (decreased) shares during the years	(273,770,159)	9,331	(273,770,159)	9,331
<b>Weighted average number of ordinary shares for the years</b>	<b>4,054,535,971</b>	<b>4,336,905,865</b>	<b>4,054,545,821</b>	<b>4,336,915,715</b>

On May 31, 2019, the warrants holder of CGH-W3 exercised the warrants for new ordinary shares in the amount of 16,696 units with the exercise ratio of 1 unit : 1 share at the exercise price of Baht 2.00 per share, totaling Baht 33,392. The Company has already registered the increase in paid-up capital in the amount of Baht 16,696 that increases from Baht 4,336,906,384 to Baht 4,336,923,080 with the Department of Business Development, Ministry of Commerce on June 10, 2019.

On November 1, 2019, the Board of Director' Meeting of the Company passed a resolution to approve the Share Repurchase Project for financial management purposes (Treasury Stock) in the maximum amount not exceeding Baht 660 million and the number of the shares to be repurchased is not exceeding 9.98% of the total issued shares. The repurchasing period covers the duration of 6 months, starting from November 18, 2019 to May 15, 2020. Cumulative number of shares repurchased as of December 31, 2019 is 8,607,100 shares, totaling Baht 6,923,476 and as of December 31, 2020 is 331,378,200 shares, totaling Baht 258,746,978.



On September 18, 2019, the Extraordinary General Meeting of Shareholders' Meeting No. 1/2019 approved the decrease of the Subsidiary paid-up share capital from Baht 2,589,743,484 to Baht 1,589,743,484 by decreasing of share capital for 1,000,000,000 shares, at a par value of Baht 1.00 based on shareholding proportion to adjust capital structure of the subsidiary.

On December 6, 2019, the subsidiary has registered the amendment of Registered Capital and Paid-up Capital in accordance with Section 141 of the Public Company Act B.E. 2535 with the Department of Business Development, the Ministry of Commerce.

### **31. DIVIDENDS PAID**

On April 23, 2019, the Annual General Shareholders' Meeting for the year 2019 of the subsidiary company passed resolutions to approve the profit allocation as the statutory reserve to the amount of Baht 866,090 and approve the dividend payment for the year 2018 at the rate of Baht 0.0193 per share, totaling Baht 49,977,511. Such dividend was already paid on May 21, 2019.

On August 14, 2019, the Board of Directors' Meeting No. 4/2019 of the subsidiary company passed a resolution to approve the interim dividend payment to the shareholders at the rate of Baht 0.0155 per share, totaling Baht 40,137,381. Such interim dividend was already paid on September 11, 2019. On September 18, 2019, the Extraordinary General Meeting of Shareholder No. 1/2019 acknowledged such interim dividend payment (2020 : Nil).

### **32. SHARE PREMIUM**

The premium on share capital account is set up under the provisions of Section 51 of the Public Companies Act B.E. 2535, which requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("premium on share capital"). Premium on share capital is not available for dividend distribution.

### **33. CAPITAL MANAGEMENT**

The Group objectives in managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure.

### **34. STATUTORY RESERVE**

The Company is required to set aside a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward, if any until the reserve reaches 10% of the authorized share capital according to the Public Limited Companies Act B.E. 2535, section 116. The statutory reserve could not be used for dividend payment.

**35. BROKERAGE FEES**

Brokerage fees for the years ended December 31, 2020 and 2019 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2020	2019
	Baht	Baht
Brokerage fees from securities business	560,993,351	288,056,508
Brokerage fees from derivatives business	438,991,258	271,040,041
Total	999,984,609	559,096,549

**36. FEES AND SERVICES INCOME**

Fees and services income for the years ended December 31, 2020 and 2019 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2020	2019
	Baht	Baht
Underwriting fee	34,497,099	64,711,977
Financial advisory fee	15,665,000	49,007,280
Investment advisory fee	149,919	190,570
Securities borrowing and lending fee	931,601	1,195,061
Debenture holders' representative	12,663,889	10,858,333
Others	8,509,045	2,422,491
Total	72,416,553	128,385,712

**37. INTEREST INCOME**

Interest income for the years ended December 31, 2020 and 2019 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Interest on margin loans	51,559,484	34,769,851	-	-
Interest income	132,952,740	101,836,447	53,308,936	22,532,305
Total	184,512,224	136,606,298	53,308,936	22,532,305

**38. GAIN ON INVESTMENTS AND DERIVATIVES**

Gain on investments and derivatives for the years ended December 31, 2020 and 2019 consisted of the following:

	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>		<b>SEPARATE FINANCIAL STATEMENTS</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Gain (loss) on investments	(172,577,516)	107,624,734	29,112,309	52,577,471
Gain on derivatives	217,188,146	75,957,209	8,026,138	1,539,214
Total	<u>44,610,630</u>	<u>183,581,943</u>	<u>37,138,447</u>	<u>54,116,685</u>

**39. OTHER INCOMES**

Other incomes for the years ended December 31, 2020 and 2019 consisted of the following:

	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>		<b>SEPARATE FINANCIAL STATEMENTS</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Gain on disposal assets	199,987	7,436,797	-	-
Income from the overdue payment charge	447,083	127,368	-	-
Gain on exchange rate	11,411,924	-	12,241,982	-
Others	28,159,944	13,537,913	579,167	417,757
Total	<u>40,218,938</u>	<u>21,102,078</u>	<u>12,821,149</u>	<u>417,757</u>

**40. IMPAIRMENT LOSS DETERMINED IN ACCORDANCE WITH TFRS 9**

Impairment loss determined in accordance with TFRS 9 for the years ended December 31, 2020 and 2019 consisted of the following:

	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>
Securities and derivative business receivables	40,150,227	9,024,407
Other assets	11,420,059	-
Total	<u>51,570,286</u>	<u>9,024,407</u>

**41. KEY MANAGEMENT BENEFIT EXPENSES**

Benefits expenses to management of the Group both monetary and non-monetary were presented as part of “Employee benefits expenses”.

Management benefit expenses for the years ended December 31, 2020 and 2019 consisted of the following:

	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>		<b>SEPARATE FINANCIAL STATEMENTS</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Short term employee benefits	84,430,766	76,952,658	26,246,235	29,949,704
Post-employment benefits	1,926,500	2,375,828	462,796	761,605
Total	<u>86,357,266</u>	<u>79,328,486</u>	<u>26,709,031</u>	<u>30,711,309</u>

**42. DIRECTORS’ REMUNERATION**

Directors’ remuneration represents the benefits paid to the Groups’ directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position. Directors’ remuneration was approved by the ordinary shareholders’ meeting of the Group.

**43. OTHER EXPENSES**

Other expenses for the years ended December 31, 2020 and 2019 consisted of the following:

	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>		<b>SEPARATE FINANCIAL STATEMENTS</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Property, plant and equipment expenses	97,060,470	98,435,664	11,433,942	12,003,945
Professional and other fees	26,825,745	19,069,925	3,304,540	1,640,976
Information and communication expenses	15,971,586	17,098,734	950,417	457,245
Advertising and promotion expenses	4,166,366	7,247,869	1,686,606	2,222,309
Entertainment expenses	39,852,536	27,803,443	1,426,104	2,186,879
Gasoline and travelling expenses	4,401,312	6,100,439	277,011	967,151
Stationery and office supplies	2,343,840	2,541,951	294,528	416,605
Taxes and duties	3,068,598	2,236,288	294,477	7,273
Loss on exchange rate	-	4,741,744	-	4,676,893
Loss on sale of assets	-	610,460	-	-
Others	12,549,052	7,685,013	2,176,638	1,209,092
Total	<u>206,239,505</u>	<u>193,571,530</u>	<u>21,844,263</u>	<u>25,788,368</u>

#### 44. PROVIDENT FUND

On November 1, 2002 and July 14, 2014, the Group set up a provident fund for those employees who elected to participate. The contributions from the employees are deducted from their monthly salaries, and the Group matches the individuals' contributions. At the present, the provident fund is managed by MFC Asset Management Public Company Limited, authorized financial institution in accordance with the Provident Fund Act B.E. 2530 (1987).

For the years ended December 31, 2020 and 2019, the Group has contributed approximately Baht 10.9 million and approximately Baht 9.7 million, respectively, to the fund in consolidated financial statements.

For the years ended December 31, 2020 and 2019, the Company has contributed approximately Baht 2.0 million and approximately Baht 2.3 million, respectively, to the fund in separate financial statements.

#### 45. INCOME TAX (EXPENSE) INCOME

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

	CONSOLIDATED FINANCIAL STATEMENTS		Unit : Thousand Baht SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Corporate income tax for the years	(45,657)	(42,447)	-	-
Deferred tax income (expense)	45,668	(10,046)	6,614	(11,905)
Total tax income (expenses)	11	(52,493)	6,614	(11,905)

Reconciliation between income tax expenses and the produce of accounting profits for the years ended December 31, 2020 and 2019 and applicable tax rates can be shown as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				Unit : Thousand Baht SEPARATE FINANCIAL STATEMENTS			
	2020	Rate (%)	2019	Rate (%)	2020	Rate (%)	2019	Rate (%)
Income before income tax	142,962	20.0	136,053	20.0	2,215	20.0	57,969	20.0
Income tax at the domestic tax rate	(28,592)		(27,211)		(443)		(11,594)	
Deferred tax relating to origination and reversal of temporary differences	45,668		(10,046)		6,614		(11,905)	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(17,065)		(15,236)		443		11,594	
Income corporate income tax as statements of profit or loss and other comprehensive income	11	0.0	(52,493)	(38.6)	6,614	298.6	(11,905)	(20.5)

The Group used a tax rate of 20% for calculation of income tax expense for the years ended December 31, 2020 and 2019. Income tax expense is calculated from income before tax, added back transactions which were non-deductible expenses and deducted income or expense exemption under the Revenue Code.

Income tax recognized in component of other comprehensive income (loss)

	CONSOLIDATED FINANCIAL STATEMENTS					
	2020			2019		
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount
	Baht	Baht	Baht	Baht	Baht	Baht
Surplus (deficit) on re-measuring investments	(266,944,733)	53,388,947	(213,555,786)	(231,903,200)	46,380,640	(185,522,560)
Actuarial gain (loss)	-	-	-	786,762	(157,352)	629,410
Total	<u>(266,944,733)</u>	<u>53,388,947</u>	<u>(213,555,786)</u>	<u>(231,116,438)</u>	<u>46,223,288</u>	<u>(184,893,150)</u>

	SEPARATE FINANCIAL STATEMENTS					
	2020			2019		
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount
	Baht	Baht	Baht	Baht	Baht	Baht
Surplus (deficit) on re-measuring investments	(261,816,258)	52,363,252	(209,453,006)	(263,668,747)	52,733,749	(210,934,998)
Actuarial gain (loss)	-	-	-	(3,606,010)	721,202	(2,884,808)
Total	<u>(261,816,258)</u>	<u>52,363,252</u>	<u>(209,453,006)</u>	<u>(267,274,757)</u>	<u>53,454,951</u>	<u>(213,819,806)</u>

#### 46. BASIC AND DILUTED EARNINGS PER SHARE

The calculations of earnings per share for the years ended December 31, 2020 and 2019 were based on the income for the years attributable to ordinary shareholders of the Company and the number of weighted ordinary shares outstanding during the years held by shareholders as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
<b>Basic earnings per share</b>				
Income attributable to owners of the Company (Baht)	<u>142,177,814</u>	<u>82,610,415</u>	<u>8,829,195</u>	<u>46,064,077</u>
Weighted average number of ordinary shares (shares)	<u>4,054,535,971</u>	<u>4,336,905,865</u>	<u>4,054,545,821</u>	<u>4,336,915,715</u>
<b>Basic earnings per share (Baht)</b>	<u>0.0351</u>	<u>0.0190</u>	<u>0.0022</u>	<u>0.0106</u>
<b>Diluted earnings per share</b>				
Weighted average number of ordinary shares used in calculation of basic earnings per share (shares)	4,054,535,971	4,336,905,865	4,054,545,821	4,336,915,715
Effect of exercised warrants to purchase ordinary shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares used in the calculation of diluted earnings per share (shares)	<u>4,054,535,971</u>	<u>4,336,905,865</u>	<u>4,054,545,821</u>	<u>4,336,915,715</u>
<b>Diluted earnings per share (Baht)</b>	<u>0.0351</u>	<u>0.0190</u>	<u>0.0022</u>	<u>0.0106</u>

Diluted earnings per share occurred from warrants to purchase ordinary shares described in the Note 30.

**47. COMMITMENTS AND CONTINGENT LIABILITIES**

- 47.1 As at December 31, 2020 and 2019, the Group had operating lease commitments for office building and vehicles as follows:

	CONSOLIDATED		Unit : Million Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Not later than 1 year	1.0	40.9	-	7.7
Later than 1 year but not later than 5 years	1.1	50.1	-	10.5
Total	2.1	91.0	-	18.2

The operating lease agreements of the Group were recorded as expense in the statements of profit or loss and other comprehensive income for the years ended December 31, 2020 and 2019 as follows:

	CONSOLIDATED		Unit : Million Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Operating lease agreements	2.2	41.0	-	7.3

- 47.2 As at December 31, 2020 and 2019, the Group has the outstanding commitment in respect of benefit paid to employees which the Company had already entered of approximately Baht 1.8 million and approximately Baht 2.4 million, respectively.

**48. RELATED PARTY TRANSACTIONS**

Related parties are those parties linked to the Group and The Company by common shareholders or directors. Transactions with related parties are conducted at the pricing policy based on the normal course of business conditions.

The pricing policies for particular types of transactions are explained further below:

**Pricing policies**

Brokerage fees	At market price which is the same rate as general client
Fees and services income	At agreed price which approximates market value
Expenses	At market price

Significant transactions with related parties for the years ended December 31, 2020 and 2019 were as follows:

		CONSOLIDATED		SEPARATE	
	Relationship	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Brokerage fees from securities and derivatives business					
Mutual fund managed by associate	Associate	112,237,803	75,899,728	-	-
Padaeng Industry Public Company Limited	Associate	928,478	59,318	-	-
Related persons	Related persons	122,222	1,327,965	-	-
Total		113,288,503	77,287,011	-	-
Ongoing fee					
MFC Asset management Public company Limited	Associate	4,187,524	622,790	-	-
Fees and services income					
MFC Asset Management Public Company Limited	Associate	149,919	190,570	-	-
Padaeng Industry Public Company Limited	Associate	560,000	9,590,133	-	-
Country Group Development Public Company Limited	Related company	9,451,200	6,760,800	-	-
Total		10,161,119	16,541,503	-	-
Dividend income					
Country Group Securities Public Company Limited	Subsidiary	-	-	-	89,505,737
MFC Asset Management Public Company Limited	Associate	-	-	31,357,850	40,765,205
Total		-	-	31,357,850	130,270,942
Interest on margin loans					
Related persons	Related persons	23,618,966	12,987,744	-	-
Interest income					
Country Group Securities Public Company Limited	Subsidiary	-	-	24,419,203	1,230,339
Genki Capital Co., Ltd.	Subsidiary	-	-	3,707,254	-
Genki Power One Co., Ltd.	Indirect subsidiary	-	-	4,286,224	4,286,224
Total		-	-	32,412,681	5,516,563
Finance costs					
Country Group Securities Public Company Limited	Subsidiary	-	-	111,672	389,604
Padaeng Industry Public Company Limited	Associate	386,174	1,676,378	-	-
Country Group Development Public Company Limited	Related company	30	44	-	-
Related persons	Related persons	13,173	58,676	-	-
Total		399,377	1,735,098	111,672	389,604
Fee and service expenses					
Country Group Securities Public Company Limited	Subsidiary	-	-	1,599,357	8,081,477
MFC Asset Management Public Company Limited	Associate	686,267	1,264,415	72,573	214,884
Total		686,267	1,264,415	1,671,930	8,296,361
Premises and equipment expenses					
EDP Enterprise Company Limited	Related company	1,365,600	1,365,600	-	-



Significant balances with related parties as at December 31, 2020 and 2019 were as follows:

	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Deposits for customers' account</b>					
Country Group Development Public Company Limited	Related company	5,595	5,566	-	-
Related persons	Related persons	2,488,076	4,230,912	-	-
Total		<u>2,493,671</u>	<u>4,236,478</u>	<u>-</u>	<u>-</u>
<b>Other current financial assets</b>					
Country Group Securities Public Company Limited	Subsidiary	-	-	850,000,000	536,661,004
MFC Asset Management Public Company Limited	Associate	20,493,550	-	-	-
Padaeng Industry Public Company Limited	Associate	224,209,659	220,346,293	-	-
Country Group Development Public Company Limited	Related company	682,434,034	131,116,480	-	-
Total		<u>927,137,243</u>	<u>351,462,773</u>	<u>850,000,000</u>	<u>536,661,004</u>
<b>Trade and other current receivables</b>					
Country Group Securities Public Company Limited	Subsidiary	-	-	174,880,543	86,534,509
Genki Capital Co., Ltd.	Subsidiary	-	-	959,867	410,500
Genki Power One Co., Ltd.	Indirect subsidiary	-	-	3,145,813	6,996,343
Country Group Development Public Company Limited	Related company	4,735,392	-	-	-
Mutual fund managed by associate	Associate	175,615	-	-	-
Tech Reform Co., Ltd.	Common director	629,160	629,160	629,160	629,160
Solar Technic Co., Ltd.	Common director	629,160	629,160	629,160	629,160
Total		<u>6,169,327</u>	<u>1,258,320</u>	<u>180,244,543</u>	<u>95,199,672</u>
<b>Securities and derivatives business receivables</b>					
MFC Asset Management Public Company Limited	Associate	76,407,614	160,497,478	-	-
Related persons	Related persons	386,548,677	561,013,174	-	-
Total		<u>462,956,291</u>	<u>721,510,652</u>	<u>-</u>	<u>-</u>
<b>Short-term loan to a subsidiary</b>					
Genki Power One Co., Ltd.	Indirect subsidiary	-	-	69,132,650	69,132,650
Genki Capital Co., Ltd.	subsidary	-	-	61,000,000	-
Total		<u>-</u>	<u>-</u>	<u>130,132,650</u>	<u>69,132,650</u>
<b>Other non-current financial asset</b>					
Country Group Development Public Company limited	Related company	448,772,460	658,199,608	448,772,460	658,199,608
<b>Investments in associates</b>					
MFC Asset Management Public Company Limited	Associate	486,596,027	487,528,688	675,007,170	675,007,170
Padaeng Industry Public Company Limited	Associate	1,083,079,575	1,060,917,438	827,441,950	827,441,950
Total		<u>1,569,675,602</u>	<u>1,548,446,126</u>	<u>1,502,449,120</u>	<u>1,502,449,120</u>
<b>Investment in subsidiaries</b>					
Country Group Securities Public Company Limited	Subsidiary	-	-	2,470,527,937	2,470,525,198
Genki Capital Co., Ltd.	Subsidiary	-	-	25,000,000	25,000,000
Total		<u>-</u>	<u>-</u>	<u>2,495,527,937</u>	<u>2,495,525,198</u>
<b>Securities sold under sell and buy back agreements</b>					
Padaeng Industry Public Company Limited	Associate	367,972,782	320,324,233	-	-
<b>Trade and other current payables</b>					
Country Group Securities Public Company Limited	Subsidiary	-	-	10,472,802	7,860,109
Padaeng Industry Public Company Limited	Associate	366,667	766,667	-	-
Country Group Development Public Company Limited	Related company	450,000	450,000	-	-
Total		<u>816,667</u>	<u>1,216,667</u>	<u>10,472,802</u>	<u>7,860,109</u>

	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Securities business payables</b>					
MFC Asset Management Public Company Limited	Associate	3,094,872	7,290,345	-	-
<b>Debts issued and borrowings</b>					
Padaeng Industry Public Company Limited	Associate	-	89,719,347	-	-
<b>Debentures</b>					
Country Group Securities Public Company Limited	Subsidiary	-	-	25,600,000	49,000,000

## 49. OPERATING SEGMENT INFORMATION

The Group discloses operating segments information in accordance with the Thai Financial Reporting Standard No. 8 (Revised 2019) “Operating Segments” and under the same basis as internal management reports presented to the Company’s chief operating decision maker for resources allocation to and performance evaluation of various segments.

The Group’s business operations involve 3 principal segments: securities and derivatives brokerage segment, investment banking segment and securities and derivatives trading segment. These operations are carried on in Thailand. The operating segment of the Group information for the years ended December 31, 2020 and 2019 were as follows:

CONSOLIDATED FINANCIAL STATEMENT					Unit : Thousand Baht
For the year ended December 31, 2020					
	Securities and derivatives brokerage segment	Investment banking segment	Securities and derivatives trading segment	Other	Total
Revenues:					
Brokerage fees					
- At a point in time	999,985	-	-	-	999,985
Fees and service income					
- At a point in time	258	21,536	44,423	-	66,217
- Over time	-	6,200	-	-	6,200
Interest income	51,559	-	109,236	23,717	184,512
Gain (loss) on investments and derivatives	(36)	-	44,645	2	44,611
Dividend income	-	-	16,618	-	16,618
Other income	2,429	-	1,051	36,739	40,219
Share of profit of associates accounted for using equity method	-	-	-	59,942	59,942
Total revenues	1,054,195	27,736	215,973	120,400	1,418,304
Total expenses					(1,092,382)
Profit from operating activities					325,922
Finance cost					(131,390)
Impairment loss determined in accordance with TFRS9					(51,570)
Income before income tax					142,962
Income tax income					11
Net income for the year					142,973

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENT					
For the year ended December 31, 2019					
	Securities and derivatives brokerage segment	Investment banking segment	Securities and derivatives trading segment	Other	Total
Revenues:					
Brokerage fees					
- At a point in time	559,097	-	-	-	559,097
Fees and service income					
- At a point in time	191	61,613	57,029	1,423	120,256
- Over time	-	8,130	-	-	8,130
Interest income	34,770	-	75,681	26,155	136,606
Gain (loss) on investments and derivatives	(59)	-	205,780	(22,139)	183,582
Dividend income	-	-	39,682	-	39,682
Other income	-	-	-	21,102	21,102
Share of profit of associates accounted for using equity method	-	-	-	33,985	33,985
Total revenues	593,999	69,743	378,172	60,526	1,102,440
Total expenses					(966,387)
Income before income tax					136,053
Income tax expenses					(52,493)
Net income for the year					83,560

## Assets classified by segment in consolidated financial statements

Unit : Thousand Baht

Assets by segment	Securities and derivatives brokerage segment	Investment banking segment	Securities and derivatives trading segment	Total segments	Unallocated assets	Total
As at December 31, 2020	2,221,937	23,751	5,354,002	7,599,690	1,748,988	9,348,678
As at December 31, 2019	1,929,353	51,620	5,749,354	7,730,327	1,095,142	8,825,469

## 50. RISK MANAGEMENT

## 50.1 Credit risk

Credit risk is the risk that the party to a financial instrument will fail to fulfill an obligation causing the Group to incur a financial loss. The financial assets of the Group were not subject to significant concentration of credit risk. The maximum credit risk exposure is the carrying amount of the financial assets, less provision for losses, as stated in the statements of financial position.

In relation to impairment of financial assets, TFRS 9 requires the Group to prepare an expected credit loss model. The Group has established and maintain an appropriate credit loss model. The risk management department periodically reviews the parameters and the data used in the credit loss model.

## 50.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates and it will affect the operation results of the Group and its cash flows.

CONSOLIDATED FINANCIAL STATEMENTS									
As at December 31, 2020									
Outstanding balances of net financial instruments									
Repricing or maturity dates									
Floating rate	Less than 1 year	1-5 years	Over 5 years	Non-performing receivables	No interest	Total	Interest rate (%)		
							Floating rate	Fixed rate	
<b>Financial assets</b>									
Cash and cash equivalents	732.5	-	-	-	-	98.5	831.0	0.1 - 0.8	-
Trade and other current receivables	-	-	-	-	-	132.1	132.1	-	-
Receivables from Clearing House and broker-dealers	-	-	-	-	-	196.0	196.0	-	-
Securities and derivative business receivables	844.4	-	-	-	-	1,205.3	2,049.7	6.3 - 18.0	-
Derivative assets	-	-	-	-	-	2.1	2.1	-	-
Other current financial asset	-	2,260.7	-	-	-	986.0	3,246.7	-	3.0 - 7.3
Other non-current financial assets	-	-	-	-	-	477.3	477.3	-	-
<b>Financial liabilities</b>									
Short-term borrowings from financial institutions	-	350.0	-	-	-	-	350.0	-	2.9 - 3.9
Securities sold under sell and buy back agreements	-	1,287.3	-	-	-	-	1,287.3	-	2.2 - 8.0
Trade and other current payables	-	-	-	-	-	381.9	381.9	-	-
Payables from Clearing House and broker-dealers	-	-	-	-	-	230.9	230.9	-	-
Securities business payables	-	-	-	-	-	946.1	946.1	-	-
Debts issued and borrowings	-	19.9	-	-	-	-	19.9	-	3.0 - 4.5
Debentures	-	-	731.0	-	-	-	731.0	-	6.2 - 6.8

CONSOLIDATED FINANCIAL STATEMENTS									
As at December 31, 2019									
Outstanding balances of net financial instruments									
Repricing or maturity dates									
Floating rate	Less than 1 year	1-5 years	Over 5 years	Non-performing receivables	No interest	Total	Interest rate (%)		
							Floating rate	Fixed rate	
<b>Financial assets</b>									
Cash and cash equivalents	302.5	-	-	-	-	49.9	352.4	0.2 - 0.8	-
Trade and other current receivables	-	-	-	-	-	76.8	76.8	-	-
Receivables from Clearing House and broker-dealers	-	-	-	-	-	91.4	91.4	-	-
Securities and derivative business receivables	991.1	-	-	-	-	898.5	1,889.6	6.3 - 18.0	-
Other current financial asset	-	1,661.2	-	-	-	1,826.1	3,487.3	-	3.0 - 7.3
Other non-current financial assets	-	-	-	-	-	730.1	730.1	-	-
<b>Financial liabilities</b>									
Short-term borrowings from financial institutions	-	150.0	-	-	-	-	150.0	-	3.0 - 4.5
Securities sold under sell and buy back agreements	-	964.2	-	-	-	-	964.2	-	1.9 - 7.3
Trade and other current payables	-	-	-	-	-	149.1	149.1	-	-
Payables from Clearing House and broker-dealers	-	-	-	-	-	315.3	315.3	-	-
Securities business payables	-	-	-	-	-	273.5	273.5	-	-
Derivatives liabilities	-	-	-	-	-	2.7	2.7	-	-
Debts issued and borrowings	-	176.6	-	-	-	-	176.6	-	1.3 - 3.3
Debentures	-	978.1	-	-	-	-	978.1	-	6.3

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS									
As at December 31, 2020									
Outstanding balances of net financial instruments									
Repricing or maturity dates									
	Floating rate	Less than 1 year	1-5 years	Over 5 years	Non-performing receivables	No interest	Total	Interest rate (%)	
								Floating rate	Fixed rate
<b>Financial assets</b>									
Cash and cash equivalents	299.7	-	-	-	-	3.2	302.9	0.1 - 0.4	-
Trade and other current receivables	-	-	-	-	-	186.6	186.6	-	-
Short-term loan to a subsidiary	-	130.1	-	-	-	-	130.1	-	6.2 - 6.3
Other current financial asset	-	932.0	-	-	-	669.3	1,601.3	-	3.0 - 7.0
Other non-current financial assets	-	-	-	-	-	450.7	450.7	-	-
<b>Financial liabilities</b>									
Trade and other current payables	-	-	-	-	-	247.5	247.5	-	-
Debentures	-	-	751.9	-	-	-	751.9	-	6.3 - 6.8

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS									
As at December 31, 2019									
Outstanding balances of net financial instruments									
Repricing or maturity dates									
	Floating rate	Less than 1 year	1-5 years	Over 5 years	Non-performing receivables	No interest	Total	Interest rate (%)	
								Floating rate	Fixed rate
<b>Financial assets</b>									
Cash and cash equivalents	184.0	-	-	-	-	4.8	188.8	0.3 - 0.4	-
Trade and other current receivables	-	-	-	-	-	101.9	101.9	-	-
Short-term loan to a subsidiary	-	69.1	-	-	-	-	69.1	-	6.2
Other current financial asset	-	897.7	-	-	-	1,320.9	2,218.6	-	3.0 - 7.3
Other non-current financial assets	-	-	-	-	-	664.0	664.0	-	-
<b>Financial liabilities</b>									
Trade and other current payables	-	-	-	-	-	34.1	34.1	-	-
Debentures	-	1,027.2	-	-	-	-	1,027.2	-	6.3

The average yields on the average financial asset balances and the average cost of funds on average financial liabilities for interest bearing financial instruments were presented in the following table:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2020			
	Average balance	Interest income/expenses	Average yield (%)
<b>Financial assets</b>			
Cash and cash equivalents	499.9	1.1	0.2
Other current financial assets	4,127.7	153.7	3.7
Securities and derivative business receivables	986.5	51.6	5.2
<b>Financial liabilities</b>			
Short-term borrowings from financial institutions	191.6	8.3	4.3
Securities sold under sell and buy back agreements	1,287.3	33.9	2.6
Debts issued and borrowings	1,264.4	40.5	3.2
Debentures	801.4	49.5	6.3

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2019			
	Average balance	Interest income/expenses	Average yield (%)
<b>Financial assets</b>			
Cash and cash equivalents	930.6	5.1	0.5
Other current financial assets	1,782.8	38.7	2.2
Securities business receivables	614.4	34.8	5.7
<b>Financial liabilities</b>			
Short-term borrowings from financial institutions	112.5	0.9	3.4
Securities sold under sell and buy back agreements	964.2	26.4	2.8
Debts issued and borrowings	216.8	6.2	2.9
Debentures	1,057.9	66.4	6.3

Unit : Million Baht			
SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2020			
	Average balance	Interest income/expenses	Average yield (%)
<b>Financial assets</b>			
Cash and cash equivalents	241.0	0.4	0.2
Other current financial assets	1,021.5	44.8	4.4
Short-term loan to a subsidiary	129.1	8.0	6.2
<b>Financial liabilities</b>			
Debentures	801.4	49.5	6.2

Unit : Million Baht			
SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2019			
	Average balance	Interest income/expenses	Average yield (%)
<b>Financial assets</b>			
Cash and cash equivalents	434.5	1.4	0.3
Other current financial assets	358.0	16.5	4.6
Short-term loan to a subsidiary	69.1	4.3	6.2
<b>Financial liabilities</b>			
Debentures	1,057.9	66.4	6.3

### 50.3 Liquidity risk

Under the Notification of the Office of the Securities and Exchange Commission No. KorTor 32/2560 regarding “Net Capital Ratio - NCR”, the securities company has to maintain its net capital requirement at the end of the day not less than Baht 15.0 million and not less than 7% of general liabilities.

The subsidiary was granted securities business licenses of derivatives agent under the Derivative Act. The subsidiary has to maintain its net liquid capital at the end of working day at least Baht 25.0 million and at least 7% of general liabilities and assets held as collateral except in case the Company discontinued its derivatives agent business and notified to the Office of the Securities and Exchange Commission, the Company has to maintain its net liquid capital as mentioned in the above paragraph.

Additionally, in accordance with the regulation of Thailand Clearing House Co., Ltd. (“TCH”) chapter 300 “Members” regarding the “Qualification of an Associated Member”, the Associated Member is required to have total owners’ equity of not less than Baht 150.0 million and/or have a financial condition in accordance with the criteria prescribed by an agency in charge of overseeing the business operations of such juristic person under relevant law.

The periods of time from the statement of financial position date to the maturity dates of financial instruments as of December 31, 2020 and 2019 were as follows:

Unit: Million Baht							
CONSOLIDATED FINANCIAL STATEMENTS							
As at December 31, 2020							
Outstanding balances of net financial instruments							
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	-	831.0	-	831.0
Trade and other current receivables	-	132.1	-	-	-	-	132.1
Receivables from Clearing House and broker-dealers	-	196.0	-	-	-	-	196.0
Securities and derivative business receivables	844.4	1,184.0	-	-	21.3	-	2,049.7
Other current financial assets	-	2,663.0	-	-	583.7	-	3,246.7
Other non-current financial assets	-	-	-	-	477.3	-	477.3
Derivative assets	-	2.1	-	-	-	-	2.1
<b>Financial liabilities</b>							
Short-term borrowings from financial institutions	350.0	-	-	-	-	-	350.0
Securities sold under sell and buy back agreements	-	1,287.3	-	-	-	-	1,287.3
Trade and other current payables	-	381.9	-	-	-	-	381.9
Payables from Clearing House and broker-dealers	-	230.9	-	-	-	-	230.9
Securities business payables	-	946.1	-	-	-	-	946.1
Debts issued and borrowings	-	19.9	-	-	-	-	19.9
Debentures	-	-	731.0	-	-	-	731.0
Unit: Million Baht							
CONSOLIDATED FINANCIAL STATEMENTS							
As at December 31, 2019							
Outstanding balances of net financial instruments							
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	-	352.4	-	352.4
Trade and other current receivables	-	76.8	-	-	-	-	76.8
Receivables from Clearing House and broker-dealers	-	91.4	-	-	-	-	91.4
Securities and derivative business receivables	991.1	879.1	-	-	-	19.4	1,889.6
Other current financial assets	-	2,166.1	-	-	1,321.2	-	3,487.3
Other non-current financial assets	-	-	-	-	730.1	-	730.1
<b>Financial liabilities</b>							
Short-term borrowings from financial institutions	150.0	-	-	-	-	-	150.0
Securities sold under sell and buy back agreements	-	964.2	-	-	-	-	964.2
Trade and other current payables	-	149.1	-	-	-	-	149.1
Payables from Clearing House and broker-dealers	-	315.3	-	-	-	-	315.3
Securities business payables	-	273.5	-	-	-	-	273.5
Derivative liabilities	-	2.7	-	-	-	-	2.7
Debts issued and borrowings	-	176.6	-	-	-	-	176.6
Debentures	-	978.1	-	-	-	-	978.1

Unit: Million Baht

	SEPARATE FINANCIAL STATEMENTS						
	As at December 31, 2020						
	Outstanding balances of net financial instruments						
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	-	302.9	-	302.9
Trade and other current receivables	-	186.6	-	-	-	-	186.6
Short-term loan to a subsidiary	130.1	-	-	-	-	-	130.1
Other current financial assets	-	932.0	-	-	669.3	-	1,601.3
Other non-current financial assets	-	-	-	-	450.7	-	450.7
<b>Financial liabilities</b>							
Trade and other current payables	-	247.5	-	-	-	-	247.5
Debentures	-	-	751.9	-	-	-	751.9

Unit: Million Baht

	SEPARATE FINANCIAL STATEMENTS						
	As at December 31, 2019						
	Outstanding balances of net financial instruments						
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	-	188.8	-	188.8
Trade and other current receivables	-	101.9	-	-	-	-	101.9
Short-term loan to a subsidiary	69.1	-	-	-	-	-	69.1
Other current financial assets	-	897.7	-	-	1,320.9	-	2,218.6
Other non-current financial assets	-	-	-	-	664.0	-	664.0
<b>Financial liabilities</b>							
Trade and other current payables	-	34.1	-	-	-	-	34.1
Debentures	-	1,027.2	-	-	-	-	1,027.2

#### 50.4 Market risk

The Group exposure to market risk is the risk that volatility on the stock price and derivatives price that will substantially reduce the value of the Group's investments. However, the Group manages such risk at acceptable levels through risk management policies, and establishment of proper risk limits and parameters, as well as a market risk monitoring function.



## 50.5 Foreign exchange risk

As at December 31, 2020 and 2019, the Group had financial instruments in foreign currencies as follows:

CONTINUED AS FOLLOWS:

Unit: Thousand Baht				
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at December 31, 2020				
	Assets		Liabilities	
	Fair value	Contract value	Fair value	Contract value
Trading investments - derivatives				
Forward contract	-	-	-	-
Total	-	-	-	-

Unit: Thousand Baht				
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at December 31, 2019				
	Assets		Liabilities	
	Fair value	Contract value	Fair value	Contract value
Trading investments - derivatives				
Forward contract	17,012	17,074	17,074	17,074

## 50.6 Fair value

The fair value disclosures of financial instruments, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Group in estimating fair values of financial instruments.

### 50.6.1 Financial assets and financial liabilities measured at fair value

Certain financial assets and financial liabilities of the Group were measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS				
Financial assets/ Financial liabilities	Fair value As at December 31,		Fair value hierarchy	Valuation techniques and key inputs
	2020	2019		
<b>Financial Assets</b>				
<b>Other current financial assets</b>				
Investments measured at fair value through profit or loss				
<u>Equity instruments</u>				
- Unit trusts	509,284	1,232,337	2	Net asset values of the last working day of the reporting period
- Listed securities	324,234	740,293	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
<u>Debt instruments</u>				
- Debentures	1,012,015	661,381	2	Yield rate rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
- Securities sold under sell and buy back agreement	1,319,203	920,559	2	Yield rate rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Investments measured at fair value through other comprehensive income				
<u>Equity instruments</u>				
- Listed securities	345,787	353,544	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
<b>Other non-current financial assets</b>				
Investments measured at fair value through other comprehensive income				
<u>Equity instruments</u>				
- Listed securities	471,169	723,905	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
- Equity securities	6,156	-	3	Discounted cash flow
<b>Derivative assets</b>				
- Futures	2,114	-	1	Settlement prices of the last working day of the reporting period as quoted on prices of the last working day of the reporting period as quoted on future exchanges
<b>Financial liabilities</b>				
<b>Derivative liabilities</b>				
- Derivative warrant	-	2,592	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
- Embedded derivatives	-	94	3	Measure by uses a valuation technique and theoretical model. The input to the model is derived from observable market conditions that include interest rate, underlying price and volatility of underlying asset.

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS				
Financial assets/ Financial liabilities	Fair value As at December 31, 2020	Fair value 2019	Fair value hierarchy	Valuation techniques and key inputs
<b><u>Financial Assets</u></b>				
<b>Other current financial assets</b>				
Investments measured at fair value through profit or loss				
<b><u>Equity instruments</u></b>				
- Unit trusts	104,549	731,825	2	Net asset values of the last working day of the reporting period
- Listed securities	39,167	235,506	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
<b><u>Debt instruments</u></b>				
- Debentures	179,794	336,019	2	Yield rate rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Investments measured at fair value through other comprehensive income				
<b><u>Equity instruments</u></b>				
- Listed securities	345,787	353,544	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
<b>Other non-current financial assets</b>				
Investments measured at fair value through other comprehensive income				
<b><u>Equity instruments</u></b>				
- Listed securities	450,675	664,011	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand

## 50.6.2 Financial assets and financial liabilities not measured at fair value

Fair value of financial assets and financial liabilities which were not measured at fair value and their fair value hierarchy level classification were summarized as follows:

Unit: Thousand Baht

Unit: Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS					
Financial assets/ Financial liabilities	As at December 31, 2020		As at December 31, 2019		Fair value hierarchy
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
<u>Financial assets</u>					
Cash and cash equivalents	831,049	831,049	352,424	352,424	3
Trade and other current receivables	132,064	132,064	76,793	76,793	3
Receivables from Clearing House and broker-dealers	195,990	195,990	91,395	91,395	3
Securities and derivative business receivables	2,049,699	2,049,699	1,889,579	1,889,579	3
Deposits at financial institutions	54,210	54,210	54,210	54,210	3
Other non-current financial assets					
Listed securities	6,156	6,156	6,156	6,156	3
<u>Financial liabilities</u>					
Short-term borrowings from financial institutions	350,000	350,000	150,000	150,000	3
Securities sold under sell and buy back agreements	1,287,284	964,180	1,287,284	964,180	3
Trade and other current payables	381,926	381,926	149,132	149,132	3
Payables to Clearing House and broker-dealers	230,872	230,872	315,345	315,345	3
Securities business payables	946,147	946,147	273,545	273,545	3
Debts issued and borrowings	19,884	19,884	176,568	176,568	3
Debentures	730,975	730,975	978,118	978,118	3

SEPARATE FINANCIAL STATEMENTS					Unit: Thousand Baht
Financial assets/ Financial liabilities	As at December 31, 2020		As at December 31, 2019		Fair value hierarchy
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
<u>Financial assets</u>					
Cash and cash equivalents	302,857	302,857	188,791	188,791	3
Trade and other current receivables	186,644	186,644	101,884	101,884	3
Short-term loan to a subsidiary	130,133	130,133	69,133	69,133	3
<u>Financial liabilities</u>					
Trade and other current payables	247,510	247,510	34,143	34,143	3
Debentures	751,862	751,862	1,027,200	1,027,200	3

The fair values of the financial assets and financial liabilities above, which presented in statement of financial position were considered to approximate their respective carrying value since the fair value were predominantly subject to market interest rate and mature in the short-term except other non-current financial asset in equity securities which use net asset value of invested company.

## 51. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 25, 2021.

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