

SGF CAPITAL

Public Company Limited

บริษัท เอสจีเอฟ แคปปิตอล จำกัด (มหาชน)



รายงานประจำปี 2566

56-1 ONE REPORT 2023





Message from the Board of Directors

To Shareholders,

Even if economic activity recovers and tourist numbers start to increase in 2023, it will have a positive impact on domestic consumption and employment. However, economic recovery remains slow and fragile. The overall economic outlook for 2023 indicates that gross domestic product (GDP) will expand only 1.9%, lower than the market's expectation of 2.2%, due to continued decline in exports, including decreased government spending and public investment.

The car and motorcycle finance market in 2023 faces several challenges both the control of hire purchase interest rates by the Office of the Consumer Protection Board (OCPB) and increased financial costs from geopolitical conflicts, including household debt increasing faster than economic growth. At the same time, many car loan borrowers are still affected by the economic crisis and are therefore unable to pay installments at the old rate. Therefore, the highest number of cars seized from financial institutions were taken to the highest auction locations in recent years. Moreover, the demand for electric vehicles (EV) in the market is higher than expected. This has resulted in an oversupply of used cars in the market and prices have dropped significantly and continuously. Both financial institutions and car loan operators must adapt by increasing strictness in screening new loans until the number of loan applicants increases. As a result, the number of new loans received in 2023 decreased from the previous year.

As for the company's operating results in 2023, the Company has car and motorcycle hire purchase loans with a total value of 1,022.56 million baht under the brand "SGF Check-in Ngendum" resulting in an increase in the car and hire purchase loan portfolio and the pawned vehicle registration amount of 2,366.95 million baht. However, because most debtors are affected by the economic situation and household debt. The Company therefore has an increase in past due receivables throughout the industry.

As for the company's liquidity, in 2023 the Company issued new bonds in the amount of 428.40 million baht, using the money to repay the original bonds in the amount of 400 million baht and the remaining amount for use in circulating and expanding the company's loans.

For 2024, the National Economic and Social Development Council (NESDB) forecasts that Thailand's gross domestic product (GDP) will expand by 2.2 percent due to the recovery of the tourism sector and private investment. However, the lending business still faces risk factors that cause the debt ratio of households and businesses to remain high especially vulnerable groups and low-income households. There is also the impact of drought problems from El Niño which may affect the agricultural sector as well.

In 2024, the Company has established a policy to increase caution and strictness in granting credit, including emphasizing more efficiency in debt collection and closely monitor debtors to prevent problems with non-performing debts, including reducing marketing expenses and controlling operating expenses to compensate for lower income from setting the interest rate ceiling.

In business ethics, the company remains committed to conducting business with social responsibility and good corporate governance. The Company received a good corporate governance assessment from the Thai Institute of Directors Association (IOD) for the year 2023 at the level of "excellent" (5 stars) for the second year in a row.



Nonetheless, the Company remains focused on providing professional services for sustainable growth of the Company's business by adhering to the management principles of good governance, morality, ethics, honesty, transparency, social and environmental responsibility, as well as strictly following the principles of corporate governance to create added value and confidence for all stakeholders in the long run. In addition, the Company regularly assesses the risks associated with fraud and has an anti-corruption policy as well as a business ethics manual. In this regard, the main policy is reviewed annually and priority is given to the development of employees to have the knowledge and ability to grow with the Company.

Finally, the Board of Directors and the Company's management team would like to thank all shareholders and related parties for their continuous support of the Company's operations.

Mr. Pinit Wuthipand
Chairman of the Board

Mr. Kannanat Boonsunanondha
Chief Executive Officer



Board of Directors



(Mr. Pinit Wuthipand)
Chairman of the Board /
Chairman of Audit Committee



(Mr. Yanyong Siripun)
Chairman of the Nomination
and Remuneration Committee



(Mr. Kannanat Boonsunanondha)
Chief executive officer



(Mrs. Rachaneekorn Chintakanon)
Chairman of the Executive Board



(Mrs. Petcharat Thongtang)
Chairman of the Risk
Management Committee



(Mrs. Supanut Pongserm)
Audit Committee Member



(Mr. Issarachai Decharit)
Director



Honor for Good Corporate Governance

The Company has received the assessment of the Corporate Governance of Listed Companies in the Stock Exchange of Thailand for the year 2022, 2023 as “Excellent” (5 stars) by Thai Institute of Director (IOD).

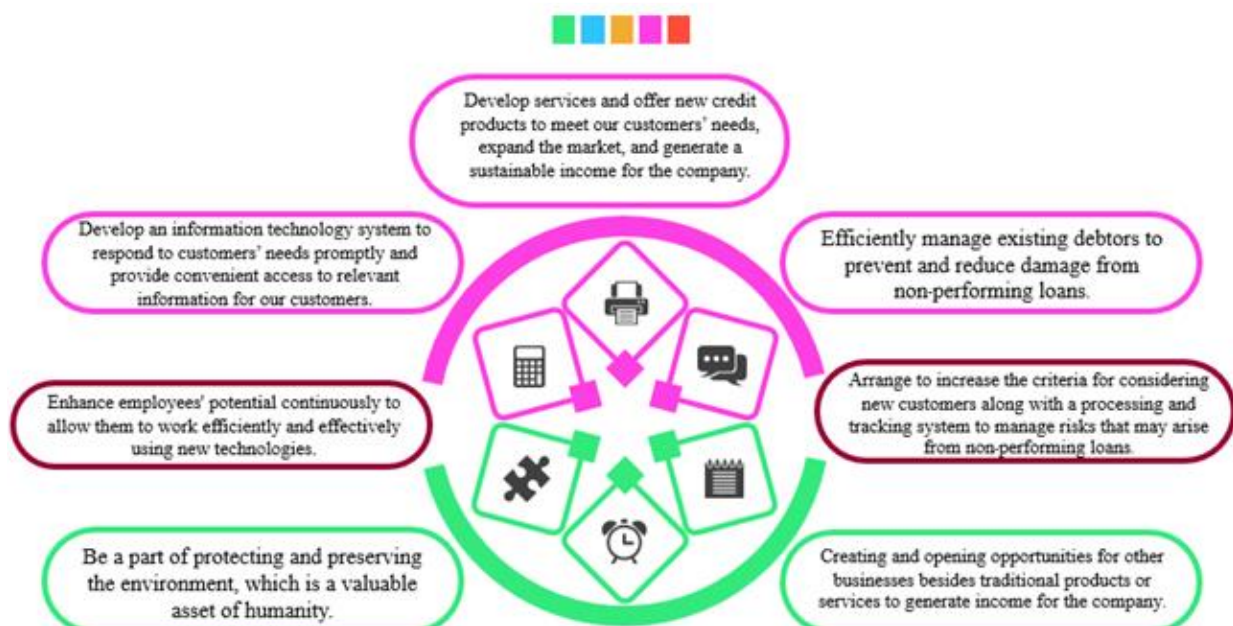


VISION

SGF commits to developing and providing financial services to its target customers, as well as looking for additional business opportunities and doing everything possible to become a stable and sustainable company for all stakeholders, including helping society and considering the environment.



MISSION





Financial Highlights

| | | 2021 | 2022 | 2023 |
|--|-------|----------|----------|----------|
| Financial Performance | | | | |
| Hire purchase Income | MB. | 350.91 | 443.37 | 496.65 |
| Fees and Services Income | MB. | 20.23 | 23.76 | 22.49 |
| Loan Income | MB. | 33.77 | 31.19 | 32.10 |
| Total Income | MB. | 414.15 | 516.16 | 570.76 |
| Gross Profit | MB. | 348.56 | 430.49 | 459.80 |
| Net Profit (Loss) | MB. | 56.96 | 41.27 | (31.32) |
| Financial Position | | | | |
| Hire purchase, Leasing, and car for cash | MB. | 1,917.98 | 2,318.68 | 2,366.95 |
| Receivables (net) | | | | |
| Loan Receivables (net) | MB. | 240.51 | 234.17 | 244.08 |
| Total Receivables (net) | MB. | 2,167.19 | 2,561.32 | 2,617.81 |
| Current Assets | MB. | 745.04 | 775.35 | 813.44 |
| Total Assets | MB. | 2,594.98 | 2,949.16 | 2,941.18 |
| Currents Liabilities | MB. | 411.49 | 579.59 | 697.81 |
| Total Liabilities | MB. | 853.94 | 1,166.86 | 1,192.49 |
| Shareholders' Equity | MB. | 1,741.04 | 1,782.30 | 1,748.69 |
| Financial Ratio | | | | |
| Current Ratio | times | 1.81 | 1.34 | 1.17 |
| Debt to Equity Ratio | times | 0.49 | 0.65 | 0.68 |
| Net Profit Margin | % | 13.96% | 7.99% | -5.49% |
| Return on Equity | % | 3.33% | 2.34% | -1.77% |
| Return on Assets | % | 2.35% | 1.49% | -1.06% |
| Common Shares | | | | |
| Par Value per share | Baht | 1.25 | 1.25 | 1.25 |
| Book value per share | Baht | 1.329 | 1.361 | 1.335 |
| Net Profit per share | Baht | 0.0435 | 0.0315 | (0.0239) |
| Dividend per share | Baht | - | - | - |

List of Contents

Part 1 Business Operation and Operating Results

| | |
|---|----|
| 1. Organizational structure and operation of the group of companies | 1 |
| 2. Risk Management | 14 |
| 3. Driving business for sustainability | 19 |
| 4. Management Discussion and Analysis (MD&A) | 42 |
| 5. General Information and Other important information | 52 |

Part 2 Corporate Governance

| | |
|--|----|
| 6. Corporate Governance Policy | 54 |
| 7. Corporate governance structure and important information about the board Sub-committees, management, employees and others | 70 |
| 8. Corporate Governance Report | 84 |
| 9. Internal Control and related transactions | 99 |

Part 3 Financial Statement 104

| | | |
|--------------|--|-----|
| Attachment 1 | Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, and the Company's secretary | 151 |
| Attachment 2 | Details of the directors of subsidiaries | 159 |
| Attachment 3 | Details of the Heads of the Internal Audit and Compliance Units | 160 |
| Attachment 4 | Assets for business undertaking and details of asset appraisal | 161 |
| Attachment 5 | Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company | 165 |
| Attachment 6 | Report from Audit Committee | 166 |
| Attachment 7 | Responsibilities of the Board of Directors for Financial Report | 169 |
| Attachment 8 | Report from sub-committee | 170 |
| Branch | | 174 |



1. Organizational structure and operation of the group of companies

1. Policy and business overview

SGF Capital Public Company Limited or the “Company”, formerly known as Siam General Factoring Public Company Limited, was registered and established on August 7, 1985 with the principal business of providing short-term working capital services. Subsequently, the business was expanded to cover other types of loans such as credit loans, personal loans and nano finance loans.

In 2017, the Company changed its core business by turning to provide retail hire purchase loans services under the brand “SGF Check-in Ngendum” due to the opportunity that can drive the business to grow continuously and focus on expanding the customer base to communities, low and middle-income households or basic-level people groups by encouraging access to credit loans with reasonable interest rates and service charges. After that, the loan types have been expanded to meet the needs of more customers, both mortgage loans and land loans including the start of new motorcycle loan services in October 2021 with the expansion of service areas throughout the country.

At present, the Company focuses on providing credit services to low-income customers by providing various credit services that customers can choose to use as appropriate, such as hire purchase loans, vehicle title loans, land mortgage loans, personal loans, credit loans, etc.

1.1 Vision, objectives, goals and business strategies

Our Vision

“SGF commits to developing and providing financial services to its target customers, as well as looking for additional business opportunities and doing everything possible to become a stable and sustainable company for all stakeholders, including helping society and considering the environment.”

Our Mission

1. Develop services and offer new credit products to meet our customers’ needs, expand the market, and generate a sustainable income for the company.
2. Efficiently manage existing debtors to prevent and reduce damage from non-performing loans.
3. Arrange to increase the criteria for considering new customers along with a processing and tracking system to manage risks that may arise from non-performing loans.
4. Creating and opening opportunities for other businesses besides traditional products or services to generate income for the company.
5. Develop an information technology system to respond to customers’ needs promptly and provide convenient access to relevant information for our customers.
6. Enhance employees’ potential continuously to allow them to work efficiently and effectively using new technologies.
7. Be a part of protecting and preserving the environment, which is a valuable asset of humanity.

Strategies for 2024

- The Company has adjusted the product design to be appropriate and in line with the competitive situation in the market.
- Adjust the plan to closely follow current customers to solve customer problems in a timely manner with changing situations.
- Improving loan approval criteria to reduce the risk that used car prices will decrease due to the impact of increased sales of electric cars and the economic situation has not yet returned



to normal.

- Organize effective learning and employee development courses to promote the development of the new generation of executives.
- Finding opportunities to invest in other businesses that provide good returns and an acceptable level of risk.
- Developing technological potential to support new products and promotions as well as increasing work efficiency and reducing company costs in the long term.
- Increase social and community activities to return profits to society.

Business Goals 3-5 years

The Company aims to conduct business ethically, focusing on gradually expanding its customer base by considering the financial strength of customers and the future value of collateral. Increasing product diversification and adding new sales channels in line with changing technology and eras will be able to thoroughly serve customers. Efficient debt collection management under careful risk assessment and the preparation of business alliances with both domestic and international companies will ensure stability and sustainability. However, the Company continues to realize its responsibility towards society and the environment as a whole.

1.2 Material changes and developments

| Year | Milestone |
|------|--|
| 1985 | - Established the Company and provided Factoring Business |
| 2005 | - The Company granted a license to operate, personal loans under supervision of the Bank of Thailand |
| 2017 | <ul style="list-style-type: none"> - The Company was approved to resume trading in MAI on 1 February 2017 after the Company having a stable financial position and operating results. - The 2017 Annual General Meeting of Shareholders on 28 April 2017 resolved to change the Company name from “Siam General Factoring Public company Limited” to “SGF Capital Public company Limited” because the company will focus on the retail hire purchase business. - Started a retail hire purchase business under the brand “SGF Check-in Ngern Duan” and expanded the retail loan business. |
| 2018 | <ul style="list-style-type: none"> - The Extraordinary General Meeting of Shareholders No.2/2018 held on 7 August 2018 resolved to change par value from 0.50 baht per share to 5.00 baht per share (based on the share ratio from 10 shares to 1 share) The Company already registered the amendment of Clause 4 of the Company’s Memorandum of Association at Department of Business Development, MOC on 9 August 2018. - The Extraordinary General Meeting of Shareholders No.2/2018 held on 7 August 2018 resolved to reduce the Company’s registered capital and paid-up capital from 6,550,000,020 baht (Six Thousand five hundred fifty million and twenty baht) remaining 1,637,500,005 baht (One Thousand six hundred thirty seven million five hundred thousand and five baht) by reducing the par value from 5.00 baht (five baht only) to 1.25 baht (one baht twenty-five satang) to bring such surplus to compensate the accumulated loss of the Company. The Company has registered to reduce the registered and paid-up capital to the Department of Business Development, MOC on 13 December 2018. |
| 2019 | - The Company granted a license to operate, car for cash under supervision of the Bank of Thailand |
| 2023 | <ul style="list-style-type: none"> - Operate car for cash to be main business - Start Leasing New Motorcycle since October 2023 |



1.3 Use of funds for raising funds

A) Bonds

As at 31 December 2023, the Company has 2 Bonds that are not yet due for redemption, as follows:

1. “SGF Capital Public Company Limited debenture No.1/2022 the maturity year 2024 that gives the issuer the right to redeem before maturity” (“SGF240A”)

| | |
|------------------------------------|--|
| Use of fund | To expand the retail hire purchase business, revolving in the business, and repay the Company’s secured bond “SGF22DA” in the amount of 300.0 million baht prior to the maturity date, which due on 28 December 2023. |
| Amount | 500 Million Baht |
| Period of using fund | By December 2023 |
| Progress of the use of fund | The Company has fully repaid the debentures “SGF22DA” on the maturity date. The rest have been expanded to the Company business as stated of the objectives. |

2. “SGF Capital Public Company Limited debenture No.1/2023 the maturity year 2025 that gives the issuer the right to redeem before maturity” (“SGF255A”)

| | |
|------------------------------------|--|
| Use of fund | To expand the retail hire purchase business, revolving in the business, and repay the Company’s secured bond “SGF237A” in the amount of 400.00 million baht, which due on 19 July 2023. |
| Amount | 428.40 Million Baht. |
| Period of using fund | Within August 2023 |
| Progress of the use of fund | The Company has fully repaid the debentures “SGF232A” on the maturity date. The rest have been expanded to the Company business as stated of the objectives. |

B) Applicable Law.

The terms of the rights are governed and construed in accordance with Thai law.

C) Certain covenants which the Company has to complied with debentures.

The Company is obligated to comply with important covenants such as maintaining financial ratios, dividend payment and maintaining the remaining asset value at par value of the debtor as collateral for not less than 1.50 times the unredeemed value on the last business day of each quarter in every year throughout the term of the debentures, etc.

D) Company Name, Location, Type of Business, Company Registered Number, Telephone and Fax.



Company Name SGF Capital Public Company Limited “Bor Mor Jor.243”
 The Headquarters 121 4th Floors, WTH Holding Building, Vibhavadi-Rangsit Road,
 Samsen – Nai, Phyathai, Bangkok 10400
 Nature of Business Hire Purchase, Car for cash, Personal Loan, Nano Finance and Loans.
 Company Registration Number 0107536001699
 Telephone 0-2232-1789
 Fax 0-2232-1790
 Website <http://www.sgfcap.com>
 Registered Capital 1,637,500,005 Baht
 Paid-up Capital 1,637,500,005 Baht
 Listed Share 1,310,000,000 Share
 Par value per share 1.25 Baht

2. Nature of Business

The Company main business is retail hire purchase, leasing and car for cash under the brand “SGF Check-in Ngenduan” Income structure for each business are as follows:

2.1 Revenue Structure

| Type of Income | 2021 | | 2022 | | 2023 | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | MB | % | MB | % | MB | % |
| Hire Purchase Leasing, and Car for cash Income | 350.91 | 84.73 | 443.37 | 85.90 | 496.65 | 87.02 |
| Loan Income | 33.77 | 8.15 | 31.19 | 6.04 | 32.10 | 5.62 |
| Other Interest Income* | 3.00 | 0.72 | 3.52 | 0.68 | 2.68 | 0.47 |
| Total Interest Income | 387.68 | 93.61 | 478.08 | 92.62 | 531.42 | 93.11 |
| Fee and Service Income | 20.23 | 4.88 | 23.77 | 4.61 | 22.49 | 3.94 |
| Other Income** | 6.24 | 1.51 | 14.31 | 2.77 | 16.84 | 2.95 |
| Total Income | 414.15 | 100.00 | 516.16 | 100.00 | 570.76 | 100.00 |

Remarks: * Other Interest Income includes Personal Loan/Nano Finance Income, Mortgage Loan Income, Factoring Income and Employee welfare loan Income

** Other Income consists of Gains from disposals of foreclosed of seized vehicles, Gains from disposals of subsidiary which is not regular income

Source of Income

| Type of business | Type of Income | Source of Income |
|------------------------------|-------------------------------|------------------|
| Hire purchase | Hire purchase interest income | Interest and fee |
| Loan credit | Loan income | Interest |
| Car for cash | Car for cash interest income | Interest and fee |
| Land | Land interest income | Interest and fee |
| Personal Loan / Nano-finance | Personal | Interest and fee |



2.2 Our Product and Service

A) Hire purchase Loan

The Company has offered automobile and motorcycle hire purchase loans since late February 2017. This is a loan service offered to general customers who own vehicles or refinance from other financing institutions by entering into a hire purchase agreement and transferring the ownership of the vehicles to the Company while still being able to use the vehicles in order to take out a loan to use for their careers or daily life.

B) Car for cash Loan

Personal loan service under supervision that has a vehicle registration as collateral (Car for cash) started from August 2019. Car for cash is a loan service for retail business customers who own a lien-free vehicle. The customer can apply for loan by signing a loan contract and vehicle ownership document will be pledged as collateral against loan, customer deliver a vehicle registration book to be under the Company possession with no ownership transfer. This loan service is type of financing solutions meant for customers which can be essentially used for any purpose whether using in daily life or maintaining or improving a retail business.

C) Leasing Motorcycle Leasing Loan

Motorcycle leasing service will be available from October 2023. It is a loan service for general retail customers who wish to buy a new motorcycle by entering into a leasing contract. The Company will purchase the motorcycle for the customer to enter into a leasing contract and give the customer the right to purchase the motorcycle when the contract ends throughout the leasing period. The customer will be the owner of the vehicle and can use the vehicle normally.

D) Land Mortgage Loan

Land Service has been operate since December 2020, providing loans to retail customers who have their own land, houses or condominiums, and have title deed or condominium ownership to mortgage as collateral, with 1-2 years repayment. The credit line will depends on the value of the collateral.

E) Loan Credit

A long term loan 1-3 years. This loan is given to a customer to improve or develop there business and gradually repayment as agreement. The Company will set the credit amount depends on each work project and the value of collateral. This type of credit are existing customers who use this service with the Company. At present, the Company does not provide additional loan credit.

F) Personal Loan

The Company granted a license to operate, personal loans under supervision of the Bank of Thailand, from the Ministry of Finance on 21 October 2005. The company will define the credit line according to the Company's policies, set the application rate and fee in accordance with the regulations of the Bank of Thailand. This loan service is type of financing solutions meant for social welfare customer with payroll deduction.

G) Nano-Finance Credit Loan

The Company granted a license to operate, nano finance under supervision of the Bank of Thailand, from the Ministry of Finance on 26 December 2015. The company started this service



from December 2016 to provide credit lines for working capital to small business entrepreneurs. The duration of loan is approximately 1-4 years. The company will define the credit line and application rate in accordance with the regulations of the Bank of Thailand. However, the Company reduce nano finance since early 2018 due to high risk and NPL.

2.3 Credit Policy

A) Hire purchase loan

The Company's policy is to provide credit services to general retail customers who have their own vehicles or need refinancing from other financial institutions and need urgent funds for personal liquidity or enhance liquidity in occupation by considering the details of the vehicle used to apply for credit, the ability to pay debt and the qualifications of customers as specified by the Company.

B) Car for cash loan

The Company's policy is to provide credit services to general retail customers who have their own vehicles and need urgent funds to supplement their personal liquidity or enhance professional liquidity in occupation by considering the vehicle as collateral and setting a credit limit of approximately 50 - 60 % of the collateral value from the market price bought into the Company, the ability to pay debt and the qualifications of customers according to the Company and the rules prescribed by the Bank of Thailand.

C) Motorcycle Leasing loan

The Company has a policy of providing credit services to general retail customers who wish to rent motorcycles for possession and use when the motorcycle rental period is due. Customers can exercise their rights to purchase their own motorcycles. The Company will consider the ability to repay debt according to the customer's qualifications specified by the Company.

D) Land mortgage loan

The Company's policy is to provide land mortgage loans to general retail customers who own land with houses or condominiums and need funds to enhance personal liquidity or enhance liquidity in occupation by considering land and/or buildings as collateral by setting a credit limit of not more than 70% of the collateral value and consider the ability to pay debt and the qualifications of customers as well.

E) Loan Credit

The Company has provided credit loans to customers by mortgage land as collateral, which may be in the form of credit loans and a gradual monthly repayment or loan credit limit and repayment by transferring the debtor's contractual rights for government agencies or state enterprises. However, the Company will consider the collateral value and repayment ability together with the borrowing objectives in determining the loan credit limit but not more than 70% of the collateral value and subject to the Company's current appraised value approved by the Office of the Securities and Exchange Commission. The Company had not provided additional loans of this type to new customers since 2017.

F) Personal loan

The Company focuses on providing this credit loan to the target customer groups for permanent employee of selected units which cooperate in deducting employee salaries to pay monthly debt with the Company. The approval of each customer's credit loan depends primarily on the customer's qualifications in accordance with the credit scoring criteria and regulations prescribed by the Bank of Thailand.



G) Nano finance loan

The Company has started to provide business service with the first target customers in the vicinity of the Company's office for easy follow-up. The credit expansion will be in a gradual manner to study business trends as well. The approval of each customer's credit loan depends mainly on the customer's qualifications in accordance with the credit scoring criteria and regulations prescribed by the Bank of Thailand.

2.4 Credit Approval Policy

Approval for vehicle loan (Hire purchase and car for cash) credit limits: The Company will consider from the overall composition including the loan application's qualifications, ability to pay off debt, stable career and income, collateral monitoring, guarantor qualifications (if any), guarantee vehicles are in good condition and are still in demand used-car market and have liquidity to resell over the loan credit line as determined by the Company. Details as following:

| Credit Line | Authorities |
|-------------------------|--|
| 550,000 baht up | Vice President, Debt management Dept or Vice President, Marketing Dept with Chief Executive Officer |
| Not exceed 550,000 baht | Vice President, Debt management Dept or Vice President, Marketing Dept with Vice President, Credit Dept. |
| Not exceed 350,000 baht | Vice President, Credit Dept. |
| Not exceed 200,000 baht | Credit Manager |

Approval for motorcycle loan limits (hire purchase and leasing) : The Company will consider the overall composition of the borrower's qualifications, occupation, and income, including the ability to repay debts and qualifications of the guarantor (if any), with the authority to approve the loan as follows:

| Credit Limit | Approval Authority |
|----------------------------|--|
| Not exceeding 350,000 Baht | Senior Vice President, Motorcycle Marketing Department |
| Not exceeding 200,000 Baht | Manager, Motorcycle Loan Credit Department, and Manager, Motorcycle Marketing Department |
| Not exceeding 150,000 Baht | Manager, Motorcycle Marketing Department or Motorcycle Loan Credit Department |

Approval for land mortgage loan credit limits: The Company will consider the ability to pay debt, the purpose of borrowing money along with the collateral value. The Chief Executive Officer has the authority to approve a credit limit of no more than 2.0 million baht. The credit limit of no more than 5.0 million baht is the authority of the Executive Committee. In case the limit is exceeded, the Board of Directors has the authority to consider and approve.

Approval for personal loan and nano finance loan credit limits: The Company will primarily consider the ability to repay the customers' debts in accordance with the credit scoring criteria by specifying the approval authority of the Credit Director Department to consider personal loans not exceeding 100,000 baht per person and nano finance loans not exceeding 80,000 baht per person. In case the limit is exceeded, the Chief Executive Officer has the authority to consider and approve.



2.5 Marketing and Competition

Marketing policy

The Company has a policy to provide credit services to general retail customers who have their own vehicles or want to refinance from other financial institutions and need money to enhance personal liquidity or supplement liquidity in occupation by considering the car used for credit, including the ability to pay debt and customers qualifications as determined by the Company.

Price policy

Income from the vehicle and motorcycle hire purchase business is derived from interest and fees, which interest rates are determined according to economic conditions, financial costs and compared to market interest rates of the same business.

The Company determines personal loans, vehicle title loans and nano finance loans according to the Bank of Thailand's regulations.

Business strategy

- 1) The service covers areas in various provinces across the country by using technology to help business in both customer service and debt collection. In addition, it also emphasizes on providing services that facilitate customers to access the Company's services through online channels so that customers are more convenient.
- 2) Emphasis is placed on building a network of agents to the highest administration and appointing representatives living in various community areas to reach customers thoroughly. On the other hand, the customers can contact a representative of the Company to make it easier to use the service.
- 3) Emphasis on prompt service and reasonable price estimation to stay competitive without charge in a manner that takes advantage of customers.
- 4) The Company must understand the customer needs and provide appropriate service recommendation as well as other information that is sufficient for making a decision to use the service.
- 5) The Company must build good relationship with customers and agents in order to gain the trust from customers.

Customer characteristics and target customer groups

Target customer groups for vehicles and motorcycles hire purchase loans, vehicle title loans and land mortgage loans are natural persons, general people who work as employees, government officer, state enterprise employees, store operators, general merchandisers and farmer.

The personal loans target groups are permanent employees selected from various department cooperate in deducting employee salaries to pay monthly debt with the Company.

Sales and distribution channels

The Company focuses on providing hire purchase loans/vehicle title loans in more than 30 branches of the Company to serve customers across the country and the Company also has a policy to establish agents in providing more credit services. Currently, the Company has agents who continuously support throughout the country.

In addition, customers can also contact the Company via the Company's website www.sgfcap.com, the Company's Facebook page "SGF Check-in Ngenduan" and QR code to join the Company's Line chat.



2.6 Industries and Competition Circumstances

The year 2023 has been challenging for the car and motorcycle loan market. Numerous challenges are facing the Office of the Consumer Protection Board's (OCPB) interest rate regulation, increasing financing costs for entrepreneurs and the slow economic recovery. Household debt is increasing faster than economic growth, affecting the debtor's ability to repay debts, and the debtor's undisciplined financial behavior. This makes both financial institutions and car loan operators strict in screening new loans. As a result, new car sales in 2023 will drop 8.67 percent from 2022, while rising bad debts have resulted in vehicle repossessions and auctions. This causes the price of used cars to drop rapidly.

Moreover, the overall hire purchase car loan industry, which has seen an upward trend in delinquencies from 31-90 days, has prompted all operators to urgently manage and prevent these from becoming non-performing loans (NPLs). Some operators choose to restructure debts to avoid repossessing customer vehicles and similarly reduce loss entries.

For the overall outlook in 2024, the Thai Hire Purchase Association expects car sales to be similar to 2023, with hire purchase loan sales expected to increase by 5-10% from 2023. However, auto loan operators remain cautious in issuing new loans due to the uneven economic recovery, high levels of household debt and high interest rates. As a result, the loan rejection rate has increased until the overall used car finance business, which has stabilized and has not improved significantly due to several negative factors in terms of both economic recovery and stagnant income. High levels of household debt and tourism may recover slowly and inflation pressure from high global energy prices due to geopolitical conflicts. There is also the risks from El Niño affecting farmers' income due to reduced crop yields and potential decreases in agricultural exports due to a slowing global economy. All of which affect car purchasing power and debt repayment ability, leading operators to further tighten loan issuance, increase down payment requirements in some cases, or consider additional conditions for customer loans to reduce risk.

For personal loans secured by vehicle registration (title loans) under the supervision of the Bank of Thailand, there is still a continuous growth trend, supported by the slow economic recovery in the country, resulting in low household liquidity. In addition, the cost of living and operating expenses increase along with energy prices and interest rates. As a result, car registration loans are still in demand and have the potential to grow. However, title loans still face risks from increased competition due to the entry of new operators into the market and the expansion of branches by large operators, as well as credit quality risks.

As for the Company's competitive strategy in 2024, the company continues to focus on reaching customer groups through technology and home service for customer convenience and speed in using services, raising the standard of loan processes and fair treatment of debtors (responsible lending). There are also the measures to encourage interest rates based on risk to stimulate better household financial discipline, increase access to appropriate funding sources, provide comprehensive service coverage in most areas of the country, with competition primarily in service quality. Additionally, the Company uses social media to provide information, knowledge, communicate, and build good relationships with the company's customers, and to be



part of alleviating the household debt problem in Thailand in the long term.

2.7 Source of Fund

The Company's funding sources as of 31 December 2023 can be classified into 2 types as follows:

1. Loans from financial institutions 204.80 million baht
2. Secured Bonds total 928.40 million baht and have bondholders' representatives.

2.8 Assets of the Company

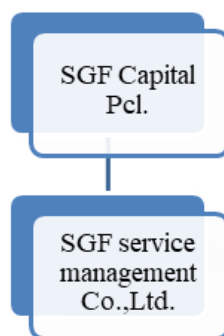
Assets used in business operations consist of Land, Building, Equipment and the right to use office building under the lease agreement. (Detail appear in Attachment No.4). As of 31 December 2023, the shareholders' equity consisted of

| | | |
|----------------------------------|-----------------|--------------|
| Issued and paid-up share capital | 1,637.50 | Million Baht |
| Legal Reserve | 19.05 | Million Baht |
| Retained earnings | 91.94 | Million Baht |
| Other components of equity | 0.20 | Million Baht |
| Total Equity | <u>1,748.69</u> | Million Baht |

3. Shareholding Structure of the Company Group

3.1 Shareholding Structure of the Company Group

The Company has operated hire purchase loan as its main business since 2017 and has established one subsidiary. The Structure of the Company group as of 31 December 2023 as follow:



The Company holds 99.99% of the subsidiary's shares. Details of the subsidiary are as follows:

SGF Service Management Co.,Ltd.

SGF Service Management Co.Ltd. Registration Number 0105560063061 located 3/11 Maen Ramluek Rd, Tambon Namuang, Amphoe Muang, Ratchaburi 70000 has debt collection, call center, appraisal and legal registered services.

Now, SGF Service Management Co.,Ltd has a registered capital of 10.0 million baht with par value of 100 baht per share (not yet operate) consisting of 4 shareholders, namely

1. SGF Capital Public Company Limited totaling 99,995 shares
2. Mr. Kannanat Boonsunanondha totaling 2 shares
3. Ms. Apinya Borivachanon totaling 2 shares
4. Ms. Chiraporn Madsathan totaling 1 share



3.2 Relationship with subsidiary company

The Company holds 99.99% of the shares in the subsidiary, therefore no person who may have a conflict of interest holds shares in the subsidiary.

3.3 Relationship with the business group of major shareholders

The Company has a major shareholder, Thongtang Group, holding 11.28% stake, but the nature of the Company's main business does not depend on or compete with other businesses in the major shareholder's business group.

3.4 List of Major Shareholders

Top 10 Major Shareholders as at 15 March 2023

| | Shareholder Names | Share | Percent |
|----|--|----------------------|----------------|
| 1 | Thongtang Family ^{/1} consist of | 147,781,200 | 11.28% |
| | Mr. Art Thongtang | 36,945,300 | 2.82% |
| | Mr. It-ti Thongtang | 36,945,300 | 2.82% |
| | Ms. Viorn Thongtang | 36,945,300 | 2.82% |
| | Mr. Atikun Thongtang | 36,945,300 | 2.82% |
| 2 | Mr. Chavalit Satetametekul | 80,000,000 | 6.11% |
| 3 | UOB KAY HIAN PRIVATE LIMITED | 76,020,000 | 5.80% |
| 4 | Mr. Pisuit Dechakaisaya | 60,020,000 | 4.58% |
| 5 | Ms. Kanokwan Lekvijit | 59,932,400 | 4.57% |
| 6 | Mr. Pongsak Suthisripok | 48,218,000 | 3.68% |
| 7 | Mrs. Rachaneekorn Chintakanon | 29,165,000 | 2.23% |
| 8 | Mr. Santi Saitsawat | 26,559,239 | 2.03% |
| 9 | Mr. Prayut Horsawangwong | 24,474,880 | 1.87% |
| 10 | Mr. Soonthon Sriprachayanan | 23,049,500 | 1.76% |
| | Other Investors | 734,779,785 | 56.09% |
| | Total | 1,310,000,004 | 100.00% |

Note ! /1 Includes family groups, which was not related persons under section 258 of Securities and Exchanges Act.

4. Amount of registered capital and paid-up capital

As of 31 December 2023, the company has a registered capital of 1,637,500,005 baht with 1,637,500,005 baht paid up capital, divided into

1. a common shares per value Baht 1.25 totaling 1,637,500,000 baht with paid up capital 1,310,000,000 share. Voting rights : 1 share 1 vote.
2. a preferred shares per value Baht 1.25 totaling 4 shares (in the form of unaccumulated dividend right at the rate 3 percent per annum, the Company shall firstly pay dividend only when the Company earn profits after provisioning for legal reserves and other required reserves and there is no accumulated loss) Right to vote same as common shares, 1 share 1 vote.



5. Issuance of other securities

The Company has 2 debentures that have not been redeemed as of 31 December 2023 valued at 928.40 million Baht.

| | | |
|---|---|---|
| Debenture Code | : | SGF24OA |
| Debenture Name | : | “SGF Capital Public Company Limited debenture No.1/2022 maturity year 2024 that gives the issuer the right to redeem before maturity” |
| Total value of the bonds offered for sale | : | 500.00 million Baht |
| Par value per unit | : | 1,000.00 Baht |
| Type of Debenture | : | Offering to institutional investors or high net worth investors (II&HNW) |
| Issue Date | : | 17 November 2022 |
| Maturity Date | : | 17 October 2024 |
| Term | : | 1 year 11 months |
| Interest rate | : | Fixed rate 6.70% per year |
| Collateral | : | The rights on account receivables (issuer hire purchase receivable) maximum value 750 million baht. |
| Guarantor | : | none |

| | | |
|---|---|---|
| Debenture Code | : | SGF255A |
| Debenture Name | : | “SGF Capital Public Company Limited debenture No.1/2023 maturity year 2025 that gives the issuer the right to redeem before maturity” |
| Total value of the bonds offered for sale | : | 428.40 million Baht |
| Par value per unit | : | 1,000.00 Baht |
| Type of Debenture | : | Offering to institutional investors or high net worth investors (II&HNW) |
| Issue Date | : | 14 July 2023 |
| Maturity Date | : | 30 May 2025 |
| Term | : | 1 year 10 months |
| Interest rate | : | Fixed rate 6.80% per year |
| Collateral | : | The rights on account receivables (issuer hire purchase receivable) maximum value 642.60 million baht. |
| Guarantor | : | none |

6. Dividend Policy

The Company has the policy to pay its dividend to the shareholders not more than 50 percent after corporate income tax and appropriation to legal reserve. However, the Board of directors may consider to adjust the dividend payment pending on liquidity requirement, cash flow requirement for expansion and investment and other requirement in the future.

About Subsidiary Company, it is not a listed company on the Stock Exchange, dividend payment is depends on performance and the subsidiary liquidity. In 2023, the Subsidiary did not pay any dividends.

Historical dividend payment

For the fiscal year 2018 – 2023, the Company has no dividend payment since the Company just started to have retained earning and need cash flow requirement for revolving and expansion business.



SGF (ทอมแล้วซอท)
เงินกู้ฉุกเฉิน
ต้องจ่ายคืน 1 เดือน

แค่มีรถ กู้ง่าย อนุมัติไว
ติดต่อขอสินเชื่อได้ที่เช็ควินเงินด่วน

*เงื่อนไขเป็นไปตามที่บริษัทฯ กำหนด

Facebook: SGF เช็ควินเงินด่วน
LINE: @sgfcapital
Website: www.sgfcap.com
Call Center: 02-232-1789



2. Risk Management

1. Risk Management Policy and Plan

The Company realizes the importance of risk management. Therefore, a risk management policy has been established to serve as a framework for quality risk management operation and good corporate governance standards which are disclosed on the Company's website for risk management plans and can be summarized as follows:

- A) The Company's executives and employees are involved in the development of risk management with the responsibility for the risks assessment in their responsible departments and determine appropriate measures to manage risks at an acceptable level. Risk assessment covers all aspects, including market strategy risk, credit risk, liquidity risk, electric vehicles entry risk, foreclosed property devaluation risk, and government implementation risk, etc.
- B) The Company's risk management approach will be determined through a assessment of the impact on the relevant work processes and the cost of risk management actions that may be undertaken to manage those risks or transfer the risk to the responsible external units. In addition, the Company must assess the feasibility of successful risk management.
- C) The Company has arranged meetings to exchange experiences on risk management through general management meeting, working group meeting, risk management committee meeting to transfer the concept of risk management from director level to executive level and employee level.
- D) The Company has regularly monitored and reviewed the results of risk management. The risk management plan and progress report are summarized and sent to the Risk Management Committee and the Board of Directors, respectively.

Risk Management Plan

The Company has assigned the management to communicate the importance of risk management and establish guidelines for its implementation. The concepts of risk management are conveyed to employees through executive meetings, working group meetings, etc. All employees are risk agents and are responsible for reporting any risks they encounter to their supervisors. If the employee identifies a risk arising from the operational process, they must report to their supervisor or manager to ensure proper risk management.

2. Risk Factors to the business operation of the Company

The company is aware that risk management is the important part for making business of the company so that the company considers to determine the method of risk management in each aspect for effectively control. Moreover, the company has also analyzed the key risk factors which may have an effect on making business and brought them to improve process of risk management in each aspect continuously.

The most important risk factors that may have an effect on making business as follows:

a) **Current risks and potential risks 3-5 years**

Current risk

1) **Credit Risk**

Credit Risk is the risk that arises from the inability of customer to perform their obligations under contractual agreements in relation to the company's lending- for example, the customer's failure to repay principle or interest as agreed with the company, including some factors which may affect the ability of customers to fully repay loans, etc.

In the past year, economic issues and rising household debt have weakened the financial position of some debtors, changing their behavior to irregular installment payments, increasing the risk of default. This trend aligns with the industry, which has seen an increase in non-performing loans in the car and motorcycle loan sector.

The Company has a policy to manage such risks in order to reduce loan limits in line with the expected decrease in the value of used cars in the future and set appropriate limits according to the debtor's repayment ability. Additionally, branch officers and debt management staff monitor and control customer repayments according to set conditions, with a legal department to proceed if litigation against debtors is necessary.



2) Market Risk

For the part of loan business, the competition rate of financial institution is still continuously higher and higher, both commercial bank and non-bank. The market leader is still the group of commercial bank which has advantage over the others, both in the matter of large volume of customer base who uses the other line of financial service so it is quite easy to offer the continuous line of service and very low bank's financial cost. However, the company uses professionally operation by developing and delivering a better quality and service. Granting service facility that is corresponding and meeting customer's need which building satisfaction in using service continuously.

For car and motorcycle hire purchase loans, car for cash loans, the demand of customers in the market is still high. The company can increase competition ability and market share in this business by expanding the branch office and agent to cover overall regions in Thailand, understanding target group of customer, quick servicing, sudden responding customers' need, and providing service to diverse target customers who demanding the money and can't approach to commercial bank's services.

3) Risks from non-income generating loans

The Company's main customers are individuals, mostly employed, self-employed, civil servants, and private company employees, with average incomes ranging from moderate to low, who cannot access commercial bank loan services. Therefore, analyzing customer quality requires the knowledge and experience of both loan analysis officers and field inspection officers (Checkers) to screen customer quality and propose loan conditions suitable for each customer's repayment ability, as failure to meet installment payments will result in an increase in non-income generating debtors for the Company.

The Company has established loan consideration regulations to manage such risks in order to ensure a rigorous loan consideration process, analyzing repayment ability using the company's internal database and the National Credit Bureau's database to determine appropriate loan limits in line with collateral value and monthly repayment ability. Additionally, the company sets aside appropriate and sufficient credit loss provisions and uses delinquent installment debt collection as a performance indicator for commission payments to manage non-income generating loans more efficiently.

4) Domestic Interest rate hikes Risk

The Company's main income comes from interest income from lending, which charges interest at a fixed rate. Meanwhile, a company's borrowing costs depend on market fluctuations at the time of borrowing. If there is a lot of volatility, the loan interest rate will increase while the company will not adjust the interest rate received, causing the difference between interest income and interest expense to decrease. The Company has a policy to reduce risk in this matter by borrowing money from banks, financial institution or issuance of bonds from non-specific locations only to spread the risk and cost of loan sources.

5) Debt Management Risk

Managing debt by ensuring debtors make payments on schedule is the most critical and risky management task, as the company's performance depends on debt collection. Even though environmental factors are currently changing and affecting the debtor, while the Company is considering borrowing money but those events or factors have not yet had an impact. The Company therefore tries to reduce such risks by setting credit criteria by considering debt repayment ability and evaluating the appropriate value of vehicles used in providing credit services, as well as specifying additional guarantors. In addition, the company places importance on tracking and collecting debts efficiently and has a telephone tracking system, such as notifications before debt payments are due, etc. Debt collection officers are responsible for following up on debts that are due in the first four installments. This is considered a performance measure in determining monthly commissions.



6) Risks from the inability to repossess collateral

This is because the Company has collateral for car loans and motorcycles are assets that can be moved easily. Therefore, there is a risk that the collateral cannot be repossessed in the event that the debtor defaults on the debt. As a result, the Company will lose the principal and interest owed by the debtor. This may affect the company's financial position. The Company requires marketing officers to offer loans face-to-face, and field inspection officers (checkers) must visit the customer's residence and workplace/business location before approving the loan to verify existence and sources of income to reduce this risk.

However, the Company has established a systematic debt collection process in order to process collateral quickly if there is evidence of continuous default by the customer, including hiring external debt collection services (Outsource) to help track down collateral that has been moved out of the loan application area.

7) Foreclosed Property Devaluation Risk

Regarding the hire purchase business for automobiles and motorcycles, property confiscation is inevitable. Although property confiscation can cause risks on foreclosed properties, this is considered reasonable compensation for damages that may be caused by customers' debt insolvency as the Company can resell those confiscated automobiles and motorcycles to compensate damages caused by debt defaults. The Company has often experienced losses from property confiscation as a result of the imbalance between the value of the confiscated property and the value of the remaining balance. Reducing the risk of impairment of foreclosed assets is taking steps to repossess vehicles when outstanding debt is due and hasten to conduct an auction and take legal action to claim the difference in debt from the loss of collateral to the debtor.

However, the used car market in recent years has been affected by the rapid growth of the electric vehicle (EV) market. As the selling price of electric cars is similar to that of used internal combustion engine cars (cars that use gasoline), the demand for used internal combustion engine cars decreases and inevitably has an impact on the selling price of repossessed cars.

The Company is therefore aware of such risks and has stricter credit approval measures. Emphasis is placed on checking the quality of customers by taking into account their ability to repay debt along with the appropriateness of the collateral value, as well as offering down payment conditions to reduce the risk of defaulting on debt payments. In addition, the company is in the process of claiming compensation for the difference in losses after the auction from the debtor.

8) Risk from employee fraud in loan approval

Marketing staff meet directly with customers to gather information about customers and guarantors to send to credit assessors for use in reviewing, analyzing, and approving loans. In the case that the customer is a related person or a person known to the marketing officer and/or credit checking officer. This may result in credit approval not being in accordance with the criteria and having an adverse effect on the company.

The Company has separated duties between marketing staff, credit analysis and inspection officer and field inspectors to examine the management of such risks. There are clearly defined loan approval criteria, along with the authority to approve credit limits for employees at each level as well as business ethics those employees must follow in performing their duties. In addition, the company has an internal audit process by the company's internal audit department to review and ensure that employees perform their duties according to the principles and code of ethics that have been set forth.

9) Government Implementation Risk

The hire purchase business still remains highly competitive and related to consumers. The government has taken control through the Office of the Consumer Protection Board (OCPB) in order to prevent companies that operate hire purchase business from taking advantage of customers. The car for cash loan is the personal loan under supervision of the Bank of Thailand. Therefore, the Company has developed new policies to upgrade its hire purchase and car for cash business in accordance with stricter guidelines determined by the government, while keeping an



eye on the updated information related to the business to ensure greater development of operations and management in line with the government's requirements.

10) Loan Covenant Risk

The Company has net debt to equity ratio (Net Debt / Equity Ratio) as of 31 December 2023 is equal to 0.68: 1. As a matter of fact, the Company as a debenture issuer will maintain Net Debt to Equity Ratio not more than 2.5: 1 at the end of the quarterly accounting period or the end of the fiscal year throughout the debentures. As of 31 December 2023, the Company has had no wrongdoing cases and there was still no default and fortunately, the financial status of the Company still consistently adhere to the conditions provided to banks and creditors.

Environment, Social, Governance Risks (ESG Risk)

1) Risk from Climate change

Climate change and global warming have wide-ranging impacts at national, regional and global levels, leading to environmental risks and other natural disasters that may affect the operations of the company. The company's business operations do not have a direct impact on the environment but the use of electricity and the use of various energy in business causing indirect effects. Therefore, the company aims to reduce greenhouse gas emissions through various practical measures, such as reducing electricity use during lunch breaks, reusing paper, promoting the use of cloth bags instead of plastic bags and separating waste to make it easier to manage and recycle.

2) Risks from the COVID-19 pandemic and PM 2.5 pollution

Although the spread of the COVID-19 virus in the country has decreased, it has not completely disappeared from the country. In addition, there is the problem of PM 2.5 dust pollution in Bangkok and major cities continue to increase all the time. The Company has therefore established measures for employees to be careful about their own health in order to reduce risks that may affect the health of employees and customers who will contact the company. These include encouraging sick employees to stay home to prevent disease transmission and allowing employees to work from home occasionally to help reduce PM 2.5 pollution.

3) Human rights in the supply chain

Respect for fundamental human rights, personal dignity, privacy and the rights of each individual that one contacts while working. The Company respects and abides by the law on human rights, including preventing and avoiding human rights violations of employees, trade partners and communities.

4) Corporate governance

The Company operates a financial business that must be reliable and work within the legal framework. The Company has the internal audit department responsible for inspecting the performance of various departments according to the regulations laid down. The audit results are reported to the Audit Committee and presented to the Board of Directors regularly. Furthermore, the Company also has the channels for receiving complaints and has established guidelines for action if there are complainants. Besides, measures are available to protect the complainants.

Emerging Risk

Emerging risk is the risk of losses which may result from unknown event/occurrence that has never taken place before or lacking of experience in facing such risk up to the present. In the future, there could be changes that take place as result of various circumstances regardless of whether politically driven, legal driven, socially driven, technology driven or environmentally driven. In certain situation, it may not be possible to assess the impact or be unable to specify the risk. For example, risk arising from nanotechnology, risk from modifying heredity or the risk arising from changes in weather conditions etc.

Emerging Risk that could impact the company as follows:



a) Cyber attach risk

These days, technology is always changing, because of this, cyberthreats pose a risk to every industry. The financial industry as well as economic factors.

The Company has guidelines for managing new potential risks, including preparing an information security policy and disseminating it on the Company's website. The computer network system has been improved to ensure continuous operation. In addition, there are strict security controls, such as computer security systems (firewalls), periodic eligibility review, and backup and crash recovery design. It also detects unauthorized network access and continuously promotes technology awareness among employees through training to educate employees on how to properly use technology and prevent cyber threats.

The Chief Executive Officer has the power to make decision by resolving any emergency with senior management and will communicate to employees at all levels and customers through appropriate communication channels.

b) Risks from collecting carbon tax

Currently, the Excise Department has begun studying the collection of greenhouse gas emissions or carbon tax. Thailand is another country where this type of tax cannot be avoided, which results in increased operating costs and company expenses. The company therefore has publicized to create awareness among employees about the importance of using resources through training channels. In addition, operational resource usage data will be collected every month in order to analyze and use it to improve measures appropriately in the future.

b) Investment risk of Securities holders

1) Risk of changes in the price of securities

Because the demand and supply of the market are constantly changing. This is often caused by a variety of factors that the price of securities does not depend only on the Company's performance. Therefore, it is a risk for securities holders to invest with the Company. Securities holders therefore often diversity their investments in various industries in order to diversity their risks and minimize the loss of full or partial money.

2) Risk from the ability to pay dividends

In the past, the Company has operated retail business instead of the former wholesale loans business, and it is in the process of expanding the retail hire purchase business therefore unable to pay dividends to shareholders. The ability to pay a Company's future dividends depends on a number of factors, such as operating cash flow, the need to reserve capital for business expansion, etc If there are factors affecting the ability to pay dividends, there is a significant change. The Company may be at risk of paying dividends at a lower rate than the predetermined, or unable to pay dividends. However, the Company has continuously expanded its lending and cash management. This resulted in sufficient operating results and liquidity to pay dividends to securities holders.

3) Risk of investing in foreign securities

The Company does not invest in foreign securities.



3. Driving business for sustainability

1. Sustainable Management Policy and Goals

The Company is committed to conducting business under good corporate governance while taking into account the impact on economic, social and environmental dimensions. The Company has established Sustainable Development Policy and guidelines for sustainability development and stakeholder participation as follows:

- a) Conduct business with transparency under good corporate governance policy.
- b) Conduct business with fairness and avoid any action that may cause conflict of interest.
- c) The Company offers a wide range of financial innovations to provide clients with access to appropriate capital sources, helping to move the economy forward.
- d) Cultivating, raising awareness and developing human resources to have a corporate culture that is socially and environmentally responsible.
- e) Respecting human rights and treating labor with equality.
- f) Maintaining safety, occupational health and working environment.
- g) Anti-Corruption.
- h) Supporting economic growth for community and social development including promoting environmentally responsible operations.
- i) The Company also aims to create awareness about the importance of saving the planet and preserving the environment to help reduce pollution.

The Company has published its sustainability policy to employees and stakeholders through the Company's website both in terms of good corporate governance policy, business ethics manual and related policies. The Business Ethics Guide is regularly reviewed and updated to prevent conflicts of interest in the use of inside information and confidentiality.

The Company allows employees or third parties to file complaints or report corruption through various channels of the Company according to the complaints policy. It will investigate the facts and process such complaints according to the procedures as well as having measures to protect complainants or co-operators without disclosing the complainant's information along with correction and mitigation of the impact as appropriate.

The Company has clearly set stipulated penalties for violators and offenders to prevent repeated violation of the Code of Conduct and the Company has taken steps to make all employees know, understand and implement.

For the year 2023 performance, there are no whistleblowing or complaints related to illegal or ethical offenses. Violation of rights inaccurate financial report Fraud and corruption or defect internal control systems come to such channels.

2. Managing the impact on stakeholders

2.1 Value chain

In the business of the Company, there are main activities involved in the process as follows:

| Business activities | Details | Stakeholders |
|--|---|--|
| Source of funds and raise funds | Financing and providing suitable financial products for customers | Creditor / Customer Shareholder / Employee |
| Financial service, Hire purchase service, Car for cash service | Contact customer / Checker / Credit approve | Director / Employee Customer / Competitor Community / Social |
| Credit operations and financial transactions | Transfer money / pay in | Employee / Customer |
| Provide services and financial knowledge that suitable to the target group | Advertising PR communication the Company financial service | Employee / Customer Partner / Competitor |
| After sales service | Document delivery, Consultation on Company credit and service | Employee / Customer |

2.2 Analysis of stakeholders in the value chain

| Stakeholders | Communication and Channel | Stakeholder's Expectation | Action |
|-----------------------|--|--|---|
| Internal Stakeholders | | | |
| 1.Directors | -BOD Meeting -Provide sufficient information completely and timely | -Manage transparently based on good corporate governance principles -Continuing growth performance | -Providing sufficient information -Participate in business supervision -complied with good corporate governance guideline |
| 2.Employees | -Arrange orientation session for new employees -Survey the need of employees and their supervisions for job specific training. -Organize outing/team building activities | -Career path for the job -Receive fair monetary compensation, welfare and bonus -Receive fair treatment | -Specify policy on human rights -Training to develop employee abilities -Annual performance appraisements fairness. -Improve working environment to conform to good hygienic principles and job safety |
| External Stakeholders | | | |
| 3.Customers | -Direct contact via marketing or operational staff -Provide channel for receiving complaints/accept suggestions via website, email etc. | -Customers receive clear and correct information. -Safeguard the confidentiality of customers' data. -Customer receive prompt service. -Management and staff adhere to good corporate governance practices. -Solve problems like a professional. | -Train employees to provide efficient services. -Delivering the product in this scenario means providing credit that meet clients' requirements. -Focus on good corporate governance culture and for employees to have business ethic to provide clients with trust worthy services. -Increase suitable channels for customers to apply credits and other financial services conveniently. |

| Stakeholders | Communication and Channel | Stakeholder's Expectation | Action |
|-------------------------|--|---|--|
| 4.Creditors | -Direct contact with -Prepare Annual Report -Financial Statement -Provide channel for receiving complaints/accept suggestions via website, email etc. | -Comply with all term and conditions. -Repay interest and loan installments on time. -Communicate and disclose information on ongoing basis. | -Pay interest and loan installments on time. -Ongoing communication of correct and complete information. |
| 5.Shareholders | -Annual General Meeting of Shareholders -Disclose information via SET, Website -Annual Report, Form 56-1 one report | -Continuing growth performance and increasing profitability. -Receive dividend. -Audited and transparent business management -Receive high return on investment. | -Generate good results under good corporate governance. -Disclose information to stakeholders and the SET or other communication channels transparently manner that can be inspected. -Invite shareholders to annual meetings and to participate by giving feedback. |
| 6.Competitors | -Participate in the Thai Hire-purchase Association meetings. | -Exchange information which may be beneficial to hire purchase operations. -Compete transparently, honestly and fairly. | -Compete under the framework of fairness. |
| 7.Trade partners | -Accept complaints/various suggestions via website, email | -Operate the business transparently, ethically and morally. | -Selected partners with fairness and auditable. |
| 8.Community and Society | -Join/participate in seminar/ activities. | -Promote and support social activities for various communities as a return of favor to the society. -Provide knowledge on financial products. | -Support budget for social activities on ongoing basis. -Disseminate information via social media. |
| 9. Regulator | -Annual Report -Form 56-1 one report | -Strictly abide by the regulations/guidelines | -Strictly abide by the regulations/guidelines |

2.3 Materiality Identification

The Company considers the organization strategy and the impact on stakeholders. By connecting with internal and external stakeholders as follow

| Material Topic) | Stakeholder | | | | | | | | |
|---|-------------|----------|----------|----------|-------------|------------|---------|--------------------|-----------|
| | Internal | | External | | | | | | |
| | Director | Employee | Customer | Creditor | Shareholder | Competitor | Partner | Community / Social | Regulator |
| Economics -Corporate Governance and Ethics -Data Security -Risk Management -Customer Relationship Management -Company Performance | x | x | x | x | x | x | x | | x |
| | x | x | x | x | x | | x | | x |
| | x | x | x | x | x | | | | x |
| | | x | x | | | | | | |
| | x | x | | | x | | | | |
| Socials -Employee development -Employee Attracting and care -Labor practices and respect for human rights | x | x | | | | | | | |
| | x | x | x | | | | | | |
| | | x | x | | | x | x | x | x |
| Environments -Energy Management -Waste Management -Knowledge creation and community development -Climate Change | | x | x | x | x | | x | x | |
| | | x | | | | | | x | |
| | | x | x | | x | | | x | |
| | | x | x | | x | | | x | |

2.4 Prioritization of Material Aspect

The company prioritized sustainability issues. By considering the issues that are in order of importance to the most

| Materiality Matrix 2023 | | | | |
|---|--|---|--|---|
| High Important/Impact to stakeholder | | | - Corporate Governance and Ethics | - Risk Management - Company Performance |
| | - Waste Management - Climate Change | - Energy Management - Knowledge creation and community development | - Employee development - Employee Attracting and care - Labor practices and respect for human rights | - Data Security - Customer Relationship Management |
| | | | | |
| | | | | |
| Low | Low | Important/Impact on business (Economic/Social/Environment) | | High |



2.5 Quantitative Indicators Consistent with the Sustainable Business Development Goals (Personnel Development)

Target: Ensure that at least 70% of employees receive skill development training and attend training for an average of at least 5 hours per year

Operational guidelines:

1. Foster a culture of sustainability within the organization
2. Organize training courses for learning and developing effective personnel
3. Continuously promote the development of new executives
4. Cultivate social responsibility among employees and stakeholders

3. Sustainability management in the environmental dimension

3.1 Environmental Policies and Practices

The Company is aware of current environmental problems which tend to be more serious. Therefore, to be a part of relieving or reducing any impact arose from human direct and indirect actions, the Company aims to implement in regard of environment to produce mutual benefit for the Company's every employee level and to reflect the responsibility for society. The Company therefore has established an environmental management policy, which can see more details at the company website : www.sgfcap.com under the heading "Corporate Governance Policy" as a guideline for creating a conscience for world saving to employee in order for them to be aware of the impact and cooperate intention for the most efficient and worthy resource use, and promoting good atmosphere and environment to work pleasantly together.

The Company has focused on environmental protection and promote activities to reduce global warming. It focuses on simple activity which can start within our organization. Therefore, the Company have created awareness for employees and actively promoting the practice as following:

1. The company initiated the paper consumption reduction project to reduce carbon footprint. It encouraged employees to store important documents in an electronic format to reduce paper consumption. In the past year, the company developed a system for delivering work from branches to the head office in the form of e-document, which reduced the amount of paper used in each department.
2. Waste recycling management promoted the reuse of used single-sided papers.
3. Promoted taking stairs to go up or down one floor instead of using elevators to save electricity and to get some exercise.
4. Promoted energy efficiency such as turning off the lights every time when not needed or during a lunch break.
5. Cultivate environmental conservation awareness in employees so that all employees are aware of the impact of their own actions or non-actions on the environment for the next generation by organizing training sessions to disseminate knowledge and public relations.

Guidelines for Achieving Goals: The Company's senior management has established policies that focus on environmental conservation in order to continue its social and environmental responsibility and sustainable development by raising awareness among employees about environmental issues. Employees are trained to understand and suggest ways to preserve the environment as well as promoting continuous and sustainable improvement of the workplace environment as follows:

1. Forest resources conservation: Reduce paper use by implementing e-document verification programs and using recycled paper. Along with looking at ways to provide documents or information to clients electronically in order to utilize less paper, as well as the cost of document delivery.



2. Energy conservation: Collect electricity usage data to analyze and plan for reduced energy consumption, such as turning off electrical appliances when not in use and using environmentally friendly equipment. Turn off electrical appliances when not in use.
3. Water resource conservation: Collect water consumption data, maintain water supply systems to prevent wastage, and create awareness of water usage.
4. Garbage disposal: Reduce waste by minimizing disposable packaging, reuse office paper (according to the Personal Data Protection Act), and recycling, etc.
5. Specify that energy conservation, water management, garbage and waste management is the responsibility of executives and employees at all levels, which must cooperate in all aspects.

In 2023, the Company organized training and disseminated information through the Company's intranet system to educate executives and employees on the topic of "Knowledge about Environmental Management Policy". Detailed guidelines are provided to help preserve the environment by using resources and energy efficiently, and energy management to help reduce greenhouse gas emissions, including guidelines for waste separation and the use of plastic waste. It also has a "Reduce, Reuse and Recycle" program as well as environmentally friendly procurement to encourage employees to understand and jointly conserve the environment with these practices. In this regard, employees have signed an acknowledgment to take action. Detail as follow:

| Course "Knowledge of Environmental Management Policies" | Participants / Total Employees | % |
|--|--------------------------------------|------|
| Trainee | | |
| 1. Managements | 22 / 22 | 100 |
| 2. Employees | 275 / 287 | 95.8 |
| Total | 297 / 309 | 96.1 |

In 2023, there were no complaints from the community that caused environmental problems in the head office and branch offices.

3.2 Environmental performance

In 2023, the Company encourages employees to reduce electricity consumption by scheduling the on-off of air conditioners and lighting systems, including reducing the use of tap water and reduce the use of paper by using both sides of paper before discarding according to personal data protection measures.

Environmental performance 2023

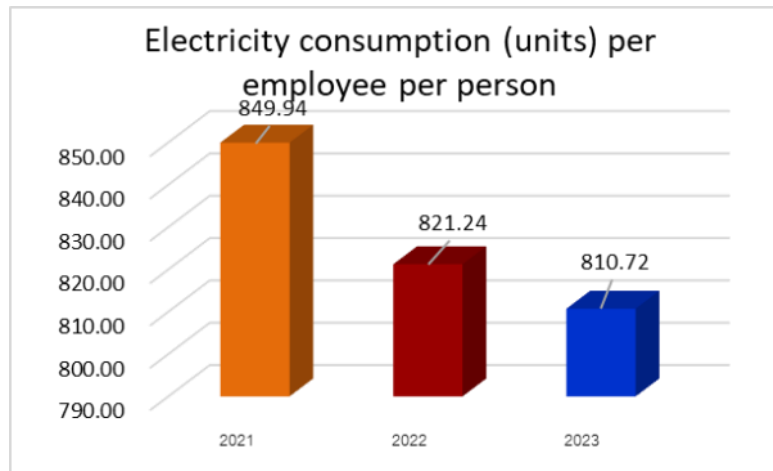
Energy Management

The Company has an energy management campaign in place to encourage employees to reduce electricity consumption. This includes only turning on the air conditioning system during working hours (8:00 a.m. – 5:00 p.m.), turning off the lights during the lunch breaks and after work, and maintaining the air conditioning system and electrical control equipment. Additionally, employees are encouraged to turn off electrical appliances before leaving work and when not in use, etc.

Goals in the year 2023: The Company sets a target of electricity consumption (units) per employee per person to increase by no more than 5% from the base year of 2022 as the Company expands its business into motorcycle loans.

Overall operation: In 2023, the Company used an average of 810.72 units of electricity per person, lower than the year 2022 that used an average of 821.24 units of electricity per person. In 2021, 2022, and 2023, the percentage of electricity costs to revenue is 0.25%, 0.25%, and 0.27%, respectively.

Results: In 2023, the goal was achieved with electricity consumption (units) per employee per person decreased by 1.28%.



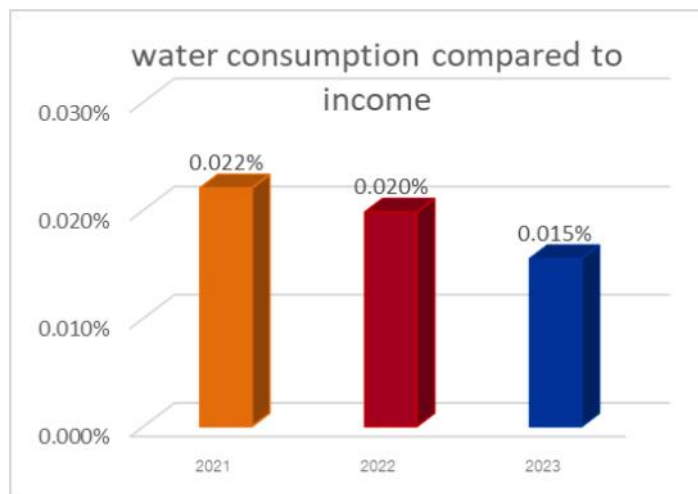
Water Resources Management

The Company has created awareness of water-saving use by campaigning for economical water use and efficient maintenance of equipment in the water distribution system to prevent water loss.

Goals in the year 2023: The Company operates a service business that does not use tap water in the production process but only uses water for cleaning offices and personal items. Therefore, the Company has targeted the cost of water per revenue to be stable compared to the base year 2022.

Overall operation: The proportion of water consumption compared to income in 2021, 2022, and 2023 was 0.022%, 0.020% and 0.015% respectively.

Results: In 2023, the goal was achieved by reducing the cost of water usage per revenue by 15.4%.



Garbage, Waste and Pollution Management

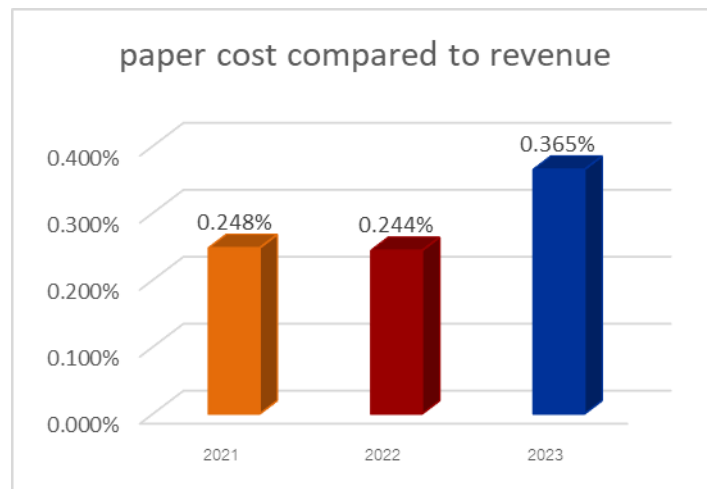
Since the Company is a service business and not an industrial factory, there is no garbage, waste, or pollution caused by the production process. The Company's approach to garbage, waste and pollution management focuses on 3R campaigns such as reduce, reuse and recycle. The first step is to reduce the amount of waste by using packaging that is consumable to use less paper. The second step is to reuse of paper by utilizing both sides of office paper before discarding, as well as verifying and storing documents in electronic media. Lastly, recycling is the process of converting and reusing materials to reduce waste generated from business operations. The Company also campaigns for employees to reduce the use of plastic glass, etc.



Goals in the year 2023: As the Company expands its business to include motorcycle loans with more employees, more customers, it will require more paper. Therefore, the Company aims to increase the cost of paper per revenue by no more than 5% from the 2022 base.

Overall operation: In 2023, the Company's average paper cost was 6,259.19 baht per employee per person, which was an increase from 2022. However, when considering the proportion of paper cost compared to revenue in 2021, 2022 and 2023, the amounts were 0.248% 0.244% and 0.365% respectively.

Results: The goal was not achieved in 2023. The company's paper expenses increased by 49.59% from 0.244% to 0.365% of income, as a result of the lack of an electronic loan application form.



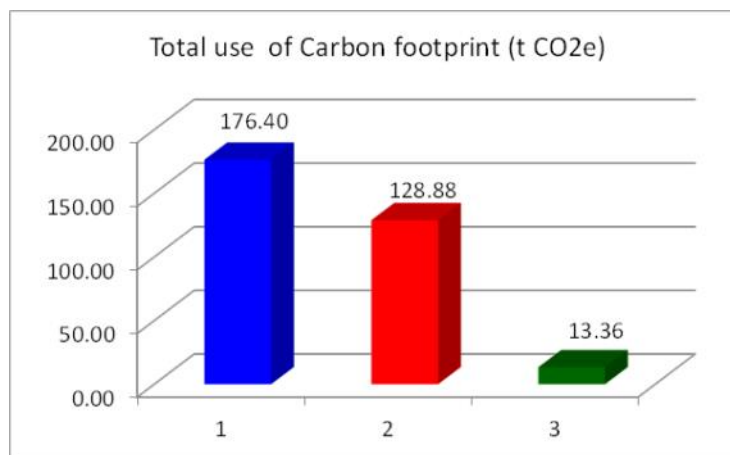
Management to Reduce Greenhouse Gas Problems

Although the Company places importance on management to reduce greenhouse gas problems, in 2022 the company found that the business activities with the greatest amount of greenhouse gas emissions were the use of electricity from office air conditioners and the use of fuel from corporate vehicles. The Company has campaigned to reduce electricity usage during lunch breaks and after work hours, as well as regular maintenance and cleaning of air conditioners and reducing paper usage. However, with the expansion of the new motorcycle finance business in 2023, the company will have to increase the use of cars in its operations, resulting in increased fuel consumption.

Goals in the year 2023: The Company aims to limit its greenhouse gas emissions in 2023, including three types of greenhouse gases, to no more than 5% above the base year of 2022.

Overall operation: In 2023, the Company calculated its carbon footprint by using the carbon footprint calculation program for offices/hotels and others developed by Thailand Greenhouse Gas Management Organization (Public Organization). The Company's emission in 2023 totaled 318.64 tons of carbon dioxide (tCO₂e), of which 176.40 tons of greenhouse gases (tCO₂e) fell within scope 1. In addition, Scope 2 contains 128.88 tons of carbon dioxide (tCO₂e) and 13.36 tons of carbon dioxide (tCO₂e) in Scope 3. In 2023, the Company generated an additional 114.77 tons of carbon dioxide (tCO₂e) emissions, which accounted for 56.29% of total 2022 emissions. Because of the growth of the new motorcycle loans, as a result, more cars and fuel must be used during the job process.

Results: The Company did not meet its 2023 emission target due to 59.29% increase in greenhouse gas emissions



The Company realizes the issue of environment, pollution caused by human behavior, stand ready to act in its role to support alternative energy promoters which operate environmental friendly projects to safeguard the environment and reduce greenhouse gas release.

4. Sustainability management in the social dimension

4.1 Social policy and practice

The Company gives importance to developing strong society according to good governance guideline so that the Company sets clear guidelines for executives and employees to conform as followings:

1. Conducting business with fairness

The Company is committed to conducting business with fairness and ethics, paying attention to comply with laws, respecting social rules and promoting fair business competition. Providing financial services is in the best benefit to consumers without collaborating with competitors for personal gain or the benefit of friends that harm customers, no conflict of interests, fair treatment of competitors' customers, not attacking, slandering, distorting information for the Company's interest without reason and not seeking confidential information of competitors through dishonest methods or unethical means. The Company is committed to being a leader in the retail hire purchase business by building trust with customers, investors and business stakeholders to add value and foster sustainable corporate growth, including management in accordance with the principles of good corporate governance, social and environmental responsibility by defining clear management guidelines and employees strictly adhere to the principles of good governance in matter of ethics, transparency and accountability.

2. Human rights respect policy

The Company has a policy of respecting human rights as part of its personnel management policy which appears on the Company's website under the Corporate Governance section as a guideline for employees to treat individuals or any group of people including all stakeholders of the Company on equal terms, with respect to physical, gender, race, religion and social status or political attitude. Human rights policies and guidelines are communicated to the Company's stakeholders so that stakeholders can work together in a humane manner with regard to human rights under the Company's policy.

3. Occupational safety, health and working environment policy, working environment and customer hygiene.

The Company has a policy to maintain good safety and hygiene in the building with standard equipment systems and appropriate security measures as well as provide a suitable workplace to



facilitate the efficient work and take into account the welfare and hygiene of the employees.

Since the Company is a service business, it prioritizes the safety and occupational health of its employees as well as its customers. Customers typically interact with office staff or Company representatives who provide services outside the premises and the Company has implemented the following guidelines.

- a) All Company employees are required to wear facemasks at all times while in the office and serving customers.
- b) Customers wishing to receive services at the Company's offices are required to wear a mask and wash their hands with alcohol gel to reduce the risk of infection with COVID-19. The Company provides alcohol service to customers for use and cleans the office regularly to reduce the risk of infection between each other.
- c) The Company also provides additional cleaning services in high-touch areas with regular spraying of disinfectant in addition to regular cleaning.
- d) The Company makes it easier for customers to use the service online or by phone to reduce the risk of infection with the virus and mail documents to customers instead of picking them up in person.
- e) Sick workers need to visit a physician and recuperating at home to stop the infection from spreading.

4. Fair labor treatment

All of the Company's personnel are an important part of the Company's business operations. Therefore, the Company gives importance to all employees without discrimination, provides fairness to all employees equally, encourages personnel to unite, non-discriminate, and treat each other with respect for human rights. The Company ensures that employees are secured both internally and externally with a good and safe working environment, as well as giving importance to the care and provision of appropriate welfare and their livelihoods for employees to work happily. The Company has established a policy on personnel management, which can be viewed for more details on the Company's website: www.sgfcap.com under the topic "Corporate Governance Policy". Details of policies and guidelines for employees can be summarized as follows:

- 1) Employment/termination policy with fairness, equality, non-discrimination. No discrimination based on national origin, race, gender, skin color, religion, disability, family status, educational institution, or any other status that is not directly related to work.
- 2) The Company provides opportunities for all personnel to demonstrate their full potential with fair compensation, as well as creating career stability and fair career advancement opportunities. In addition, the Company also provides various welfare benefits to its employees as required by law, such as social security and others in addition to those required by law, such as health and accident insurance for employees, support for staff uniforms, etc. The Company also provides various types of assistance such as financial support for the funeral of deceased employees' parents, financial assistance in case of flooding at employees' houses, etc.
- 3) The Company has a policy to promote personnel development by encouraging employees to develop their knowledge, abilities, potential, good attitude, morality, ethics and teamwork through training, seminars and work trips so that employees can be developed efficiently. Roles and responsibilities of employees are clearly defined and the remuneration has been set appropriately. Nonetheless, there is a clear and transparent performance appraisal process for all parties. Suitability according to different job characteristics is considered based on the management evaluation principle to ensure fairness to all employees. The Company evaluates the performance of personnel once a year.
- 4) The Company has a policy to encourage employees to work safely with good workplace hygiene and to cultivate safety awareness among employees. It also provides knowledge



through training and encourages employees to maintain good health and a safe and hygienic workplace at all times.

- 5) The Company treats employees equally without exception by giving fairness to employees at all levels in terms of remuneration, transfer, training, skill development and career advancement. The Company protects workers and respects the rights of employees to form and join other groups or committees and agree to negotiate, select or appoint representatives without illegally obstructing or interfering with the exercise of employees' rights.
- 6) The Company prohibits the employment of illegal child labor.

5. Responsible to customers

The Company conducts its business with commitment to customer responsibilities based on integrity and business ethics that are of the utmost importance, especially as a financial service provider to build customer confidence and sustainable growth. Therefore, the Company has guidelines for giving credit responsibly as follows:

- Developing credit products that are accessible to the public with clear and transparent details of services, conditions and fees for fairness and maximum benefits to customers. Enable customers to check service fees on the Company's website.
- Provide advertising materials and services that accurately reflect the features of the Company's products without using excessive or exaggerated claims.
- Determining the customer's ability to pay in installments, the Company will assess the appropriate credit model for each customer based on the customer's needs and the ability to pay back debt as well as instilling awareness and financial discipline among customers.
- Established policies and guidelines for treating all customers equally and fairly. This includes treating every customer with respect, listening attentively to their concerns, and safeguarding their confidentiality.
- The Company's policy is to keep the privacy of customers confidential due to respect the satisfaction, rights and personal information. Employees are trained to understand the privacy rights of customers.
- Organize training sessions for employees to ensure compliance with the Personal Data Protection Act. The training should cover the details of the Personal Data Protection policy such as access, use, disclosure and processing of personal data, as well as data transfer and storage.
- The Company will consider assisting customers who are experiencing financial crises due to uncontrollable crises such as natural disasters, epidemics, etc., on a case-by-case basis as appropriate.
- Provide the customers with the option to inquire about the Company's products through various social media channels, such as Facebook and LINE Official account.



6. Responsibilities to Creditors/Debenture holders

The Company is committed to treating all creditors fairly and fulfilling its obligations to them. The capital management is designed to ensure stability and prevent debt repayment issues. However, financial liquidity management is also a priority, and the Company plans to pay debts to creditors on time. In the event that the Company is unable to meet contractual obligations, creditors will be notified in advance and the Company will work with them to find a solution.



For debenture holders, the Company issues bonds in accordance with the laws and regulations of the Securities and Exchange Commission. In addition, the Company strictly complies with the policies, objectives and resolutions of the shareholders' meeting, including giving importance to the responsibility to comply with the obligations under the terms and conditions relating to the rights and duties of the debenture issuer and the relevant contract conditions in its entirety.

In the past year 2023, the Company has no event of default on debt payment.

7. Competitors' Responsibilities

Allies and competitors are external entities with whom the Company competes in the capitalist business. Competition must be conducted fairly without misrepresentation, deception or any other methods that are not in accordance with the principles of good competition. In addition, the Company must maintain confidentiality in accordance with relevant regulations and laws, including refraining from seeking information of business partners and competitors dishonestly and unfairly.

In 2023, there was no dispute between the Company and its competitors.

8. Business Ethics Violations

The Company has prepared a business ethics manual as a guideline for all executives and employees to follow accordingly. All violations of the Code of Conduct and corporate policies are recorded and reported to the Audit Committee, which will investigate reports of violations of the code of conduct through complaint channels. The Company discloses the number and details of violations of business ethics or corruption in the its annual report.

In 2023, there were no violations reported.

4.2 Social Performance

a) Data Security

The Company has implemented measures to enhance cybersecurity and has trained employees on how to identify and prevent cyber threats. It also conducts daily backups of data after 7:00 p.m. and has a firewall system in place to prevent unauthorized access by outsiders. All office computers are equipped with antivirus software and are scanned automatically at 12:00 noon every day. Access to systems and data is restricted and information security policies are in place to guide operations. For more details, please refer to the "Corporate Governance Policy" section on the Company's website: www.sgfcap.com.

As for personal data protection laws that was effective, the Company has prepared and announced a personal data protection policy. A team has been set up to formulate guidelines and plans, and internal meetings have been held with Company employees to ensure compliance with the law and to improve the implementation of the personal data protection policy. To this end, a survey was conducted on the use of personal data in all departments, and training has been organized to educate employees at all levels on these matters.

Policy implementation results: The Company has trained employees at all levels to comply with the personal data protection policy, effectively preventing unauthorized access to data while, monitoring performance. In 2023, no complaints were received regarding any issues related to personal data protection.

b) Business operations towards partners, creditor and shareholders

The Company has a policy to operate its business with fairness, transparency and accountability under the principles of good governance and good corporate governance, with complete disclosure of information to shareholders and investors including providing channels for all stakeholders to file complaints about imperfect services or report fraud clues.

The Company selects business partners fairly and treats them with equality, fairness and transparency on the basis of receiving fair returns to both parties



The Company selects partners fairly and treats them with equality, fairness and transparency on the basis of fair returns to both parties.

The Company has adhered to the policy of treating creditors in accordance with terms or trade agreements without intentionally concealing information or facts that will cause damage to creditors and financial institutions by complying with the conditions in the agreement.

In 2023, the past year, there was no complaint from business partners or shareholders in any such matter.

c) Community and Social Operations

The Company understands the importance of conducting business with morality and ethics, as well as supporting, aiding, and contributing to the sustainable development of Thai society by taking action in the following matters:

1. During the previous year, the Company is working on an initiative to assist borrowers who are struggling financially through sustainable long-term debt restructuring to help the affected debtors to be able to continue their business without incurring bad debts and not being a burden to society. Such assistance to debtors can reduce monthly installment burdens and increase liquidity for potential debtors to facilitate debtors to recover faster. The approach focuses on reducing the debtor's repayment burden rather than simply extending the repayment period and providing additional credit to finance the debtor and enhance liquidity for debtors to continue their business during debt restructuring. Such a debt moratorium has 1,767 debtors voluntarily participating in the program in 2023.

From this sustainable long-term assistance program, the Company expects that participating debtors will be able to continue their business and generate sufficient income to pay their debts in the future. Consequently, these debtors will not fall into bad debt and can sustainably become self-reliant, thereby, reducing social and community problems and contributing to economic recovery. The Company has a project to provide continuous assistance to debtors.

2. Project to provide scholarships and support awards for Children's Day activities for the year 2023 at Minburi School, Bangkok on 13 January 2023 by the Upper Central Region team to join as part of Children's Day activities, create happiness, fun, and pass on official opportunities education for youth.



3. Providing lunch for children at the Phayathai Babies' Home on 20 June 2023.



4. Project to provide scholarships and provide lunch to students at Ban Sai Yai School Nakhon Si Thammarat on 29 August 2023 by the Upper Southern Region team to provide assistance and share educational opportunities for underprivileged children and youth.



5. Project to award scholarships and provide learning materials to students of the Foundation for the Blind of Thailand under the Royal Patronage of His Majesty the King. (Roi Et School for the Blind) on 5 October 2023, by the Right Northeastern team, to provide opportunities for visually impaired students to access education and rights.



6. Project to share scholarships and sports equipment for students at Nurul Hidayah School, Songkhla on 12-13 October 2023 by the Lower Southern Region team to promote access to sports and physical activities for children and join in being a part in passing on educational opportunities to students with good academic performance but lacking financial resources. In addition, part of the scholarship is allocated to fund the construction of a mosque for students' religious activities.



7. Project to share food and drinking water for medical personnel and patients at Khao Kho Hospital, Phetchabun on 24 November 2023 by the Left Northeastern team to support hospital staff and share kindness with hospital users.



8. Donate unused calendars to the Foundation for the Blind in Thailand to make Braille books.



In 2023, no complaints from the community on social or environmental issues were found.

9. Knowledge Sharing: The Company uses its Facebook page to provide services and financial knowledge suitable for its target group, focusing on maintaining one's credit information and educating customers on other topics, such as eight important checks before long-distance travel, five ways we can help reduce global warming, etc.





10. Assisting flood-affected employees to provide home appliances to replace damaged ones.

d) Employee and labor operations

The Company has an equal employment policy including the job stability and career progression. Executives and employees are required to comply with human rights principles by not supporting any violation of human rights, not using or encouraging child labor, not conducting human trafficking and not encouraging fraud and corruption of any kind. Employees are treated fairly and provide appropriate welfare as follows:

1. The Company compensates its employees fairly, suitable for duties and position according to the Company's performance.
2. The Company has provided group life insurance for all employees in order to have stability in their working life including guaranteeing for the work of all employees to help reduce the impact on employees' families.
3. The Company has provided annual health checks for preventive health care to make employees aware of their own health by taking proper care to reduce the future health problems.
4. The Company has established a provident fund as a welfare fund for employees to promote retirement saving in the name of the Principal Life Cycle Provident Fund which is registered. The employees and the Company will pay monthly contributions to the fund. Employee can choose to pay additional contributions to the fund more than the Company's contributions, but not more than 15% of their wages, and the Company will pay another contribution to the fund at the rate of 3% of their wages.
5. Welfare in the form of financial assistance, such as financial assistance in the event of the death of an employee's father or mother, project to create stability in life for employees by providing employee welfare loans and motorcycle hire purchase benefits for employees, etc.
6. Demand for human rights adherence and an acceptance in diversity in the organization.
7. Development of communication channels within the organization and the performance appraisal system that is appropriate, fair and transparent.

In 2023, there was no whistleblowing or complained of committing a violation of human rights in any way.

Employment

The Company employs employees fairly and equally without discrimination and employee details are divided by age, gender and position. Details as follow:



| Criteria | Employee Age | | | | | Total | Portion |
|-------------------|--------------|---------|---------|---------|--------|-------|---------|
| | <30 y | 31-40 y | 41-50 y | 51-60 y | > 60 y | | |
| Total Employees | 38 | 110 | 116 | 41 | 4 | 309 | 100.0% |
| - Male | 12 | 66 | 78 | 29 | 2 | 187 | 60.5% |
| - Female | 26 | 44 | 38 | 12 | 2 | 122 | 39.5% |
| Senior Management | - | - | - | 7 | 1 | 8 | 2.6% |
| - Male | - | - | - | 4 | 1 | 5 | 1.6% |
| - Female | - | - | - | 3 | - | 3 | 1.0% |
| Top Management | - | 1 | 3 | 6 | - | 10 | 3.2% |
| - Male | - | 1 | 2 | 5 | - | 8 | 2.6% |
| - Female | - | - | 1 | 1 | - | 2 | 0.6% |
| Middle Management | - | 5 | 15 | 6 | - | 26 | 8.4% |
| - Male | - | 4 | 8 | 4 | - | 16 | 5.2% |
| - Female | - | 1 | 7 | 2 | - | 10 | 3.2% |
| Junior Management | 1 | 17 | 26 | 11 | - | 55 | 17.8% |
| - Male | - | 9 | 18 | 8 | - | 35 | 11.3% |
| - Female | 1 | 8 | 8 | 3 | - | 20 | 6.5% |
| Employees | 27 | 61 | 55 | 10 | 3 | 156 | 50.5% |
| - Male | 3 | 32 | 38 | 7 | 1 | 81 | 26.2% |
| - Female | 24 | 29 | 17 | 3 | 2 | 75 | 24.3% |
| Contract Persons | 10 | 26 | 17 | 1 | - | 54 | 17.5% |
| - Male | 9 | 20 | 12 | 1 | - | 42 | 13.6% |
| - Female | 1 | 6 | 5 | - | - | 12 | 3.9% |

Policies to Promote Disabled Persons

Although the Company does not employ the disabled and other underprivileged due to the unfavorable workplace of the Company. The Company has operated in accordance with the Persons with Disabilities Empowerment Act B.E. 2550, Section 34 by sending money to the Fund for Empowering the Persons with Disabilities in an amount equal to the minimum wage of the previous year into the fund x 365 (days) x the number of people with disabilities who are unemployed.

In 2023, the Company contributed money to the Fund for Empowerment of Persons with Disabilities within the period specified by law.

Safety, occupational health and working environment

The Company maintains and builds safety and hygiene in the workplaces and work processes to reduce the risk of illness, injury or death appropriately.

In 2023, the Company has taken steps to increase safety and promote good health at work as follows:

1. Annual employee health check
2. Check equipment and appliances to be in a safe and ready-to-use condition.
3. Training on safety, occupational health and working environment for employees.
4. There are screening measures for people who come to work with the Company by measuring temperature and providing alcohol gel for service.

| Serious illness and accident at work 2022 | Serious illness and accident at work 2023 |
|---|---|
| 0% | 0% |



Employees Annual health Check

Employee development

The Company is committed to developing knowledge and skills of personnel continuously in order to improve the levels of productivity and office efficiency as well as ensuring that the employees would apply their potential, knowledge, and ability to the maximum effectiveness. The Company therefore recognizes the importance of human resource development which is considered a valuable resource and is the main factor driving the organization to achieve the objectives successfully. The Company has a policy to provide regular trainings while in-house training about new products and workshops advised by experts are regularly provided for general employees. Moreover, the Company also send employees to attend important external professional trainings in order to enhancing their skills and increasing the value of employees, aiming to retain existing knowledgeable and competent employees.

In 2023, the Company has employees' trainings separate to in-house training 3 course and public training 34 courses, total employees who attended 174 persons, or 56.3% of total employees and attend training for an average of 16.35 hours per year per persons separate to

| Level | Persons |
|-----------|-------------|
| Executive | 21 persons |
| Leader | 24 persons |
| Employee | 129 persons |

Summary Training average hours / persons in 2023

| External Training total 34 courses | | Internal Training total 3 courses | |
|---------------------------------------|--|---------------------------------------|---|
| Training average hour / person / year | Executive : 6.0 hours Manager : 2.2 hours Employee : 1.9 hours | Training average hour / person / year | Executive : 132.5 hours Manager : 55.7 hours Employee : 4.8 hours |



Course in human resource development in 2023 are :

1. External Training Course

| Director and Executive Level |
|---|
| <ul style="list-style-type: none"> • PromptBiz system for managing Trade Payment & Supply Chain • "Board Retreat / NED Meeting" by the Corporate Secretaries Association • 5 important points at the beginning of the year regarding what accountants must do in their work • COSO-ERM 2017 Enterprise Risk Management • CYBER RISK 2023 • CYBER VISION 2023: Respond and Recover: Protecting Your Business and Reputation • Detection of Accounting Irregularities in Fast Growing Business : The Rold of Audit Committee • Economic and Business Update Series No. 1 • Governance System for Fraud Detection • IR Sharing 1/2023 Agenda “MD&A Best Practice – Learn from the Pros” • TLCA CFO CPD No. 1/2566 Agenda "Economic Update for CFO" • TLCA CFO CPD No. 6/2566 Agenda “What is the future of the CFO role?” • TLCA CFO CPD No. 7/2566 Agenda "Economic Update for CFO" No.2 • PDPA 2023 Update and the Digital Platform Decree • Update income tax, withholding tax, value added tax and interesting specific business taxes. • Tips for detecting accounting fraud and screening stocks • Appropriate business valuation techniques in today's era • Financial statement analysis techniques for executives and accountants to assess strengths and weaknesses and apply the results in business management • Electric vehicle (BEV) loan management techniques • Learning about labor laws and labor disputes in business • How to properly manage payments and accounting receipts to avoid tax reassessment • e-Payment laws, criteria, and methods for creating e-Tax Invoice & e-Receipt, e-Withholding Tax, and e-Filing • Company directors and senior executives with ESG risk management • Tax audit for accounting errors in five accounting categories (assets, liabilities, income, expenses, shareholders' equity) • Personal Data Impact Assessment (PIA/DPIA) • Prevention and management of data leaks • Prosecution for Hire-purchase and Leasing crimes • The importance of the audit committee and confidence in the Thai capital market • Roles and responsibilities of directors and executives of listed companies • Focus group meetings to discuss hire purchase and leasing business regulation • Impact of climate change on business • Online business taxes, issues, and interesting new laws • Personal information management system (ISO/IEC 27701) for internal auditors • Understand the changes to TFRS FOR NPAEs effective from B.E.2566 and the Code of Professional Ethics • Understanding Financial Reporting Standards NPAEs (revised B.E.2565, effective B.E.2566) • Workshop on preparing the carbon footprint of the organization (CFO) • In-depth analysis of the Consumer Protection Board announcement in 2022 and correct guidelines for car for cash businesses |



Supervisor Level

- "Board Retreat / NED Meeting" by the Corporate Secretaries Association
- 5 important points at the beginning of the year regarding what accountants must do in their work
- CYBER RISK 2023
- CYBER VISION 2023: Respond and Recover: Protecting Your Business and Reputation
- Electric vehicle (BEV) loan management techniques
- How to properly manage payments and accounting receipts to avoid tax reassessment
- Understand the Bank of Thailand's regulations for entrepreneurs (personal loan)
- Business and human rights for listed companies
- Accountants develop their knowledge to become "accountants" in 2023
- Focus group meetings to discuss hire purchase and leasing business regulation
- Workshop on preparing the carbon footprint of the organization (CFO)

Employee Level

- 2023 Update on prevention of fraud in cars and motorcycles, legal proceedings, and methods for repossessing vehicles for financial institutions
- 2023 Update on the Anti-Money Laundering Act and related laws, KYC/CDD practices, and money laundering risk management for entities required to report under Section 16(3) for hire purchase and vehicle trade businesses
- In-depth analysis of the Consumer Protection Board announcement in 2022 and correct guidelines for car for cash businesses
- Compliance with the law on the employment of persons with disabilities in the workplace for the year 2023
- Prevention and management of data leaks
- Understand the Bank of Thailand's regulations for entrepreneurs (personal loan)
- Training and testing of debt collectors according to the Debt Collection Act B.E. 2558

2. Internal Training Course

Employee Level

- Leader as Coach
- Effective credit management to increase sales and reduce bad debts
- Effective debt collection negotiation techniques

3. In addition to various training courses, the Company also pays attention to on-the-job training because it is a practical form of training, which is easier to understand than academic training. The Company provides training for employees during work from supervisors on a regular basis.

Employee engagement

The Company gives its employees the freedom to make suggestions to improve working conditions through their supervisors. In addition, the Company has a channel for employees to send proposals and complaints via email.

Plans to increase employee satisfaction or engagement

The Company plans to increase employee satisfaction and engagement within the organization by creating a culture of engagement, including having team leaders attend meetings with execu-

tives to express their opinions, learn to work with other departments, develop leadership skills and communication skills with other departments. There are also policies that facilitate employees in balancing work and personal life, as well as financial benefits for employees.

Employee engagement survey results

| Year | % actual | Target |
|------|----------|--------|
| 2023 | 85.70% | 80% up |

In 2023, there are 20.71 percent of employees resign from the Company, a 3.38% growth from the previous year.

| Staff in - out | 2021 | 2022 | 2023 |
|--|-------------|-------------|-------------|
| New employee | 81 persons | 77 persons | 73 persons |
| Resignation staff | 53 persons | 52 persons | 64 persons |
| No. of employee at the end of the year | 274 persons | 297 persons | 309 persons |
| Resignation Rate | 19.34% | 17.33% | 20.71% |
| Absent Rate | 1.53% | 2.62% | 2.13% |

| Maternity Leave | 2021 | 2022 | 2023 |
|---|-----------|-----------|-----------|
| Number of employees on maternity leave | 4 persons | 2 persons | 3 persons |
| Number of employees returning to work after maternity leave | 4 persons | 2 persons | 3 persons |

| Ordination Leave | 2021 | 2022 | 2023 |
|---|----------|----------|------|
| Number of employees on ordination leave | 1 person | 1 person | - |

e) Economic operation

1. Brand Awareness

Due to the Company's brand "Check-in Ngenduan" is not widespread and well-cognized by the target customer groups as well as it should be, the Company has long term plan to promote its brand of financial products via social media such as website, Facebook fan page and Line Official account



Long term goals for year 2022-2024 : Achieve the number of "Like" page of up to 10,000 and there are 10,000 customers add LINE official of the company.

In 2023, the Company had achieved 9,366 "Liked" This represents 93.66% of the goal, and there are 8,798 persons add LINE official of the company, representing 87.98% of the goal.

2. Customer relationship management

The Company places importance on after-sales service and customer relationship management. Therefore, the "Customer Relations" department was established as a channel to contact customers. In addition to providing services to customers over the phone or at the office, customers can also use social media such as the Company's Facebook and LINE Official. Customers can check their payment transactions by themselves or contact staff for



other after-sales service. Providing such services will help build customer satisfaction in the long run.

In 2023, the Company has not surveyed customer satisfaction but aiming to do it in 2024, with setting the customer satisfaction not less than 70 percent.

3. Technology development and innovation

The change in financial technology has forced companies to reorganize in order to perform well. The Company therefore has a policy to increase the potential and participation of personnel at all levels, fostering a positive attitude and readiness to embrace change and new initiatives aimed increasing operational efficiency and creating added value to the business. In the year 2023, the Company has improved its information system program, and developing tools to store documents in electronic file format for easy storage and searching. In addition, data security measures have been established by specifying the access rights for each type of data clearly.

Even if the COVID-19 situation has improved, the Company still occasionally working from home using a virtual private network (VPN) to ensure employee safety and maintain business continuity. Zoom Meeting is used in meetings, including board meetings and executive meetings instead of in-person meetings to reduce the risk of spreading the virus, and reduce the amount of time spent traveling.

5. **Corporate governance operations**

The Company's board of director consists of 7 directors of which 6 directors have no management role (including 3 independent directors), 1 directors with management role and the chairman of the board is an independent director who not involved in the Company management nor has any authority to encumber the Company. There is a clear cut division of job responsibility. The Board of Directors has an important role in supervising the organization so that it operates transparently and fairly under good corporate governance principles, pay attention to social responsibility and the environment. There are 4 committees as follows: Audit Committee; Executive Committee; Nomination and Compensation Committee; and Risk Committee. All committees are responsible for supervising various aspects stated in each committee's code of conducts. The Chief Executive Officer is responsible for managing the business in line with the policy and guidelines specified by the Company's board of directors which maximize the benefits of the institution and stakeholders.

The assessment of the board performance is specified under the Company's Corporate Governance Policy that consists of self-assessment of the entire Board of Directors, self-assessment of director by individual, and self-assessment of committees (entire committee). The Nomination and Compensation committee shall consider compensation to propose to the Company's board for consideration before submitting to the annual general meeting of shareholder for final approval.

The Company's board ensured that all stakeholders equally receive the correct and complete information. The Company provided opportunity to minor shareholders to nominate director(s) and to propose meeting agenda in advance during 1-31 December 2022 to promote the exercising of minor shareholders' rights. The chairman of the board and all directors participated in the 2023 Annual General Meeting of Shareholder on 27 April 2023. In this connection, the Company was awarded 99 points in the 2023 Shareholder meeting quality assessment (AGM Checklist) by the Thai Investor Association (TIA). This reflected the Company's transparency in adopting good corporate governance practice and building trust for the shareholders and investors alike

From the survey on business governance of listed company for the year 2023 organized by Thailand Institute of Directors (IOD) with the support of the SET, the Company receive the rating "Excellent" on the corporate governance assessment. (Excellent CG Scoring) 5 stars, for the second consecutive year (2022-2023) demonstrating an open approach to corporate governance.

4. Management Discussion and Analysis (MD&A)

Important Financial Information

- Statements of Financial Position

| Item | Consolidated | | | | | |
|---|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | Audited (year) | | Audited (year) | | Audited (year) | |
| | 31 Dec 2021 | | 31 Dec 2022 | | 31 Dec 2023 | |
| | MB. | % | MB. | % | MB. | % |
| <u>Asset</u> | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | 27.56 | 1.06 | 42.26 | 1.43 | 56.17 | 1.91 |
| Restricted cash | 12.50 | 0.48 | 5.00 | 0.17 | 7.50 | 0.25 |
| Financial assets measured at fair value through profit or loss | 230.72 | 8.89 | 165.45 | 5.61 | 81.27 | 2.76 |
| Mortgaged loan receivables, net | 7.29 | 0.28 | 5.56 | 0.19 | 3.59 | 0.12 |
| Current portion of hire purchase, leasing and car for cash receivables, net | 451.66 | 17.41 | 541.70 | 18.37 | 649.72 | 22.09 |
| Current portion of personal loan receivables, net | 0.81 | 0.03 | 0.60 | 0.02 | 0.60 | 0.02 |
| Other current assets | 14.51 | 0.56 | 14.80 | 0.50 | 14.58 | 0.50 |
| Total current assets | 745.04 | 28.71 | 775.35 | 26.29 | 813.44 | 27.66 |
| Non-current assets | | | | | | |
| Restricted cash | 13.50 | 0.52 | 9.60 | 0.33 | 10.10 | 0.34 |
| Hire purchase, leasing and car for cash receivables, net | 1,466.31 | 56.51 | 1,777.09 | 60.25 | 1,717.23 | 58.40 |
| Mortgage loan receivables, net | - | 0.00 | 1.95 | 0.07 | 2.49 | 0.08 |
| Personal loans receivables, net | 0.52 | 0.02 | 0.29 | 0.01 | 0.01 | 0.00 |
| Loans receivables, net | 240.51 | 9.27 | 234.17 | 7.94 | 244.08 | 8.30 |
| Loan receivables from purchase of receivables, net | 0.09 | 0.00 | 0.09 | 0.00 | 0.09 | 0.00 |
| Investment property | 0.07 | 0.00 | 0.07 | 0.00 | 0.07 | 0.00 |
| Foreclosed assets, net | 40.09 | 1.54 | 56.98 | 1.93 | 72.58 | 2.47 |
| Property, plant and equipment, net | 38.12 | 1.47 | 27.55 | 0.93 | 22.59 | 0.77 |
| Intangible assets, net | 20.54 | 0.79 | 32.44 | 1.10 | 32.99 | 1.12 |
| Deferred tax asset | 27.46 | 1.06 | 30.48 | 1.03 | 23.18 | 0.79 |
| Other non-current assets | 2.72 | 0.10 | 3.22 | 0.11 | 2.34 | 0.08 |
| Total non-current assets | 1,849.94 | 71.29 | 2,173.81 | 73.71 | 2,127.74 | 72.34 |
| Total assets | 2,594.98 | 100.00 | 2,949.16 | 100.00 | 2,941.18 | 100.00 |

| Item | Consolidated | | | | | |
|--|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | Audited (year) | | Audited (year) | | Audited (year) | |
| | 31 Dec 2021 | | 31 Dec 2022 | | 31 Dec 2023 | |
| | MB. | % | MB. | % | MB. | % |
| Liabilities and equity | | | | | | |
| Current Liabilities | | | | | | |
| Current portion of long-term borrowing | 365.42 | 14.08 | 522.40 | 17.71 | 654.30 | 22.25 |
| Current portion of lease liabilities | 7.36 | 0.28 | 6.65 | 0.23 | 4.37 | 0.15 |
| Deposit payables | 1.17 | 0.05 | 1.17 | 0.04 | - | - |
| Accrued interest expenses | 7.09 | 0.27 | 7.49 | 0.25 | 10.39 | 0.35 |
| Other current liabilities | 30.46 | 1.17 | 41.89 | 1.42 | 28.76 | 0.98 |
| Total current liabilities | 411.49 | 15.86 | 579.59 | 19.65 | 697.81 | 23.73 |
| Non-current Liabilities | | | | | | |
| Long-term borrowings | 419.94 | 16.18 | 569.55 | 19.31 | 478.90 | 16.28 |
| Lease liabilities | 15.23 | 0.59 | 8.82 | 0.30 | 5.34 | 0.18 |
| Employee benefit obligations | 7.27 | 0.28 | 8.89 | 0.30 | 10.43 | 0.35 |
| Total non-current liabilities | 442.45 | 17.05 | 587.26 | 19.91 | 494.67 | 16.82 |
| Total liabilities | 853.94 | 32.91 | 1,166.86 | 39.57 | 1,192.49 | 40.54 |
| Equity | | | | | | |
| Issued and paid-up share capital | | | | | | |
| Preferred shares, 4 shares | | | | | | |
| paid-up of Baht 1.25 each | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Ordinary shares, 1,310,000,000 shares | | | | | | |
| Paid-up at Baht 1.25 each | 1,637.50 | 63.10 | 1,637.50 | 55.52 | 1,637.50 | 55.67 |
| Retained earnings | | | | | | |
| Appropriated Legal reserve | 16.99 | 0.65 | 19.05 | 0.65 | 19.05 | 0.65 |
| Unappropriated | 84.06 | 3.24 | 123.26 | 4.18 | 91.94 | 3.13 |
| Other components of equity | 2.49 | 0.10 | 2.49 | 0.08 | 0.20 | 0.01 |
| Total Equity | 1,741.04 | 67.09 | 1,782.30 | 60.43 | 1,748.69 | 59.46 |
| Total liabilities and equity | 2,594.98 | 100.00 | 2,949.16 | 100.00 | 2,941.18 | 100.00 |





- Statement of Comprehensive Income

| Item | Consolidated | | | | | |
|--|----------------|--------------|----------------|-------------|----------------|---------------|
| | Audited (year) | | Audited (year) | | Audited (year) | |
| | 31 Dec 2021 | | 31 Dec 2022 | | 31 Dec 2023 | |
| | MB. | % | MB. | % | MB. | % |
| Revenue from operations | 407.91 | 100.00 | 501.85 | 100.00 | 553.91 | 100.00 |
| 387.68 | 387.68 | 95.04 | 478.08 | 95.26 | 531.42 | 95.94 |
| 20.23 | 20.23 | 4.96 | 23.76 | 4.74 | 22.49 | 4.06 |
| Finance costs | 59.35 | 14.55 | 71.36 | 14.22 | 94.11 | 16.99 |
| Gross profit | 348.56 | 85.45 | 430.49 | 85.78 | 459.80 | 83.01 |
| Administrative expenses | 185.42 | 45.46 | 222.96 | 44.43 | 234.04 | 42.25 |
| Expected credit losses | 112.43 | 27.56 | 183.59 | 36.58 | 266.04 | 48.03 |
| Total expenses | 297.85 | 73.02 | 406.55 | 81.01 | 500.08 | 90.28 |
| Profit from operations | 50.71 | 12.43 | 23.94 | 4.77 | (40.28) | (7.27) |
| Other income | 6.24 | 1.53 | 14.31 | 2.85 | 16.84 | 3.04 |
| Profit before income tax expenses | 56.96 | 13.96 | 38.25 | 7.62 | (23.44) | (4.23) |
| Income tax | - | 0.00 | (3.01) | (0.60) | 7.88 | 1.42 |
| Profit for the period | 56.96 | 13.96 | 41.27 | 8.22 | (31.32) | (5.65) |
| Earning per share | | | | | | |
| Basic earning per share (Baht) | 0.0435 | | 0.0315 | | (0.0239) | |

- **The management discussion and analysis**

In 2023, The Office of the Consumer Protection Board's (OCPB) jurisdiction over the interest ceiling on hire purchase business impacted the company. As a result, the company concentrated on offering car for cash loans to replace the current hire purchase loans. To increase revenue, the company has ventured into new motorcycle loans through hire purchase and leasing contracts in the meantime. But in the second half of 2023, the market demand for electric vehicles (EV) had a bigger influence than expected. As a result, trading in old cars has declined, and the used vehicle price index has continued to drop. In response, the company has tightened its standards for reviewing new loans in the second half of the year. Compared to 2022, the company's total new loan amount was 1,022.56 million baht, which is 11.9% less than 2022 and represents 139.12 million baht. However, financing for new motorcycle loans results in more personnel, marketing, and operating expenses for the business.

Furthermore, the company offers support to 1,767 borrowers who are impacted by the state of the economy, by making a long-term debt restructure, to assist impacted debtors in maintaining their ability to do business without incurring bad debt. Throughout 24 installments, all restructuring borrowers are permitted to make smaller installment payments. An extension of the repayment period from this program did affect the effective interest rate (EIR), leading to a decline in hire purchase loans in this group.



Regarding the credit quality, the company had hire purchase receivables, leasing, and car for cash receivables outstanding over 3 installments (3 months) amounted to 8.35% of total net hire purchase, leasing, and car for cash receivables. The number of non-performing loans in the motorcycle and car loan industries is currently rising as a result of the debtor's propensity to make late installment payments, forcing the company to make larger expected credit losses. The company has tightened its screening processes, reduced loan limits to account for variations in the value of the collateral and the debtor's ability to repay and put in place procedures that allow the marketing team to help with debt collection to reduce the likelihood of NPL in the future. These actions are being taken in response to the new NPL debt.

For the overall company performance: the company's overall income increased from 516.16 million baht to 570.76 million baht or an equivalent of 10.6%. At the same time, the company invested in a new motorcycle loan business, resulting in an increase in operating expenses from 222.96 million baht to 234.04 million baht, or an increase of 5.0%. The company has set an expected credit loss that is anticipated to occur, increasing from 2022 in the amount of 82.45 million baht. These losses are impacted by the industry's growing NPL debt and the price of used cars continuing to decline as a result of rising demand for electric vehicles and the auction yard receives an increasing number of repossessed vehicles. Consequently, there will be a 23.0% increase in total expenses from 406.55 million baht in 2022 to 500.08 million baht in 2023. The company's financial costs increased by 22.76 million baht, representing an increase of 31.9%. The operating results for the fiscal year 2023 showed a net loss before income tax of 23.44 million baht, decreasing from 2022 which had a net profit before income tax of 38.25 million baht, representing a decrease of 161.3% at the same time. The Company has a total net loss of 31.32 million baht as a result of recording an increase in income tax due to the removal of income tax assets from the account related to the loss on sales in repossessed vehicles amounting to 7.88 million baht.

Regarding the company's liquidity, the company released bonds totaling 428.40 million baht in July 2023, repaid the debentures for 400 million baht, and used the remaining to expand the company credit. Also, the company has been approved for credit from financial institutions. Therefore, there is no liquidity problem.

For debentures, there were financial covenants to maintain financial ratios of "Net Debt to Equity Ratio" to not exceed a 2.5 to 1 ratio respectively at the end of each quarter in the accounting period or the end of the fiscal year, throughout the term of the debentures. As of December 31st, 2023, the company's net Debt-to-Equity ratio was 0.68 without any default or cause of default.

Revenues

| Unit : Thousand Baht | Y2023 | % | Y2022 | % | change | % |
|------------------------------|-------------------|---------------|-------------------|---------------|------------------|--------------|
| Retail loans interest income | 496,647.36 | 87.0% | 443,366.28 | 85.9% | 53,281.08 | 12.0% |
| Loans interest income | 32,098.19 | 5.6% | 31,192.44 | 6.0% | 905.75 | 2.9% |
| Other interest income | 2,676.84 | 0.5% | 3,522.30 | 0.7% | (845.46) | (24.0%) |
| Total interest income | 531,422.39 | 93.1% | 478,081.01 | 92.6% | 53,341.38 | 11.2% |
| Fee and services income | 22,490.62 | 3.9% | 23,764.75 | 4.6% | (1,274.13) | (5.4%) |
| Other income | 16,842.70 | 3.0% | 14,314.84 | 2.8% | 2,527.86 | 17.7% |
| Total revenues | 570,755.71 | 100.0% | 516,160.60 | 100.0% | 54,595.11 | 10.6% |

The revenues of the company in 2023 consist of interest income, fee, and services income, and other income in the proportion of 93.1%, 3.9%, and 3.0% respectively. The company had a total revenue of 570.76 million baht, an increase from the year 2022 with revenue of 516.16 million baht or a 10.6% increase, with details as follows:

1. Revenue from retail loans, consisting of automobile and motorcycle hire purchase loans, car for cash, and motorcycle leasing contracts, which is the main business of the company, accounting for 87.0% of total income, amounting to 496.65 million baht, an increase of 12.0% from credit



expansion.

2. Revenue from the loan (SME Loan) business amounted to 32.10 million baht, an increase of 2.9% from recorded according to accounting standards.
3. Other interest income includes land loans, personal loans, etc., amounting to 2.67 million baht, a decrease of 24.0%.
4. Fees and service income worth 22.49 million baht dropped by 5.4% as a result of offering the car for cash loans rather than hire purchase loans. Fee income from hire purchase loans consequently declined.

Operating cost

| Unit : Thousand Baht | Y2023 | % | Y2022 | % | change | % |
|-------------------------|-------------------|---------------|-------------------|---------------|------------------|--------------|
| Administrative expenses | 234,043.15 | 46.8% | 222,960.26 | 54.8% | 11,082.89 | 5.0% |
| Expected Credit Loss | 266,039.57 | 53.2% | 183,592.35 | 45.2% | 82,447.22 | 44.9% |
| Total Expenses | 500,082.72 | 100.0% | 406,552.61 | 100.0% | 93,530.11 | 23.0% |

In 2023, the company had administrative expenses of 234.04 million baht, an increase from 2022 with an expense of 222.96 million baht, an increasing amount of 11.08 million baht, a 5.0% rise over the past year. This is mainly because the Company has invested in a new motorcycle hire purchase loan business, whether it is the number of employees, marketing expenses, or operation expenses.

Expected Credit Losses According to New Accounting Standards (TFRS9)

In 2023, there was an expected credit loss of 266.04 million baht, which represented a 44.9% rise from 2022 and an increase of 82.45 million baht. The expanding size of the loan portfolio and the outcome of the debtor's late installment payments are reflected in this increase in expected credit losses. The aforementioned accounting entries included the write-off of car for cash loans and hire purchase loans as bad debts in accounting even though those debts were still pursued, a total of 132.40 million baht, and a loss of 85.38 million baht from the transfer of receivables to foreclosed assets that were up for sale.

Financial cost

In 2023, the company had finance costs of 94.11 million baht, an increase from the year 2022, which was 71.36 million baht or a 31.9% growth. This occurs as a result of the corporation issuing new bonds and rising loan interest rates, due to the Bank of Thailand's policy interest rate increase, which raises the company's financial expenses.

Income tax expenses

In 2023, the company has an income tax recording of 7.88 million baht. This is because the Company removed income tax assets from the account related to the loss on sales in repossessed vehicles, which resulted in an increase in income tax being recorded. As a result, assets are subject to income tax decline. This turns becomes a line item for income tax expenses.

Net loss

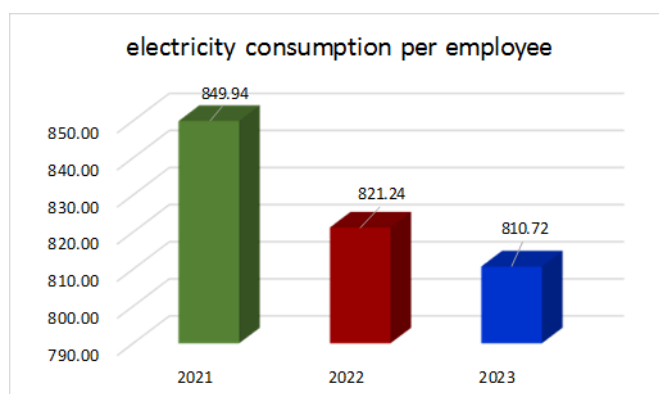
In 2023, the company had a net loss of 31.32 million baht, a decrease from the year 2022, which was net profit

of 41.27 million baht, a decrease of 175.9%. This is due to the hire purchase interest cap from the Office of the Consumer Protection Board (OCPB) and the car for cash interest cap from the Bank of Thailand, which reduces the rate of income growth. Meanwhile, the company's growing loan portfolio forced it to incur more expected credit losses, and increased costs from investing in the new motorcycle loans business. In addition, the decline in deferred tax assets has resulted in a rise in income tax expenses.



Environmental performance

In terms of electricity consumption: In 2023, the company had an electricity consumption amounting to 0.27% of revenue, a slight increase compared to 2022, with an average electricity consumption of 810.72 units per employee, decreased from 821.24 units per employee in the previous year, due to the company's promotion to reduce electricity consumption during lunch and after work and regular maintenance of the air conditioning systems.



In terms of water consumption: In 2023, the company had water consumption account for 0.015% of revenue, reduced from 0.020% in 2022. The company is a service business with no water use in the production process. The water is used for office cleaning and personal use only.

In terms of reducing the amount of waste: The company has a campaign to reduce the amount of waste generated from business operations by reducing the use of paper. However, the company's paper and printing expenses as a percentage of income are 0.365%, up from 2022 when that percentage was 0.244% due to the company's increased lending to the motorcycle loans. It has to print more forms due to an increase in consumers.

In management to reduce carbon footprint: In 2023, the company emitted a carbon footprint amount of 318.64 tons of carbon dioxide, an increase of 56.29% compared to 2022. This was because of the growth in the new motorcycle loans business. As a result, more cars and fuel must be used during the job process.

Analysis of financial position

| Unit : Million Baht | Q4/2023 | %Asset | Q3/2023 | %Asset | Q4/2022 | %Asset |
|---------------------------------|----------------|--------------|----------------|--------------|----------------|--------------|
| Cash and equivalents | 155.0 | 5.3% | 216.4 | 7.2% | 222.3 | 7.5% |
| Receivables | 2,617.8 | 89.0% | 2,623.4 | 87.4% | 2,561.3 | 86.9% |
| Hire Purchase Receivables, | | | | | | |
| Leasing and Car for cash | 2,367.0 | 80.5% | 2,372.8 | 79.1% | 2,318.7 | 78.6% |
| Loans receivables | 6.1 | 0.2% | 6.1 | 0.2% | 7.5 | 0.3% |
| Personal Loan receivables | 0.6 | 0.0% | 0.7 | 0.0% | 0.9 | 0.0% |
| Loans receivables from purchase | | | | | | |
| of receivables | 0.1 | 0.0% | 0.1 | 0.0% | 0.1 | 0.0% |
| SME loans | 244.1 | 8.3% | 243.6 | 8.1% | 234.2 | 7.9% |
| Property, plant and equipment | 22.6 | 0.8% | 25.0 | 0.8% | 27.6 | 0.9% |
| Deferred tax asset | 23.2 | 0.8% | 17.2 | 0.6% | 30.5 | 1.0% |
| Other assets | 122.6 | 4.2% | 118.4 | 3.9% | 107.4 | 3.6% |
| Total assets | 2,941.2 | | 3,000.2 | | 2,949.1 | |
| Total Liabilities | 1,192.5 | 40.5% | 1,235.0 | 41.2% | 1,166.9 | 39.6% |
| Total equity | 1,748.7 | 59.5% | 1,765.2 | 58.8% | 1,782.3 | 60.4% |



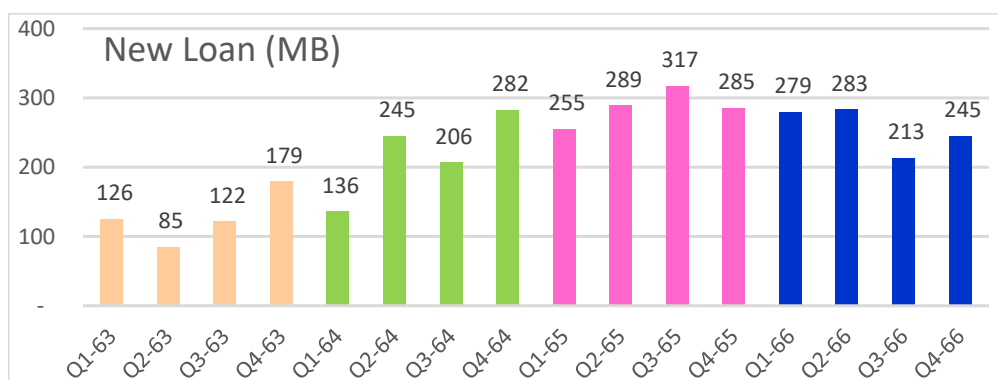
Assets

As of 31 December 2022, and 2023, the company had total assets worth 2,949.16 million baht and 2,941.18 million baht respectively of which the majority were credit receivables 86.9% and 89.0% of the total assets respectively.

Hire purchase receivables, Leasing and Car for cash receivables

As of 31 December 2023, the company accumulated hire purchase receivables, leasing, and car for cash receivables of 2,366.95 million baht, an increase of 48.28 million baht from the year of 2022, or a 2.1% growth.

New hire purchase, leasing, and car for cash loans in 2023 amounted to 1,022.56 million baht, a decrease of 139.12 million or a decrease by 11.9% from 2022 as a result of the business's tighter loan screening practices in the second half of the year. Consequently, the total amount of new loans made during the year fell.



Mortgaged loan receivables

As of 31 December 2023, the company had a total of 6.07 million baht of mortgaged loan receivables, a decrease of 1.43 million baht, or 19.1% from repayment.

Personal loan receivables

As of 31 December 2023, the company had personal loan receivables of 0.61 million baht, a decrease of 0.27 million baht, or a 30.4% decrease from the end of 2022, which was 0.88 million baht, due to repayment and does not expand this type of credit.

Loan Receivables (SME Loan)

As of 31 December 2023, the company has outstanding SME Loan receivables amounting to 244.08 million baht, an increase of 9.92 million baht from the year 2022, or a 4.2% growth from interest accrued in 2023.

Hire purchase receivable, Leasing, and Car for cash receivables quality

As of 31 December 2023, the company had hire purchase receivables, leasing, and car for cash receivables outstanding over 3 installments (3 months) amounting to 207.73 million baht or 8.3% of total net hire purchase, leasing, and car for cash receivables. An increase of 67.94 million baht from the end of 2022 with the outstanding hire purchase and car for cash receivables over 3 installments equal to 139.79 million baht. The reasons were an increase in non-performing loans in the auto and motorcycle lending sectors, liquidity problems in low-income households, and economic problems such as high inflation and rising interest rates.

The rise in outstanding debts and the percentage of non-performing loans caused the company to make further, which came to 119.60 million baht, or 4.8% of the hire purchase, leasing, and car for cash

receivables. In response, the business has strengthened the way it screens prospective loan applicants to reduce the likelihood of future non-performing loans.

- **Analysis of the Company's liquidity and investment satisfaction**
Liquidity Analysis

| (Unit : Million baht) | Financial statement | | | change | |
|--|---------------------|--------------|--------------|---------------|---------------|
| | 2021 | 2022 | 2023 | amount | % |
| Net cash generated from (used in) operating activities | (260.80) | (353.45) | (87.31) | 266.14 | 75.3% |
| Net cash received (used in) investing activities | (35.66) | 67.15 | 71.21 | 4.06 | 6.0% |
| Net cash generated from (used in) financing activities | 287.27 | 301.00 | 30.02 | (270.98) | -90.0% |
| Net cash increase (decrease) | (9.19) | 14.70 | 13.91 | (0.79) | -5.37% |

Net cash flow at the ended of the year 2023 decreased from the ended of the year 2022 by 0.79 million baht. Net cash generated from financing activities 30.02 million baht from issuing new loans and new debentures. There was cash received in investing activities of 71.21 million baht and cash used in operating activities 87.31 million baht from credit expansion in hire purchase and others.

Liabilities and Equity

- **As of 31 December 2021, 2022 and 2023** , the company has details of financial liabilities, equity and financial debt to equity ratio as follows :

| Item | Financial statement | | |
|---|---------------------|-----------------|-----------------|
| | 2021 | 2022 | 2023 |
| Liabilities | | | |
| Borrowing from financial institute | 85.36 | 191.95 | 204.80 |
| Debenture | 700.00 | 900.00 | 928.40 |
| Others financial liabilities | 23.76 | 16.64 | 9.71 |
| Others liabilities | 44.82 | 58.27 | 49.58 |
| Total Liabilities | 853.94 | 1,166.86 | 1,192.49 |
| Total Equity | 1,741.04 | 1,782.30 | 1,748.69 |
| Total source of fund | 2,594.98 | 2,949.16 | 2,940.61 |
| Financial Debt to Equity Ratio (times) | 0.4905 | 0.6547 | 0.6822 |

Remarks ! 1. Others financial liabilities are lease liabilities and deposit payable etc.
2. Other liabilities are payable, employee benefit obligations, and income tax payable etc.



The company's funding source can be classified into 2 types:

1. Borrowing from Financial Institutions.

Under the loan agreement, there are certain covenants that the company must comply with such as

- To maintain the Debt-to-Equity ratio below 2.5: the company is able to maintain the financial ratio as stipulated in the loan agreements of all financial institutions. At the end of 31 December 2023, the company's Debt-to-Equity Ratio is 0.68.
- Maintaining the rate between non-performing hire purchase receivables (Stage 3) per hire purchase and car for cash receivables to not exceed the specified percentage, which the company has exceeded the percentage on one financial institution at the end of 31 December 2023. This ratio represents 8.3% of all net hire purchases and car for cash receivables. The banking institution's executives were informed of this situation. After the submission of the financial statements, the company will issue a notification letter and request a waiver of such conditions to financial institutions.

As of 31 December 2023, the company has a total credit line from financial institutions of 204.80 million baht, with regular installment payments according to the contract, and has no history of defaulting.

2. Debentures

For the debentures, some practices must be complied with. Such as the value of collateral under the hire purchase contract must not be less than 1.5 times the value of the debenture that has not been redeemed throughout the term of the debentures. Maintaining the Debt-to-Equity ratio to not exceed 2.5, which the company has maintained financial ratio following all debentures.

As of 31 December 2023, the company owned 428.40 million baht and 500.00 million baht, respectively, for the outstanding balance from the issuing of bonds. The total outstanding sum as of that date was 928.40 million baht.

As of 31 December 2022, and 2023, the company had total liabilities worth 1,166.86 million baht and 1,192.49 million baht respectively. Most of the total liabilities consisted of borrowings from financial institutions and debentures. The increase in the total liabilities comes from the issuance of new loans during the year amounting to 130 million baht and new debenture during the year amounting to 428.40 million baht, in order to repay the existing debenture on the maturity date amounting to 400 million baht and the rest has been expanded to the Company business.

Equity

As of 31 December 2023, the company has shareholders' equity worth 1,748.69 million baht, a decrease of 31.32 million baht or 1.9% from the end of 2022 due to the company's net loss. The company has retained earnings of 91.94 million baht, a decrease of 31.32 million baht, and a legal reserve in the amount of 19.05 million baht, stable from 2022.



- **Analysis of important financial ratios**
Financial Ratio

| Financial Ratio | Unit | Ended Year (12 months) | | |
|--|------|------------------------|-------------|-------------|
| | | 31 Dec 2021 | 31 Dec 2022 | 31 Dec 2023 |
| Current Ratio | | | | |
| Current Ratio | time | 1.81 | 1.34 | 1.17 |
| Profitability Ratio | | | | |
| Interest Rate Income | % | 19.18% | 20.05% | 20.39% |
| Interest Rate Expenses | % | 8.81% | 7.39% | 8.30% |
| Interest Spread | % | 10.37% | 12.65% | 12.10% |
| Gross Profit Margin | % | 85.45% | 83.40% | 80.56% |
| Net Profit Margin | % | 13.96% | 7.99% | -5.49% |
| Return on equity | % | 3.33% | 2.34% | -1.77% |
| Operating Efficiency Ratio | | | | |
| Net interest income to asset Ratio | % | 12.65% | 13.79% | 14.87% |
| Return on Asset | % | 2.35% | 1.49% | -1.06% |
| Financial Policy Analysis Ratio | | | | |
| Debt to Equity Ratio | time | 0.49 | 0.65 | 0.68 |
| Interest Coverage Ratio | time | 1.71 | 1.73 | 0.90 |
| Asset Quality Ratio | | | | |
| Allowance for doubtful account to total loan Ratio | % | 12.95% | 9.60% | 10.67% |

Liquidity ratio

As of 31 December 2023, the Company's liquidity ratio was 1.17 times, compared to 1.34 times at the end of 2022. The reason for the slightly lower liquidity ratio was because current liabilities are higher than current assets due to increased issuance of new loans from financial institutes.

Profitability ratios

The Company's financial statements ended 31 December 2023 had gross profit margin and net profit margin of 80.56% and (5.49%), respectively, compared to the gross profit margin and net profit margin of 83.40% and 7.99%, respectively, in 2022. It can be seen that the Company's gross profit margin has declined due to higher financial costs and operation costs from investment in motorcycle loans.

- **Main influential factors that could affect future performance**

Sufficient and diverse source of capital is an important factor in driving the business. The Company has raised capital via several channels e.g. borrowings from various financial institutions including issuing various debt instruments e.g. debenture issuance etc. The Company focusses on effective management of its finance both qualitatively and quantitatively in well diversified manner to reduce external risk factors that could impact capital sourcing in addition to reducing the risk of interest rate fluctuations and to effectively manage capital cost.



5. General Information and Other important information

General Information

| | |
|-----------------------------|---|
| Company Name | SGF Capital Public Company Limited Old Name “Siam General Factoring Public Company Limited” |
| Trade Symbol | SGF |
| Company Registration Number | 0107536001699 |
| Business Type | Hire purchase, Car for cash, Personal Loan, Nano finance, and Loans |
| Head Quarter | 121 4 th Floors, WTH Holding Building, Vibhavadi-Rangsit Road, Samsen – Nai, Phyathai, Bangkok 10400 |
| Telephone | 0-2232-1789 |
| Fax | 0-2232-1790 |
| Website | http://www.sgfcap.com |

Other References **Shares Registrar**

Thailand Securities Depository Company Limited
93 Rachadapisek Road, Dindang, Dindang, 10400
Tel. 0-2009-9000 Fax. 0-2009-9991
Email : SETContactCenter@set.or.th
Website : <http://www.set.or.th/tsd>

Debenture Registrar Registrar service section, Bank of Ayudhya Public Company Limited
1222 Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120
Telephone 0-2296-2000, 0-2683-1000
Fax 0-2683-1304

Representative of Debenture Holders KPM Securities Co.,Ltd.
944 Unit 707-708, 7th Floor, Midtown Office Tower
Rama 4 Road, Wangmai, Pratumwan, Bangkok
Tel. 0-2033-1000

Legal Advisor Wichai Thongtang Law Office
408/67 16th Floor, Phaholyothin Place Building, Phaholyothin Rd.,
Samsen-nai, Phyathai, Bangkok 10400
Tel. 02-619-0918 Fax. 02-619-0111

Auditor Mr. Boonlert Kamolchanokkul No.5339
Pricewaterhouse Coopers ABAS Limited
179/74-80 15th Floor, Bangkok City Tower Building,
South Sathorn Road, Khwaeng Thung Maha Mek, Sathorn,
Bangkok 10120
Tel. 02-824-5000

2. **Others important information**

- none -



3. Legal Dispute

As at 31 December 2023, the Company has the following significant lawsuits:

Lawsuits about Factoring Business, former business of the Company

On 29 June 2020, the Company was sued by previous factoring client to demand the Company to repay the different portion of debt which has been collected according to the factoring agreement. The Company has submitted several objection petitions to defend the case to the Court on several grounds and is confident that the petitions can be used to defend the case. On 23 December 2021, the court dismissed the case. The Court has an appointment to hear the judgment and or the order of the Appeal Court on 14 December 2022. On 14 March 2023, the plaintiff filed a petition of the Supreme Court. On 16 January 2024, the Supreme Court issues an order to dismiss the petition of the Plaintiff in which the Court does not allow the Plaintiff to appeal the case to the Supreme Court.

4. Secondary Market

- Current Stock Secondary Market – The company's ordinary shares are traded on the MAI.

โดนัท 🍩
ยังมีรู
แล้วเมื่อไหร่
ยูจะมึใจ
เช็คอินเงินด่วน
มึใจ 🍩
พร้อมให้บริการยูในทุก ๆ วัน

*เงื่อนไขเป็นไปตามที่บริษัทฯ กำหนด

เช็คอินเงินด่วน
CALL CENTER
02-232-1789

f SGF เช็คอินเงินด่วน @sgfcapital www.sgfcap.com



6. Corporate Governance Policy

1. Overview of policies and practices in corporate governance

1.1 Policies and guidelines on board

The Board realizes the importance of role and responsibility of the board in determines corporate governance policy as well as monitor and follow-up the compliance of management on approved policies and plans and accountability for the board of director and shareholders. The Board of Directors comprise of directors who have diversity skills, knowledge, experience and agility sufficient as well as performed the duties with care, dedication and responsibilities. The Board must have leadership, vision, and freedom of decision-making in order to maximize the company's benefits and the overall shareholders.

The Company's has implemented a corporate governance policy, in line with the Securities and Exchange Commission's Corporate Governance Code (CG Code), which covers five principles categories, namely shareholder rights, equitable treatment of shareholders, roles toward stakeholders, disclosure of information and transparency as well as responsibilities of the Board. The Company has complied with all principles of good corporate governance of the Securities and Exchange Commission.

For financial reports, the Company has prepared financial statements according to accounting standards and financial reporting standards promulgated by the Federation of Accounting Professions as well as generally accepted accounting principles of Thailand by selecting appropriate accounting policies and adhering to them regularly. The Board of Director is responsible for the specific financial statements of the Company and its subsidiaries. Also, careful judgement and the best possible estimate are used in the making the disclosure of sufficient important information in the notes to the financial statements in order that the financial statements are reliable and beneficial to shareholders and general investors.

The structure of the Board of Directors consists of 7 qualified members, comprising 1 executive director, and 3 independent directors, which represent 42.8% of all directors. The Company determines qualifications of "independent directors" as the minimum requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. In this regard, a director can hold a directorship in no more than 5 other listed companies.

The roles and responsibility of the Company's directors and management are clearly divided: the directors are responsible for determining policies and control the performance of the management in the policy level; meanwhile, the management members oversee overall operation and ensure that the Company's operation is well in line with the set policies.

The Board of Directors appoints a secretary to the Company to take responsibility in the company as stated by the Securities and Stock Market Act

| Statement on the Independence Assessing of the Board of Directors | |
|---|--------|
| Non-Executive Board of Directors | 85.7 % |
| Independent Director | 42.8 % |
| Independent Director as Audit Committee | 100% |
| Independent director as Chairman | Yes |
| The Chairman of the Board is not the same person as the Chairman of the Executive Committee | Yes |
| The Chairman of the Board is not the same person as the Chief Executive Officer | Yes |
| Female directors | 42.9 % |
| Male directors | 57.1% |



Terms of director

According to the Public Company Act B.E.2535, and the Company's Articles of Association term of director member is 3 years. However, the retired members are eligible to be re-elected for another term.

Roles of responsibility of directors

The Board of Directors has duties to determine policies and overview of the organization and ascertain that the Company's operation goes well in line with the plans. The Board of Directors also reviews and provides comment in regard to the important matters linked to the Company's operation, e.g., vision and mission, strategies, goals, risks, work plans and budgets. In addition, the Board of Directors also ensures that the management efficiently and effectively operates business according to the set policies and working plans.

The Board of Director had the good corporate governance principles written. The Board of Directors is approved such principles, and announce director, executive and employees to follow the policy through the intranet and the company website, which can see more details at the company website : www.sgfcap.com under the heading "Corporate Governance Policy", including monitoring the compliance with corporate governance policies and best practices on a regular basis. The Board of Directors also ensures that the good corporate governance policies are regularly reviewed every year and followed.

In 2023, the Board of Directors reviewed and approved the Company's vision, mission, strategies, goals, business directions, and important policies to ensure appropriateness and consistency with the principles of corporate governance. Furthermore, it monitored the implementation of the company's strategies, management's performance, and company's operating results, especially in respect of financial goals and plans, on a monthly basis to ensure that they were in line with the planned strategies.

The Board of Directors representing the shareholders is responsible for supervising the business according to the laws, objectives, rules and resolutions of the shareholders' meeting. It also oversees the management to work for achieving the goal of performance in accordance with the strategies and annual plans approved by the Board of Directors.

The Board of Directors is also responsible for monitoring the performance according to specified work plans, including the implementation of risk management, internal control, compliance with relevant regulations and operational checks. This is to make the performance of duties of the Board more efficient, therefore the Board of Directors has appointed specific subcommittees consisting of members with knowledge, expertise and experience in such fields, namely the Audit Committee, Executive Committee, the Nomination and Remuneration Committee and the Risk Management Committee.

The Board of Directors also encourages all management members and employees to understand the ethical standard that the Company refers to doing business. The Company's Business Ethics is completed in a written form approved by the Board of Directors. The approved Business Ethics has been announced so that all employees can follow accordingly.

The Company's Board of Directors set policies about conflict of interests, based on the concept that any business transactions must be made only to maximize the benefits for the Company and that any transactions that may cause conflicts of interest shall be avoided. A person involving in any transactions with conflicts of interests is not allowed to take part in the consideration or approval of such transactions. Moreover, the Company's Board of Directors also ensures that the information about transactions with possible conflicts of interests are sufficiently and accurately disclosed.

Nominating of Directors and Executives

The Nomination and Remuneration Committee set policies and criteria to select and appoint the Company's directors and proposes the names for an approval of the Board of Directors and/or an Annual General Meeting of Shareholder. The Nomination and Remuneration Committee considers nominating



persons to be appointed as directors to replace those directors who vacate office, both resignations prior to the end of term and retirement by rotation, in accordance with the following criteria:

1. Having qualification in compliance with the Public Limited Companies Act, the Securities and Exchange Act, rules of the SEC Office and rules of the Stock Exchange.
2. Having characteristics supporting and promoting the corporate governance to create value to the Company, such as, independence, willingness to share opinions, initiative and performance of duties with responsibility, due care, integrity and full-time contribution, etc
3. The directors and/or executives must be knowledgeable, competent and experienced in various professional fields directly and indirectly related to the Company's business. The composition of the Board Skill Matrix depends on the required qualifications, knowledge, skills and experience of the nominated directors. All of this is to ensure that the composition of the Board aligns with the Company's business strategy and use the Director Pool database to consider the selection of new directors.

According to the Company's Articles of Association, the Company's Board of Directors consists of at least five members and at least half of the total members shall reside in the Kingdom of Thailand. In addition, the directors are to be elected by majority voting in the Annual General Meeting of Shareholders as the following details

- a) Each shareholder has 1 vote per share, the number of his/her votes corresponds therefore to the number of shares held by him/her.
- b) Each shareholder can exercise his/her right according to the number of his/her votes as specified in (a) electing one or many directors, but cannot give his/her votes to any person particularly.
- c) The persons gaining the highest votes shall be respectively elected directors in the proper number for such election. In case the number of the persons gaining less but equal votes exceeds the appropriate level for such election, the Chairman of the meeting shall make a final decision.

If the position of director is vacant by the other reason in addition to see out its term, committee shall select the qualified person and no legally prohibited quality in replacing to the previous one in the next committee meeting except only that leftover term of committee shall be less than 2 months. The new person takes place with former committee shall take a position of committee only equal to the leftover terms of the former committee. The resolution of committee in such matter should be comprised of votes at least 3 of 4 of the remaining number of committees.

In 2023, The directors have not changed.

For the Nomination of sub-committees, detail are as follows:-

a) Audit Committee

The Audit Committee consists of three independent directors, serving the term of three years. The policies to nominate and appoint Audit Committee members comply with the Notification of the Capital Market Supervisory Board At Tor. Jor 28/2551 concerning the request for permission and the permission for the IPO, the Audit Committee consists at least one person who has the knowledge and experiences to review the financial statement.

Roles and procedures for the appointment of the Audit Committee is in accordance with the rules and procedures for the appointment of the Company's directors. Once the term is completed, they can also be re-appointed.

b) Executive Committee

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



c) **Nomination and Remuneration Committee**

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

d) **Risk Management Committee**

Three directors have been chosen by the Board of Directors to serve on the Risk Management Committee. The risk management team consists of the company's executives.

e) **Chief Executive Officer**

The Executive in the position of Chief Executive Officer must be nominated by the Nomination and Remuneration Committee, which consider nominating qualified persons, namely, those who have knowledge and capacities and experience which are useful for management and operations to achieve objectives or targets as determined by the Board of Directors and have a good understanding of the Company's business, whereby the Nomination and Remuneration Committee shall propose the nominations to the Board of Directors for consideration and appointment.

Remuneration for Directors

The Company has the policy to pay remuneration for directors, by taking into account appropriate remuneration in accordance with criteria on remuneration determination as follow:

1. Remuneration shall be appropriate for and in line with the scope of duties and responsibilities of each director. Such as, the Chairman, the Chairman of the sub-committees and their membership will be received additional meeting allowance when attendance.
2. Remuneration for the directors is at the level which is appropriate and sufficient to attract as well as retaining knowledgeable and qualified directors to perform duties for the Company efficiently in order to lead the organization to accomplish the short-term and long-term goals.
3. The remuneration shall be considered by the Nomination and Remuneration Committee to ensure that the remuneration is at the appropriate and competitive level and stays at the same level as that in the same sector which is adequate to retain the directors who possess the qualifications in line with the goals in the business operations of the Company.

The 2023 Annual General Meeting of shareholders has the resolution to fix the remuneration of director not exceed than 3.2 million baht, and the Board of Directors has the resolution to fix the director's remuneration as proposed by the Nomination and Remuneration Committee detail as following:

| | Chairman | Director |
|---|-----------------|-----------------|
| Remuneration (Per month) | 18,000 | 13,000 |
| Meeting Allowance (Per time) | | |
| - The Board of Directors | 16,000 | 10,000 |
| - Executive Committee | 16,000 | 12,000 |
| - Audit Committee | 26,000 | 20,000 |
| - Remuneration and Compensation Committee | 14,000 | 12,000 |
| - Risk Management Committee | 14,000 | 12,000 |

All of directors will receive the remuneration per month as above, meeting allowance will pay only for attendance director.



Directorship in Other Listed Companies

The Board of Directors is attentive to the director's performance of duties and responsibilities in order to ensure that their time is fully dedicated to the execution of corporate governance. Thus, directorship policies have been set that directors shall not assume the position in more than 5 other listed companies for maximum benefits of the Company's future business growth, and providing a position in other listed companies of the Chief Executive Officer should be considered and approved by the Board of Directors.

At present, no directors in 7 directors who hold director positions in listed companies more than the specified criteria.

Performance of Duty of the Chairman of the Board of Directors and Chief Executive Officer

The Chairman of the Board of Directors and Chief Executive Officer may not be the same person so as to separate between the policy making and supervisory duty and the regular managerial duty. The Board of Directors clearly determines powers and duties of the Chairman of the Board of Directors and the Chief Executive Officer. The Chairman of the Board of Directors is an independent director by the definition of the Stock Exchange and has no relationship with management.

Orientation for new directors

The Company recognizes the importance of having orientation for new Directors. The Company secretary is assigned to prepare documents and information necessary and useful for their performance of duties for orientation e.g., Company profile, overall business, target and type of business operation, shareholder structure, organization chart, Listed company director handbook, the role of the Board, good corporate governance policy, Business Ethics, company regulation as well as other information pertaining to Company business. The objective is to provide new Directors with knowledge and understanding of the business and Company operation in various areas. The Company has revised the director handbook, important policies such as corporate governance policy, business ethics and other related policies in order to update information to director. In 2023, no new directors have joined the company.

1.2 Policies and practices related to shareholders and stakeholders

The Company has policies and practices related to shareholders and stakeholders as following: -

Promoting the exercise of shareholders' rights

The Company takes into account the rights of all groups of shareholders, especially minority shareholders, foreign shareholders and institutional investors who are not restricted by law. In this regard, all groups of shareholders are encouraged and supported to attend the shareholders' meeting by encouraging shareholders to exercise their rights and not to violate the rights of shareholders, whether they are fundamental rights. In addition, such shareholders receive appropriate, sufficient, timely information and can fully attend the meeting and express their opinions. The Company has published documents in both Thai and English for all shareholders to acknowledge and understand clearly.

Proceeding prior to Meeting: In the case that shareholders are not convenient to attend the meeting by themselves. The Company facilitated by providing a proxy in the form that shareholders can specify their voting and nominated 1 independent director as an alternative for shareholders to exercise their rights to attend the meeting, and providing 3 types of proxies as specified by law, and revealing all 3 forms of proxies on the Company's website for the shareholders to choose as appropriate. In addition, the Company has also provided duty stamps, free of charge, for the shareholders who granted proxies to attend the meeting on their behalf.

The Company prepared a meeting invitation letter with details, Board's opinion, explanations and reasons for each agenda, date, time, venue, as well as details about documents or evidence for attending the meeting. Documents prepared in both Thai and English language in order for all



shareholders to be able to know and understand clearly. In this regard, the Company has stipulated that the invitation letter for the meeting be published on the Company's website 30 days in advance. The 2023 Annual General Meeting of Shareholders on 27 April 2023 held by Teleconferences through Electronic Devices by broadcasting live, the Company has published the invitation letter on the Company's website 31 days in advance (since 27 March 2023), together with sending the meeting invitation letter to the Thailand Securities Depository Company Limited, the share registrar of the Company, delivered to the shareholders 23 days (Post date 4 April 2023) before The shareholders' meeting proceed according to the agenda as specified in the invitation letter, there is no additional agenda item which has not been informed to the shareholders in advance, so that the shareholders have the opportunity to study the information for consideration of the various agenda items.

The Board allows shareholders to propose questions in advance by published the rules on the Company's website. The Company has set a meeting date of Annual General Meeting of Shareholders not in a continuous holiday, the meeting time not too early. About the meeting place, the 2023 Annual General Meeting of Shareholders arrange by Teleconferences through electronic devices to allow shareholders to fully participate in the meeting, arrange technology devices to be used in the shareholder meetings, e.g. registration, voting, counting votes, showing results, in order to speed up the meeting resolutions with accurate results, which shareholders are able to attend the meeting, ask and vote via electronic.

Conducting the Meeting : In 2023 Annual General Meeting of Shareholder, the Board encourage all directors to attend shareholders meetings, the Company top executive and the Company auditor also attended the meeting to answer shareholders' questions as well. The representatives from the Thai investors Association, volunteer representatives for minority shareholders attend for observation to ensure that the meeting proceeds correctly and transparently in accordance with the laws and regulations of the Company.

The Company requires one shareholder to have one vote. In normal cases, the resolution must be passed by a majority vote of the shareholders who attend the meeting and cast their votes. In determining the remuneration of directors, the resolution must be passed by votes of not less than two-thirds of the total votes of the shareholders who attend the meeting. For other cases, the votes shall be in accordance with the Company regulations, laws and relevant regulations, and the agenda for acknowledgment, no resolution.

The Chairman of the Board inform the number and proportion of shareholders attending the meeting both in person and appointed a proxy to the meeting, and assigned the company secretary to inform the clarification of meeting rules and procedures, voting and vote counting, with an independent legal consultant responsible for supervising the meeting and voting in order to comply with the laws and regulations of the Company. The Company secretary conducted the meeting as assigned by the Chairman. The shareholders are given the opportunity to express their opinions and ask questions on various occasions independently before voting on each agenda.

In voting on each agenda, the Company uses online system to vote, and the voting results are announced for agreeing, disagreeing, abstaining and the number of invalid ballots in each agenda for the meeting to know. The Company disclosed the resolution together with the voting results of each agenda and disseminate the said resolution through the SET systems and disclosed the minute meeting on the Company's website for the shareholders to be able to check the voting result quickly.

For the agenda regarding the election of directors, the Company requires that the shareholders elect each director individually by specifying a brief biographical information of those nominated to be elected to office or returning to the position of director as well as other relevant and necessary information for the benefit of the shareholders' consideration. Before starting the consideration on the agenda for election of directors, the nominated directors have left the meeting room to allow shareholders to express their opinions and vote independently and transparently.



For the appointment of auditors and approval of audit fees, the name of the auditor has been notified with the affiliated company, brief resume, independence of auditor, the number of years serving as the Company's auditor, and the reasons for proposing to be appointed to the position/ resume the position, audit fees, and other related information in order to be considered as supporting information for the shareholders.

Proceeding after the Meeting: The Company has prepared a summary of the votes at the meeting along with the scores of each agenda for shareholders and the general public to know via the disclosure channel of the Stock Exchange of Thailand on 27 April 2023, the same day after the meeting has been finished. This will be publicized on the Company's website the next day.

The Company has prepared a report of the Annual General Meeting of Shareholders in both Thai and English covering important details such as the list of directors attending the meeting, no of shareholders who attend the meeting, both by themselves and by proxy, voting, vote counting, material clarifications, questions and answers or opinions in brief, the meeting resolutions, whereby votes were divided into agree, disagree, abstain or void ballot, which shall be available on the Company's website within 14 days from the shareholders' meeting date. (published on 3 May 2023)

The Company sends the annual reports with copy of Statement of financial position and Statements of Comprehensive Income; which are audited by the auditors and approved by shareholders, plus copy of minutes of the meetings to the registrar of public company limited.

Equitable Treatment towards Shareholders

The Company has policy to ensure treatment towards all shareholders on an equal, whether they are major shareholders, minor shareholders or institute investors to create the true fairness, as follows:

- 1) The Board supervise the Company to notify the meeting invitation letters, accompanies with meeting agendas, explanation, reasons and the Board's opinion in each agenda to shareholders not less than 14 days prior to the meeting, or other timeframe as specified by relevant laws and regulations, disclosure in SET and the Company's website, both in Thai and English version with complete details, for the benefit of shareholders who are foreign.
- 2) Shareholders are well informed of any criteria in the meeting including the voting procedure and the voting rights.
- 3) Determine the criteria for minority shareholders to propose additional agenda prior to the meeting date in order to present the fairness and transparency in order to determine whether or not the agenda proposed by minority shareholders shall be included in the meeting agenda. However, in 2023, no shareholder exercised the said rights as reported to shareholders in the Annual General Meeting.
- 4) Determine the ways for minority shareholders to propose names of persons as the Company's directors. They can propose the names to the Nomination and Remuneration Committee prior to the shareholder meeting date. Information about qualifications of such proposed persons and their permissions shall also be included. However, in 2023, no shareholder exercised the said rights as reported to shareholders in the Annual General Meeting.
- 5) Conducted the meeting in the order of the agenda as specified in the meeting invitation letter without any material changing or adding any agenda immediately so that the shareholders' have opportunity to study information in support of consideration of each agenda.
- 6) Encourage shareholders to use the proxy letter in the form that enables the shareholders can determine the voting method; and propose at least one independent director as a proxy choice for shareholders.
- 7) The Chairman of the meeting governs and proposes opportunities to shareholders' comment and enquiry sufficiently and appropriately prior to each resolution, and gave the opportunity to shareholders to exercise the right to appoint individual director.



- 8) Correctly and completely prepares and records the minutes of the meeting and disseminates the same to all shareholders via the Company's website within 14 days after the end of the meeting, for the shareholders absent from the meeting or for any persons interested in the Company's information to acknowledge details and information of the meeting.
- 9) The Company requires that the company's directors and management have the duty in reporting the securities held by the Company, spouse and underage children including reporting changes in securities holding to the Office of Securities and Exchange Commission in accordance with Section 59 under the Securities and Exchange Act. Disclosure report on additional information (form 56-1) and Annual report. In addition, the Company also requires the reporting of directors' securities holding to the Board of Directors every quarter.
- 10) Complete written guidelines for keeping and protecting the Company's internal information and disclose such guidelines so that all employees can follow; prohibit anyone involving in the Company's internal information from trading the Company's securities in 1 month before the disclosure of the quarterly financial statement and annual financial statement and 24 hours after such information is disclosed. In 2023, there are no director and/or executives using insider information or trading during the prohibited period at all.
- 11) The Board of Directors requires directors and executives to report their interest within 15 days from the date of taking the position. In addition, information on holding directorships or executive positions in other juristic persons and shareholding information in other juristic persons both of the reporter and those related to the reporter must be disclosed and sent to the Company Secretary for storage. Then submit a copy of the report to the Chairman of the Board and Chairman of the Audit Committee within 7 working days from the date the Company received the report. However, the Board of Directors shall have information for consideration and approval of entering into transactions of the Company and its subsidiaries with accuracy, transparency and in compliance with relevant regulations.
- 12) The Board has a policy prohibiting directors and executives who are connected persons or having a conflict of interest with the agenda being considered in the meeting and voting on that agenda.
- 13) In the case that the Company has connected transaction/related transaction according to the definition of the SET, the Company will comply with the regulations of the SET and disclose the connected or related transaction in the notes to financial statements audited or reviewed by the Company's auditor. The Audit Committee will consider the necessity and the justification of the transaction, including the pricing and the conditions of the transaction in accordance with normal business, and comparing pricing with third parties or market prices, the stakeholder will not participate in the consideration and approval the transaction.

The supervision of the internal information application

The Company consistently values internal control, particularly the use of inside information which is an important part in enhancing good corporate governance. The Company has therefore established a insider information policy and published to Directors, Executives and Employees in order to prevent the use of important inside information of the Company that has not been disclosed to the public whether for personal advantage, or for the advantage of a related person. The said policy has been approved by the board of directors' meeting and has been announced to all employees to let all employees know about this policy, which can see more details at the company website : www.sgfcap.com under the heading "Corporate Governance Policy". The key points of this policy can be summarized as follows:

1. The Company has established standard concerning the prohibition against the abuse of inside information for personal advantage by limiting number of persons having access to inside information in order to prevent access to information from third parties along with assigning employees at each level the rights to access to information to suit their responsibilities.



2. The Company has established measures to prevent the use of inside information for securities trading by directors and executives as specified must preparing and disclosing reports on each person holding securities within thirty days from the date of appointment. The Company also has prepared and disclosed reports to the SEC Office on the changes to such holding as well as the holding and changes to the holding in accordance with Section 59 of the Securities and Exchange Act, B.E.2535. and prohibiting directors, the executives, and employees from, first, trading securities within the period of one month prior to the financial statements or other relevant information have been made to public since it is likely to affect the securities price of the Company, second, purchasing, selling, transferring or accepting transfer of the Company's securities until the 24 hours period after the disclosing of important information has passed.
3. The Company has a policy for directors and senior executives to notify the Board of Directors or Company Secretary about the trading of the Company's shares at least 1 day in advance before trading.
4. Directors, executives, and employees shall not disclose the Company information as well as customer information without permission from the board of directors of the Company or the Chief Executive Officer or the assigned person unless it is information that must be disclosed to outsiders regarding legal provisions.

Guidelines to prevent the use of insider information

The Company has good practices in preventing the use of inside information to control the impact of non-disclosure information on securities prices, which can be summarized as follows:

1. The Company will comply with the regulations of the Stock Exchange of Thailand in disclosing information that is material to investors' decisions through the Stock Exchange so that all groups of investors have equal access to information.
2. In the event that there is information to be disclosed but it is still within the time period that the information cannot be disclosed, the Company must have a system for collecting information to limit only necessary persons and must maintain the confidentiality of such information to prevent anyone from seeking benefits.
3. In case it is necessary to disclose information to the person concerned, the person who receives the information must acknowledge the obligation to maintain confidentiality and have a system to maintain the confidentiality of the information to prevent the use or disclosure of that information to others.

In 2023, the Company organized training and disseminated information through the Company's intranet system to educate directors, executives and employees on the topic of "Knowledge on the prevention of the use of insider information". The details consist of rules and guidelines that directors and executives must acknowledge when reporting securities trading and preventing the use of insider information for personal gain. In addition, the disclosure of internal information of the Company, customer information, or non-public information to outsider is, and directors, executives, and employees must sign their acknowledgment. Detail as follows:

| Course "Knowledge of Inside Information Protection and Supervision Policy" | Participants / Total Employees | % |
|--|--------------------------------------|------|
| Trainee | | |
| 1. Director | 7 / 7 | 100 |
| 2. Managements | 22 / 22 | 100 |
| 3. Employees | 275 / 287 | 95.8 |
| Total | 304 / 316 | 96.2 |

During the year 2023, directors and executives have strictly follow the policy so there has no evidence regarding trading during prohibited period



Prevention of a conflict of interests

The Company has operated business with good corporate governance principles taking into account the fairness and responsibility to all stakeholders in all sectors as well as building credibility and considering the best interests of the Company while not seeking personal benefits and / or related persons and last but not least, operating business with precision, honest and avoidance of conflicts of interest that may occur to the Company. The said policy has been approved by the board of directors' meeting and has been announced to all employees to let all employees know about this policy, which can see more details at the company website : www.sgfcap.com under the heading "Corporate Governance Policy". The key points of this policy can be summarized as follows:

1. Avoid transactions involving oneself or related persons/juristic persons that may cause conflicts of interest with the Company.
2. In the event that it is necessary to enter into a connected transaction, such transactions must be in accordance with general trading conditions according to the criteria approved by the Board of Directors with transparency, fairness, comparable to transactions with third parties and taking into account the best interests of the Company.
3. In the event that it is necessary to enter into a connected transaction that is not in accordance with general trading conditions or the nature and size of the transaction is beyond the management's discretion. The management will present connected transactions to the Audit Committee for approval before proposing to the Executive Committee or the Board of Directors for approval (depending on the case).

Guidelines for preventing conflicts of interest

The Company has established measures to prevent conflicts of interest that may occur from connected transactions of the Company by setting up a transparent operating system and strictly following all rules of the Stock Exchange of Thailand and the regulations, notifications, orders or requirements of the Capital Market Supervisory Board as well as ensuring the compliance with the general requirements for connected transactions which include disclosures of information and the acquisition or distribution of important assets of the Company while adhering to the guidelines provided in codes of conduct and business ethics which directors, executives and employees must adhere to.

Besides, the Company has had control measure with regard to connected transactions to ensure the fair and reasonable practice pursuant to the normal business conditions. Furthermore, the Company has not failed to ascertain that the disclosure of connected transactions is in accordance with the good corporate governance principles with consideration of eliminating conflicts of interest carefully and logically by assigning the internal audit department to follow up on the preliminary examination as well as having the auditor reviews the said transaction on an annual basis and provides opinions on the reasonability of the connected transaction. Finally yet importantly, the Company has disclosed the said information in the notes to the financial statements which was audited or reviewed by the Company's auditor.

In 2023, the Company organized training and dissemination of information through the Company's intranet system to educate directors, executives and employees on the topic of "Knowledge on the prevention of conflicts of interest". The details consist of rules and guidelines for conducting transactions that may cause conflicts of interest and allow directors, executives and employees to sign for acknowledgment and compliance. Detail as follow:



| Course “Knowledge of Prevention of conflict of interest Policy” | Participants / Total Employees | % |
|---|--------------------------------------|------|
| Trainee | | |
| 1. Director | 7 / 7 | 100 |
| 2. Managements | 22 / 22 | 100 |
| 3. Employees | 275 / 287 | 95.8 |
| Total | 304 / 316 | 96.2 |

In 2023, the Company did not find any transactions with conflicts of interest which were in violation of the corporate governance policy.

Data Privacy Protection

The Company recognizes the importance of protecting the personal information of its customers that it collects and uses. The Company manages the use of personal data in accordance with the objectives and needs of the Company while also protecting the personal information of all stakeholders, including shareholders, employees, customers and business partners. The Company has published the Personal Data Protection Policy on the Company's website to demonstrate transparency in its operations in accordance with the Personal Data Protection Act.

Some basic practices to protect data privacy are as follows:

1. The right to access, use and process data is strictly defined and limited in accordance with the Company's data policy.
2. Backing up data regularly, changing passwords regularly, and turning off the computer every time when not in use to prevent unauthorized access to outsiders.
3. A virus, malware or unwanted program detection system is installed on the system.

Roles of the Stakeholders

The company had realized to the supports of the stakeholders which promoted competitive potentiality and profit to the company, so the Company realizes the significance of rights of every group of all stakeholders, whether inside, such as, staff and executives of the Company, or outside, such as, customers, competitors, lender and other relevant authorities by set role of stakeholders in Business Ethics and The Corporate Governance Policy. (Details as appeared in company's website). The Company has continued to take care of stakeholders in accordance with the policies, as follows:

1. Shareholders

The Company treats all shareholders with equality and tries to maintain the benefits for them. The Company always refrains from violating the rights of shareholders. Also, the Company is committed to ensuring the shareholders' greatest satisfaction, to work honestly and also makes decision sincerely, carefully, cautiously, and fairly to the shareholders, both major and minor ones, for the optimum benefit of shareholders on the whole as well as access necessary, correct and appropriate information in timely manner.

2. Customer relations

The Company is committed to providing quality and reliable services by emphasizing on satisfy customer's need with accurate and fast service, maintaining good relationship, under the set standard. The Company also seriously follows the terms and agreements made with customers. There is continuous framework of improving service to be able to provide to customer immediately in order that customer can obtain good quality service at fair price. The aim is to achieve customer successful. Moreover, the Company does not use the customers information for personal benefits.

3. Employee

The Company considers staff as a key resource behind its business movements and as a crucial factor to the Company's sustainable success and growth, and then clearly sets out the staff practices



that give a fair treatment to employee with care and fair including remuneration, welfare, potential enhancement, to continually promote and constantly support in self-develop and training in diversified program, creating a participatory and teamwork environment. The Company also ensures that all employees have stable careers and live with high living standard. Empowering employees to be ready to work. Providing fair compensation and appropriate to the knowledge and ability of the staff in line with the Company's business.

The Company places importance on the welfare and safety of its employees. The Company provides fundamental welfare and benefits as required by law, such as working hours, holidays, annual leaves, and any other types of leave, as well as social security, compensation fund and provident fund, personal accident insurance, annual health check-up. In addition, the company also provides financial aid to its employees in various cases, such as death of close relatives and natural disasters, etc.

4. Business partner

As the Company has policy of up to par product and service acquisition so that comes to provide an equitable and fair purchase and procurement that not taking advantage of business partner. The Company seriously follows laws, rules and conditions agreed by both parties. Operating the business under the Business Ethics, the Company does not unfaithfully gain or share profits with trade partners while seriously follows all agreed conditions and is conforming to the process explicitly. Select potential business partners with standardized product quality, deliver goods and services on time, comply with labor and human rights laws, and promote environmentally friendly procurement.

5. Creditor / bondholder

The Company takes into account the equality and fairness with creditors / bondholders, running business with honestly and maintaining benefits for creditors. The Company seriously follows laws, rules and conditions agreed by both parties. The Company also treats creditors with fairness and makes principle and interest repayment within the set timeframe. The Company also takes care of collaterals and ensures that all conditions in the contracts and accurate and cover all aspects under the good corporate governance principle, and has a policy to treat all creditors fairly, to build confidence to financial institution, investors, for the best interest of the Company as well as based on fair compensation for both parties. In case the Company happens to be unable to follow the agreed conditions, it informs trade partners and creditors in advance so that all parties can help to solve the problem.

For the bondholders, the Company issues debentures in accordance with the rules, regulation and notification of the SEC and strictly complies with the policies, objective and resolutions of the shareholders' meeting, and pay attention to fulfillment of obligations in accordance with the terms and conditions of all the debenture relevant contractual conditions.

In 2023, the Company did not have debt payment default.

6. Competitor

The Company has policy that shall treat business competitor fairly by not elicit trade secret of competitor by means of deceptive method and acts under the convention of good competition. Do not enter into agreements with competitors or other operators that create a monopoly or reduce competition in the market. Do not discourage others from participating in business competitions. Do not damage the reputation of commercial competitors by slandering and attacking competitors without cause or engage in any act that is unfair to competition, including not seeking confidential information of trade competitors dishonestly.

In 2023, the Company did not have any disputes with commercial competitors.

7. Community Society and environment

The Company intends to take part in development of company together with development of society and environment to a sustainable progress by promoting employee's conscious mind and contribute to society and environment by promoting campaign of energy saving and nature



conservation efficiently; apply ethics and moral; transparently, fairly and equally operate business; do not take advantages over community society, environment and do not make any on the contrary, illegal. Finally, in operating business, the Company also takes into account of possible impacts on the environment.

The Company has organized activities to help communities and society, such as donating sports equipment to schools in remote areas, and promoting judicious use of resources. It has also established practical guidelines that can be implemented within the Company, such as saving electricity, conserving water, and promoting paper reuse, etc.

Anti-Corruption, Bribery and Guidelines for Monitoring Compliance with the Anti-Corruption Policy

The Board of Directors is committed to rejecting all forms of corruption and bribery. In this regard, the anti-corruption policy has been established and employees are trained to know the guidelines in such matters. Directors, executives, employees and any other persons acting on behalf of the Company are prohibited from giving or accepting gifts of money or other rewards that are illegal or inappropriate in order to gain an advantage in business or relationship with business partners.

The Company has established a suitable internal control system to increase operational efficiency and reduce business risks. In addition, the criteria for segregation of duties and responsibilities in the work of employees are used so that executives can receive reports and acknowledge the causes of defects in a timely manner, including being able to improve the preventive system appropriately, assessing risks related to fraud regularly. The internal audit department is part of the monitoring and evaluation process. Directors, executives and all employees have a duty to report violations of the anti-corruption policy, whereby the Company has measures to protect whistleblowers appropriately.

Policies and Practices for Non-Infringement of Intellectual Property

The Company is committed to conducting business policies in accordance with the laws relating to intellectual property rights, so the Company shall raise awareness to directors, executives, and all employees to honor and respect the Intellectual Property right of others. All employees of the Company are encouraged to perform their duties pursuant to laws or regulations relating to intellectual property rights, trademarks, patents, copyrights, trade secrets and other intellectual property rights. All employees of the Company are prohibited to infringe any Intellectual Property rights of others whether in a particular form of illegal copying or exploiting Intellectual Property rights of other without permission. The policies and practices concerning the non-infringement of Intellectual Property described as follows:

1. Every employee has a duty to protect and keep the confidentiality of the company's Intellectual Property. All employees must also be extremely careful to ensure the confidential information does not know to the third party. All employees must not use Intellectual Property of the Company whether for personal use or for other persons without permission.
2. All employees shall honor and respect the Intellectual Property right of others and shall not exploit Intellectual Property rights of other, in whole or in part, without permission.

Respect for Human Rights Principles

The Company supports the respect for human rights as announced in the Human Resource Management Policy. Directors, executives and employees of the Company as well as any other person acting on behalf of the Company must respect personal dignity, privacy and the rights of persons with whom they have been in contact during their work. However, they must not take any action or encourage any violation or violation of human rights as specified by the Company in the Code of Conduct.



The Company respects and complies with human rights laws, including the prevention and avoidance of human rights violations of employees, business partners and communities with the following guidelines.

- The Company prohibits the employment of children under the age of 18 to work.
- The Company respects differences and treats employees equally without giving benefits or depriving employees of their rights unfairly due to race, nationality, ethnicity, skin color, religion, gender, age, etc.
- The Company pays wages and provides compensation and benefits in various forms on time and according to the law.
- The Company will treat employees in terms of employment, welfare, development and training, considering a promotion or position, disciplinary and punishment, termination with equality and fairness.
- The normal working hours of the Company shall not exceed the time required by law.
- The Company respects the rights and freedom of all employees to work independently or in any form that is not against the law.
- The Company will continue to promote a safe workplace environment to prevent negative impact on the health of employees and related parties. In addition, the Company provides hygienic restrooms and clean drinking water.

The Company provides an opportunity to report clues about any actions that violate human rights through complaint channels. In 2023, there were no human rights complaints.

Notifying the Information and Complaints

The Board of Directors has a Whistle Blowing Policy which can see more details at the company website : www.sgfcap.com under the heading “Corporate Governance Policy”, this said policy is to listen the complaints involving in good corporate governance and business ethics or reporting clues about corruption from all groups of stakeholders including internal or external stakeholders.

The Company has provided measures and reporting channels to the complaint, opinion and to report the offense of stakeholders from all sectors. This can be through various channel as follows:

| | |
|----------------|--|
| Postal service | : Company Secretary / Internal Audit / Audit Committee SGF Capital Public Company Limited 121, 4 th Floor, WTH Holding Building, Vibhavadi-Rangsit Rd. Samsen-nai, Phyathai, Bangkok 10400 |
| Telephone | : 02-232-1789 ext. 1745 internal audit or 1771 company secretary |
| Fax | : 02-232-1790 |
| Email | : internal_audit@sgfcap.com or apinya.b@sgfcap.com |

Employees are able to notify complaints or propose opinions to Executives or Internal audit directly. The Company to ensure fairness and protect the whistleblower act. The confidentiality of those involved in the investigation of acts of corruption.

Process for receiving complaints: The recipient of the complaint will investigate and gather facts to draw conclusions and implement the complaint handling policy for remedial action or take legal action for an offense. All details will be kept confidential to reassure the whistleblowers or employees.

Measures to protect complainants or cooperators: The Company will protect complainants and informants to the best of its ability without disclosing any personally identifiable information and keeping information confidential. Access to information is limited to those responsible for investigating complaints who have access to such information and complainants, informants, data



sources and those involved are entitled to compensation for damages through reasonable and fair protection procedures.

During 2023, there was no complaint lodged on any action deemed illegal or ethically wrong, infringement of rights, report of improper financial transaction, corruption or faulty internal control system via this channel. The company has measures requiring supervisors at all levels to have a duty to supervise and prevent corruption and monitor the employee discipline to prevent the occurrence of wrongdoing as well.

Information Disclosure and Transparency

The Company's Board of Directors emphasizes the importance of disclosure of both financial information and non-financial information that is accurate, transparent, and adequate thorough information, and all parties shall be able to easily access such information on an equal basis to ensure compliance with the good corporate governance principles. The Company will disclose information to the shareholders and the public via Stock Exchange of Thailand data dissemination channels and the company's website www.sgfcap.com, topic "Investor Relations" The Company strictly adheres to the enactment of laws, rules, and regulations determined by the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and relevant agencies, while regularly monitoring the addition, amendment, and revision of such laws, rules, and regulations to ensure the accuracy and efficiency of application, leading to shareholders' greater confidence and trust towards the Company's transparent business operations and management.

The Company disclose general information through various channels specified by the Stock Exchange of Thailand, e.g. financial statement, 56-1 form, and annual report in particular, the financial information in the financial statement must be prepared, up to general accounting standard in Thailand, audited or reviewed by an independent auditor and the Company's Board of Directors before disclose to public.

The Company disclose information both in Thai and English through other channels, e.g., the Company's website, and regularly update such information.

The Company disclose the Board of Directors responsibility on the financial reports together with the auditor's report in the annual report, and disclose the roles and responsibility of the committees and sub-committees, the number of meetings and the number of attendance in meetings of each director in the past year, comments about their performance, and the trainings for professional development for Boards of Directors in the annual report

In 2023, the company has not taken any action that violates the regulations of regulators such as the Securities and Exchange Commission, and the Stock Exchange of Thailand, etc.

Measures to take action against people failing to comply with such policies and practice guidelines

The Company has established appropriate penalties for the offenses without the need for punishment arranged in order, including verbal warning, written warning, suspension from job, non-consideration for salary adjustment, suspended bonus, laying off without compensation and according to legal penalties as well.

2. Business Code of Conduct

The Company has established the business code of conduct for directors, executives and employees as practice guidelines according to the organization's vision, goals, strategies so as to create value in the organization, which can see more details at the company website : www.sgfcap.com under the heading "Corporate Governance Policy", it can be summarized as follows.

1. Code of conduct toward all group of stakeholders, i.e. shareholders, customers, business partners, creditors, competitors, community and society.
 - 1.1 Shareholders : work to provide good performance and receive suitable returns, along with the



availability of efficient systems for internal control and audit, risk management.

- 1.2 Customers : receive good products and services of quality, providing services with fairness, including keeping all customer information confidential.
 - 1.3 Business partners and competitors : Fair treatment of business partners and competitors and maintaining confidentiality under the relevant rules and laws, including not seek information of business partners and competitors dishonestly and unfairly.
 - 1.4 Creditors : Adherence to honesty in compliance with the conditions that are provided to all types of creditors, including the matter of guarantee conditions, capital management as well as liquidity management to provide the Company with strength and readiness to repay debt under the conditions as well as the rules and laws stipulated
 - 1.5 Society and Environment : Adherence to business operations with social responsibility, and support activities that benefit the community and society as a whole, aim to comply with laws and regulations, take care of the safety and environment of the Company effectively so as not to have any impact on nearby community and encourage employees' environmental awareness and responsibility.
2. Adherence to the principles of good corporate governance, transparency, fairness and auditability.
 3. Strict compliance with the laws, rules.

The Company has established guidelines to encourage directors, executives and employees at all levels to comply with the code of conduct by training and studying additional information through the Company's intranet system. All employees are required to sign acknowledgment and strictly comply with the business ethics.

- 100% of Directors have been informed and are aware of business ethics and code of conduct 100%.
- 100% of Executives and employees have been informed and are aware of business ethics and code of conduct 100%.

In the year 2023, there was no case of misconduct against the business ethics and employee ethics.

3. Major changes and developments of policies, practices and corporate governance system in the past year

In 2023, the Company has reviewed the charters of all committees to be more comprehensive and consistent with the Company's business. In addition, the Good Corporate Governance Handbook, Business Ethics Handbook, and various policies are also reviewed in order to be updated in accordance with the changing situation and always up-to-date.

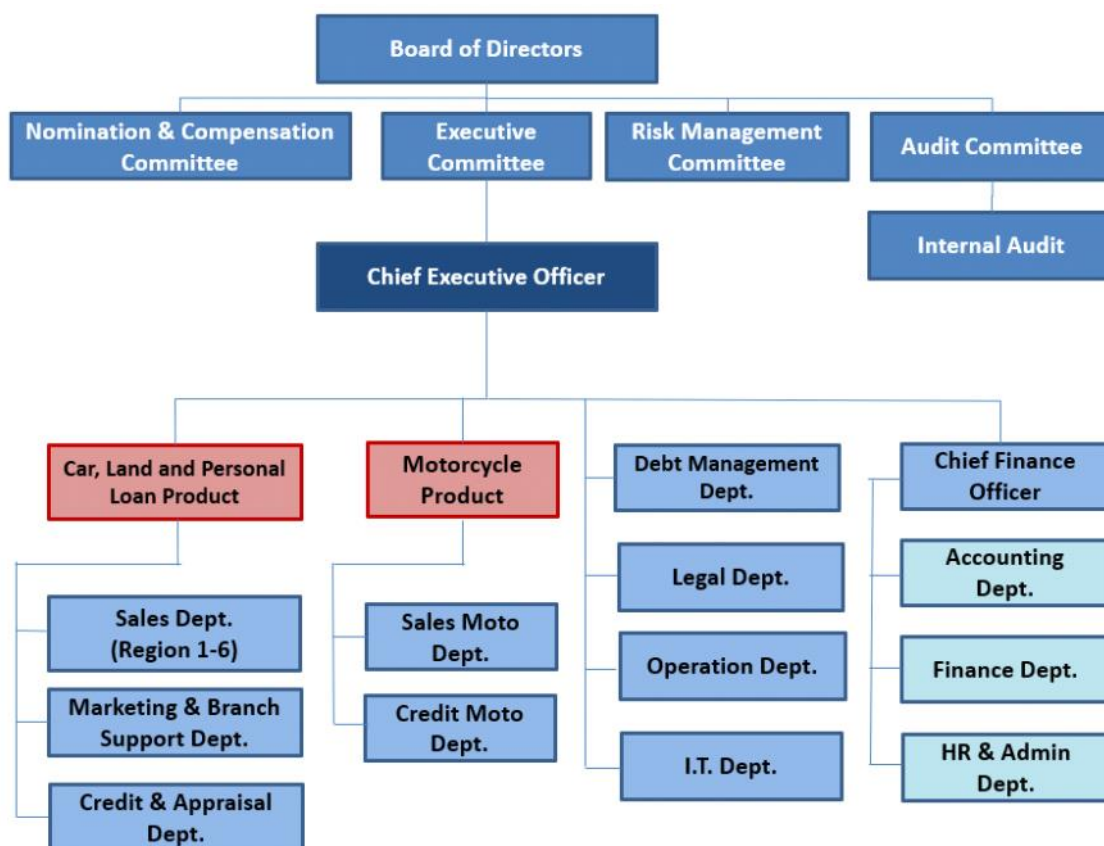
The Company participated in evaluation of Listed companies corporate governance survey project of the year 2023 (CGR 2023). This is a survey and monitoring of development of corporate governance of listed companies in Thailand by using assessment criteria from the good corporate governance principles of the Organization for Economic Cooperation and Development (OECD). As to evaluation result, the Company has received Excellent rating of 5 stars.

Shareholder Meeting Quality Assessment Project of the year 2023 (AGM Checklist): The Company has been rated in 5TIA 99 points.

The Company places importance on the disclosure of important information such as business performance, both financial and non-financial information to investors and those interested in company information.

1. Corporate Governance Structure

As 31 December 2023, The Company had organization chart as follow:



2. Directors

The Company has separated the roles, duties and responsibilities between the Board of Directors and the management. The Company has clearly specified the Board of Directors' approval power in major matter such as setting the goals, guidelines, policies, business plans and budget of the Company etc.

The Company's management structure consists of The Board of Directors and Sub-Committees are as follows: Executive Committee, Audit Committee, Remuneration and Compensation Committee, and Risk Management Committee as well, and the management of the Company is fully qualified according to Section 68 of the Public Company Act B.E.2535 and the relevant Notification of the Capital market Supervisory Board.

Composition of the Board of Directors

The Board of Directors consist of 7 directors. All of directors have residence in the Kingdom. The Board of Directors is composed of 3 independent directors (one third of the total directors, 33%), 1 executive directors (The proportion of non-executive directors to all directors is 86%). The Board of Directors appoints the Chairman and Vice Chairman. At the Board meeting, the Chairman which is independent director will act as the chairman of the meeting.



Board of Directors, As of 31 December 2023 consists of 7 persons as follow:

1. Mr.Pinit Wuthipand Chairman of the Board Independent Director
(Term of office from 27 April 2023 until the 2026 Annual General Meeting of Shareholders)
2. Mrs.Rachaneekorn Chintakanon Director Non-executive Director
(Term of office from 27 April 2023 until the 2026 Annual General Meeting of Shareholders)
3. Mr.Yanyong Siripun Director Independent Director
(Term of office from 29 April 2022 until the 2025 Annual General Meeting of Shareholders)
4. Mrs. Petcharat Thongtang Director Non-executive Director
(Term of office from 14 February 2022 until the 2024 Annual General Meeting of Shareholders)
5. Mrs.Supanut Pongserm Director Independent Director
(Term of office from 27 April 2023 until the 2026 Annual General Meeting of Shareholders)
6. Mr.Issarachai Decharit Director Non-Executive Director
(Term of office from 29 April 2022 until the 2025 Annual General Meeting of Shareholders)
7. Mr.Kannanat Boonsunanondha Chief Executive Officer Executive Director
(Term of office from 30 April 2021 until the 2024 Annual General Meeting of Shareholders)

Besides, to allow division of the authority, duties in determining the Company's policies and management of the Company to be clearly separated from each other, so the Company requires the Chairman of the Board and the Chief Executive Officer to be different persons.

Name of director in each sub-committee

| Name | Position in each sub-committee | | | | |
|----------------------------------|------------------------------------|-----------------|---------------------|---|---------------------------|
| | Board | Audit Committee | Executive Committee | Remuneration and Compensation Committee | Risk Management Committee |
| 1. Mr. Pinit Wuthipand | Chairman (independent director) | Chairman | - | - | Director |
| 2. Mrs. Rachaneekorn Chintakanon | Director | - | Chairman | Director | Director |
| 3. Mr. Yanyong Siripun | Director (independent director) | Director | - | Chairman | - |
| 4. Mrs. Petcharat Thongtang | Vice Chairman | - | Director | Director | Chairman |
| 5. Mrs. Supanut Pongserm | Director (independent director) | Director | - | - | - |
| 6. Mr.Issarachai Decharit | Director | - | Director | - | - |
| 7. Mr.Kannanat Boonsunanondha | Director (Chief Executive Officer) | - | Director | Director | - |



Authorized Directors

In the year 2023, the Company did not change the names of the authorized signatory directors. Directors authorized to sign in binding the company consist of Mrs. Rachaneekorn Chintakanon, Mr. Kannanat Boonsunanondha and Mr. Issarachai Decharit. Any two out of these three Directors shall commonly sign and affix the company common seal.

Powers and Duties of the Company's Board of Directors

1. Set vision, mission, strategies, objectives, operating plans, business policies, annual budgets, management structure, and administrative authorities of the company, including reviewing them and making changes as needed.
2. Act in the best interest of the shareholders by upholding the following four fiduciary duties:
 - 2.1 Duty of Care – act with due diligence and care,
 - 2.2 Duty of Loyalty – act in good faith,
 - 2.3 Duty of Obedience – comply with laws, the company's objectives and articles of association, and resolutions of the shareholders' meeting,
 - 2.4 Duty of Disclose – disclose information to shareholders accurately, fully, and transparently.
3. Ensure a formal and transparent board nomination and election process. Consider setting up sub-committees to support the Board in performing its functions as appropriate and necessary and monitor the performance of sub-committees on a regular basis.
4. Regulate, supervise, and oversee the performance of management or any person assigned to perform this function to ensure compliance with established policies, plans, and budgets within an ethical framework and in the best interest of stakeholders.
5. Appoint or authorize any person to conduct business of the company under the supervision of the Board or authorize any person to carry out specific tasks as the Board deems appropriate. The Board may cancel or make changes to such authorities.
6. Prepare code of conduct manuals for directors, executives, and employees of the company to serve as guidelines for business conduct. All directors, executives, and employees of the company must perform their duties with integrity and strictly comply with the company's code of conduct.
7. Strictly comply with the company's principles of corporate governance and implement and communicate corporate governance policy to employees at all levels in the organization.
8. Evaluate the performance of the Board, including a self-assessment and an assessment of the Board as a whole, on an annual basis, including following up on assessment results of the Board and sub-committees.
9. Attend the Board of Directors' meeting and annual general meeting of shareholders, except for a case of unforeseen circumstances. If unable to attend, a director must inform the Board or company secretary in advance prior to the meeting.
10. Ensure reliable accounting system, financial reporting, and auditing. Make sure that financial statements are prepared to truthfully, completely, and accurately show financial status and operating results in accordance with generally accepted accounting standards. The financial statements at the end of an accounting period must be audited by the company's auditor before being presented at a shareholders' meeting for approval and reported, along with the Board of Directors' responsibility report towards financial statements and auditor's report, in the annual report of the company.
11. Ensure that the company has effective and efficient internal control and audit systems, comprehensive risk management system, reporting, and monitoring process, and complaint reporting mechanisms and handling, as well as ensuring compliance with the corporate governance policy.



12. The Company oversees the development of employees, which are the Company's most important human resource capital, into potential individuals and jointly drive the organization as well as focus on employee retention and attraction of targeted employees and career development and career path.

Limiting the number of independent directors office term

The Board of Directors does not clearly determine any number of terms of holding of office as independent director. The Board of Directors considers and deems that the appointment of independent directors to resume office as directors will be useful for the Company and shareholders since the directors consecutively holding such office will have better knowledge and experience in the Company's business operations and create more value for shareholders.

Roles and duties of the Chairman of the Board of Directors

To allow division of the authority, duties in determining the Company's policies and management of the Company to be clearly separated from each other, so the Company requires the Chairman of the Board and the Chief Executive Officer to be different persons. Roles and duties of the Chairman of the Board are as follows:-

1. Convening the meeting of the Board of Directors, chairing the meeting of the Board of Directors and the shareholders' meeting and playing a role in setting the agenda together with the Chief Executive Officer and there are measures to ensure that important matters are included in the meeting agenda.
2. Playing a role in controlling the meeting effectively, allocate enough time for the management to present the information, encouraging and allowing the directors to express their opinions independently, take control of the discussion and summarize the resolutions at the meeting.
3. Encouraging the Board of Directors to perform the duties at full capacity according to the scope of authority, responsibilities, related law and good corporate governance principles, such as abstaining from voting and leaving the meeting when considering an conflict of interest agenda.
4. Encourage Company directors to attend shareholders' meetings and act as the chairman of the meeting in order to control the meeting efficiently and answer shareholders' questions.
5. Ensure that all directors participate in building an organizational culture with ethics and good corporate governance.
6. Supervising and monitoring work management of the Board of Directors and other subcommittees to achieve the objectives set.
7. Strengthen good relationships between executive directors and non-executive directors and between the Board of Directors and the management.
8. Casting a vote if the Board of Directors meeting votes and the votes of both sides are equal.

Powers and Duties of Chief Executive Officer

Chief Executive Officer has power and duty to supervise, execute, operate and perform on behalf of the company in accordance with purpose and regulations of the company as well as with principles, resolutions, policy, strategy and budget submitted by the Board of Directors within legal lines and power restriction defined by the Board of Directors of the company who transfers the power of attorney to Directors to perform on behalf of the company as well as delegation power to executives and/or employees, and/or other persons as appropriate, except the following case on which Directors have to be granted the approval from the Board of Executive Directors or the Board of Directors of the company (case by case) to perform:



1. The investment of any project development exclusive from the annual policy of the company.
2. The procurement, purchase or land or real property transfer for the use of the company operation, including any requirement on permission or procedure with concerned government sectors in order to achieve the aforesaid tasks.
3. The guaranty by rights or land or real property ownership which are assets of the company, for individual and/or individual group and/or juristic person and/or government sector and/or public organization for the use of the company operation.
4. The different types of account opening, the overdraft loan application and other service application with commercial banks including the account opening or cancellation of the aforesaid service.
5. The approval on organization structure, salary structure, operation plans and annual budget.

However, such appointment does not include the authority to approve the transactions that such Managing Director and/or their attorney have the conflict of interests (as the announcement of the Office of the Securities and Exchange Commission) with the Company or its subsidiary, except the approval in accordance with policy and within the Board of Directors approve criteria.

3. Sub-Committee

The Company's management structure consists of The Board of Directors and Sub-Committees are as follows: Executive Committee, Audit Committee, Remuneration and Compensation Committee, Risk Management Committee, and Sustainable Development Committee detail as following:

- **Executive Committee** as of 31 December 2023 consists of
 1. Mrs. Rachaneekorn Chintakanon Chairman of the Executive Committee
 2. Mr. Kannanat Boonsunanondha Director
 3. Mrs. Petcharat Thongtang Director
 4. Mr. Issarachai Decharit Director
 5. Ms. Apinya Borivachanon Director / Executive Management
 - Ms. Apinya Borivachanon Secretary of the Executive Committee

Term in office of the Executive Committee

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

Powers and Duties of the Executive Committee

1. Having duties to carry out the management of Company business in compliance with the Company business objectives provided that in accordance with any policy, regulations or orders prescribed by the Company Board of Directors.
2. Having a plan, policies and strategic direction to do business and set the management structure in line with economics and competition, propose to the Board of approval.
3. Having the power to approve and/or assent on any Company normal business operations and general business management.
4. Credit approval, debt adjustment, bad debt write-off as assign by the Board.
5. Considering and screening the Company annual policy, target, work plan, budget and any other recommendations to be proposed to the Company Board of Directors for approval or assent provided as prescribed in the regulations and orders of the Company Board of Directors.



6. Oversee the operation of the Company to comply with the policy, strategy, business plan and budget as approved by the Board.
7. Report of operating result in the matters and within the following times to the Board of Directors:-
 - 7.1 Report of operating result of the company on quarterly basis.
 - 7.2 Auditor's report related to the Financial Statements of the company including annual budget and review budget.
 - 7.3 Other reports as deemed appropriate by the Board.
8. Performing any other tasks as assigned by the Company Board of Directors.

However, such appointment does not include the authority to approve the transactions that such Managing Director and/or their attorney have the conflict of interests (as the announcement of the Office of the Securities and Exchange Commission) with the Company or its subsidiary, except the approval in accordance with policy and within the Board of Directors approve criteria.

- **Nomination and Remuneration Committee** as of 31 December 2023 consists of
 1. Mr. Yanyong Siripun Chairman of the Board / Independent Director
 2. Mrs. Rachaneekorn Chintakanon Director
 3. Mrs. Petcharat Thongtang Director
 4. Mr. Kannanat Boonsunanondha Director
 - Ms. Apinya Borivachanon Secretary of the Nomination and Remuneration Committee

Term in office of the Nomination and Remuneration Committee

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

Powers and Duties of the Nomination and Remuneration Committee

1. To consider and selecting qualified persons to hold the position of the Company's directors, both in case appoint director to replace the director who completes their tenure and appointed a new director, to the Board of Directors so as to nominate them to the shareholders' meeting, or proposing the nomination to the Board of Directors for consideration and appointment.
2. Considering selecting and proposing qualified persons to hold the position of the Chief Executive officer to the Board of Directors for consideration and appointment.
3. Propose guidelines and methods to compensate for directors and committees appointed by the Board of Directors.
4. Review the remuneration for directors and committee based on their responsibilities, the Company's financial status, and the compensation of nearby businesses, and propose to shareholders for approval.
5. To consider and propose policy relating to the remuneration and benefit in order to keep and motivate employees who possess required qualifications.
6. To review budget for wage adjustment and bonus annually and propose to the Executive Board and Board of Directors.
7. To help the Executive Board and Board of Directors assess the operating result and ability of Chief Executive Officer based on the short-term and long-term objectives and business plans.
8. To conduct any activities assigned by the Company Board of Directors.



- **Audit Committee** as of 31 December 2023 consists of all independent directors
 1. Mr. Pinit Wuthipand Chairman of Audit Committee / Independent Director
 2. Mrs. Supanut Pongserm Audit Committee Member / Independent Director
 3. Mr. Yanyong Siripun Audit Committee Member / Independent Director
- Ms. Nadiya Saeting Internal Audit be secretary of the meeting

Term in office of the Audit Committee

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

Audit Committee member who have financial statement review knowledge

Mr. Pinit Wuthipand is the director who has the knowledge and experiences to review the financial statement. All of the Audit Committee Members are not the employee of the company.

Powers and Duties of Audit Committee

1. To ensure that the financial statements of the Company have adequate accuracy.
2. To ensure that the internal control and internal audit systems of the Company are appropriate and effective and to consider the independence of the internal audit department including the approval of any appointment, allocation, or dismissal of the head of internal audit department or any other department relating to the internal audit responsibilities.
3. To ensure that the Company complies with the laws on the Securities and Exchange, the regulations of the Stock Exchange and other laws in connection with the businesses of the Company.
4. To consider, select, and propose for election of any independent person to act as the Company's auditor and propose the remuneration for such person and meet privately at least 1 time per year with the auditor without any member of the management team present. Including the dismissal of said person as well.
5. To ensure that in conducting all the connected transactions or transactions that may lead to conflict of interests, the Company complies with all the laws and regulations of the Stock Exchange and ensure that such transactions are reasonable and give the most benefits to the Company.
6. To prepare a report of the Audit Committee to be included in the annual Report of the Company. Such Report shall be signed by the Chairman of the Audit Committee and shall consist of at least the following information:
 - (a) Comments on the accurateness, completeness and credibility of the financial statements of the Company.
 - (b) Comments on the adequacy of the internal control system of the Company.
 - (c) Comments on the compliance to the laws on Securities and Exchange, regulations of the Stock Exchange or any other laws in connection with the businesses of the Company.
 - (d) Comments on the suitability of the auditor.
 - (e) Comments on the transactions that may lead to conflict of interests.
 - (f) The number of meetings held by the Audit Committee and the attendance of each member of the Audit Committee.
 - (g) Comments on other concerns that have arisen as the Audit Committee perform its duties as



defined in the Committee's charter.

- (h) Any other matters that the shareholders and general investors should be informed within the scope of duties and responsibilities assigned by the Board of Directors of the Company.
- 7. To perform any tasks assigned by the Board of Directors with the approval from the Audit Committee.
- 8. While undertaking their duties, if the Audit Committee found out or have doubts over any of the following transactions or actions, which would have an adverse effect to the financial status and the operational outcome of the Company, the Audit Committee shall report to the Board of Directors of the Company so the Board could resolve the matter within the time frame deemed appropriate by the Audit Committee.
 - (a) Any transaction that may lead to conflict of interests.
 - (b) Any fraud, unusual matter or critical failure in the internal control system.
 - (c) Any violation of Securities and Exchange laws, Regulations of the Stock Exchange or any laws in connection with the businesses of the Company.

● **Risk Management Committee** as of 31 December 2023 consists of

- | | |
|----------------------------------|--|
| 1. Mrs. Petcharat Thongtang* | Chairman of the Risk Management Committee |
| 2. Mr. Pinit Wuthipand | Director |
| 3. Mrs. Rachaneekorn Chintakanon | Director |
| Ms. Apinya Borivachanon | Secretary of the Risk Management Committee |

Term in office of the Risk Management Committee

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

Powers and Duties of the Risk Management Committee

1. Determine policies to be proposed to the Board of Directors, consider the overall aspect of risk management, covering all types of risk, for example, credit risk, marketing risk, liquidity risk, operational risk, and other potential risks that may directly affect the Company's reputation.
2. Develop effective strategies in line with risk management policies that can be pursued, assessed, and monitored, ensuring that risks can be maintained at an acceptable level.
3. Provide effective monitoring and support in reviewing risk management policies and guidelines on a yearly basis to ensure that the risk management policies and guidelines are in compliance with current business situations.
4. Report on potential risks and their aspects experienced by the Company. Develop guidelines for effective risk management, including its progress and consequences to regularly be acknowledged by the Board of Directors.
5. Provide effective communication and exchange of information on risk management and internal control for the Audit Committee.
6. Be authorized to get all risk management processes implemented under the scope, authority, and responsibility towards the Company's access to information related to the Risk Management Committee's compliance with charters.
7. Offer productive suggestions and effective supports to the Board of Directors, the Operations Department, and the Risk Management Committee aiming to generate greater development for organizational risk management as well as foster substantial progress for organizational risk management on a consistent basis.

• **Sustainable Development Working Group as of 31 December 2023 consists of**

- | | |
|----------------------------|---|
| 1. Mr. Issarachai Decharit | Chairman of the Sustainable Development Working Group |
| 2. Ms. Apinya Borivachanon | SVP Human Resource and Administration Department |
| 3. Mr. Pornsak Kiranasopon | SVP Debt Management department |
| 4. Mr. Phairat Kokijrojana | SVP Credit and Appraisal department |

Scope, Duties and Responsibilities of the Sustainable Development Working Group

1. Set corporate sustainability goals, policies and action plans covering the principles of good governance risk management and compliance and creating long-term value for stakeholders, including communication to present to the Board of Directors.
2. Provide advice and encourage the Company's operations to be in line with the sustainable development policy, including encouraging the Board of Directors, executives and employees to effectively comply with the Company's sustainable development guidelines.
3. Supervise, follow up, and evaluate the results of sustainable development operations to be balanced and efficient for the best interests of the Company and stakeholders, as well as periodically report the progress of the operations to the Board of Directors.
4. Establish a good corporate governance policy and business ethics and present it to the Board of Directors for approval as well as giving advice and promoting compliance at all levels and review such policies annually to ensure they are appropriate and consistent with international laws and best practices. In addition, the Company has regularly assessed and reported compliance with the good corporate governance policy and business ethics.
5. Oversee the disclosure of information about the Company's sustainable development to stakeholders in the Company's annual report and annual sustainability report.
6. Perform other tasks as assigned.





4. Executives

4.1 Executives

The Company Organization Chart



Executives as of 31 December 2023 consists of

| No. | Name of executive | | Position |
|-----|-------------------|----------------|---|
| 1 | Mr. Kannanat | Boonsunanondha | Chief Executive Officer |
| 2 | Ms. Apinya | Borivachanon | Chief Finance Officer (Accounting Dept, Finance Dept) / Senior Vice President HR and admin Dept.) |
| 3 | Mr. Pornsak | Kiranasopon | Senior Vice President, Debt management Dept. / Marketing Motorcycle Dept. |
| 4 | Mr. Phairat | Kokijrojana | Senior Vice President, Credit and Appraisal Dept. |
| 5 | Ms. Chiraporn | Madsathan | Senior Vice President, Finance Dept. |
| 6 | Ms. Patchara | Tipphawes | Assistant Vice President, Accounting Dept. |

Remarks ! Executive definition by the Office of the Securities and Exchange Commission.

4.2 Remuneration for Executives

The Company has the policy to pay remuneration for management, by taking into account appropriate remuneration in accordance with criteria on remuneration determination as follow:

❖ Remuneration for Chief Executive Officer

1. Short Term Remuneration such as Salary, Bonus, and others. Remuneration is at the level which is appropriate and sufficient to attract as well as retaining knowledgeable and qualified person to perform duties for the Company efficiently in order to lead the organization to accomplish the short-term and long-term goals.



2. The elements of remuneration are clear, transparent and easy to understand.
3. The remuneration shall be considered by the Nomination and Remuneration Committee to ensure that the remuneration is at the appropriate and competitive level and stays at the same level as that in the same sector.
4. Long-term remuneration for CEOs is determined in a timely manner and in line with the Company's performance and consistent with the Company's performance.

❖ **Remuneration for management**

Executive remuneration depends on job responsibilities, experience and personal skills, and is paid in cash into their accounts every month. It is reviewed annually based on performance and salary increases in the labor market to attract and retain quality executives who are competitive in the industry.

Other benefits are provided to create security for employees and help in case of elderly employees experiencing health problems or death by providing a provident fund, health insurance plan and various welfare benefits according to the practices in the labor market and the law.

Performance bonuses are remuneration that varies based on short-term performance against a predetermined annual rate of work compared to labor market compensation in the same industry. They also determine the overall performance of the Company and individual employees.

In 2023, The remuneration of Company's managements in the form of salary, bonus, social security, provident fund and others benefit total 12.55 million baht.

Other' management remuneration : None

5. Information about employees

5.1 Employment

The Company is aware that to grow the business continuously and sustainably in the future, the Company needs to receive the cooperation of all employees at all levels. The Company has always treated the personnel equally. As of 31 December 2022 and 2023 there were 254 and 250 employees working with the Company respectively (not include 5, and 5 executive officers, respectively). And contract workers in 2023 is 54 persons. Divided by the main work lines as follows:

| Department | Employees (Persons) | |
|-------------------------------|---------------------|-------------|
| | 31 Dec 2022 | 31 Dec 2023 |
| 1.Retail Credit and Appraisal | 13 | 9 |
| 2.Marketing & Branch Support | 2 | 1 |
| 3.Law | 5 | 5 |
| 4.Operation | 17 | 18 |
| 5.Debt Management | 26 | 27 |
| 6.Accounting | 8 | 7 |
| 7.Finance | 8 | 10 |
| 8.Human Resource & Admin | 8 | 8 |
| 9.I.T. | 8 | 9 |
| 10.Internal Audit | 2 | 2 |
| 11.Motorcycle - credit | 4 | 5 |
| 12.Motorcycle - Marketing | 13 | 25 |
| 13. Branch employees | 140 | 124 |
| Contract workers | 38 | 54 |
| Total | 292 | 304 |



5.2 Employee Remuneration

The Company considers employee compensation with a fair and competitive compensation policy in the market as well as creating stability and career advancement opportunities. Employee bonuses and salary increases are determined annually based on employee performance and salary increases in the labor market.

The Company provides employee welfare as required by law such as social security. In addition to the law, such as health and accident insurance for employees, employee uniform subsidy as well as various types of assistance, such as funeral assistance for deceased parents and subsidies for accommodation of employees affected by floods, etc.

The Company paid remuneration for employees, such as salaries, overtime, commission, provident fund, social security and bonus etc. Detail is as following:

| | 2022 | 2023 |
|---|---------------------|---------------------|
| Salaries, overtime, bonus and others benefit. | 129,832,827.12 baht | 141,896,090.49 baht |
| Ratio Female Remuneration : Male Remuneration | 38 : 62 | 38 : 62 |

The Company selects fund managers who adhere to the principles of investment governance code (I Code) and/or manage investments responsibly taking into account environmental, social and good governance factors (ESG). The Company adheres to good investment governance code for the best interest of the fund members who are the Company's employees in the long term.

Information of employees who participated in the provident fund in 2023 as follow:

| Company | Have/without provident fund | No.of employees participating in the provident fund | Percentage of employees participating in the provident fund / total employees (%) |
|---------------------------------|-----------------------------|---|---|
| SGF Capital Pcl. | Have | 256 | 97.65% |
| SGF Service Management Co.,Ltd. | without | - | - |

5.3 Labor Dispute

At present, the Company has no labor disputes.

6. Other important information

6.1 The person assigned to take direct responsibility for accounting oversight, company secretary, head of internal audit.

Company Secretary

The Board of Directors appointed Ms. Apinya Borivachanon to be the company secretary. The duties and responsibilities as identified on the Securities and Exchange Act (no.4) B.E.2551 section 89/1, to oversee the Board of Directors' meeting, shareholders meeting, and various activities of the Board, provide recommendation to the directors regarding the rules and regulations of the Company, and monitor the compliance according to such requirements.

Ms. Apinya Borivachanon has certificate DAP from IOD in 2004, CSP No.17/2006, EMT No.11/2008 (details of her profile appear on Attachment 1)

Highest responsibility for accounting



Head of accounting is Ms. Apinya Borivachanon, Chief Finance Officer since 17 February 2020 with the duties and responsibilities as follows:

1. Planning financial strategies to encourage internal and external growth as well as financing to accommodate growth linking with the Company's business expansion.
2. Controlling and managing infrastructure in terms of financial information and financial management of the Company to ensure that the Company's work operations are driven to achieve tasks and goals as planned.
3. Developing and managing financial tools to contribute to the analysis of the efficiency of work operations and analysis of business value.
4. Communicating the organization's significant financial information to enhance the understanding and trust of investors relating to stability and opportunities of the Company.

Ms. Apinya Borivachanon has certificate CFO's Orientation Course for New IPOs No.4, and in 2023 passed 10 hours of accounting knowledge development training. (details of her profile appear on Attachment 1 and details of training course appear on section 8.1 Directors and Management Development)

Supervises accounting preparation

Per the organization chart of the Company, there was appointment in the position of Assistant Vice President, Accounting Dept, Ms. Patchara Tipphawes, who was assigned to take direct responsibility for accounting supervision, she has the qualifications and conditions in accordance with the rules specified in the Notification of the Business Development Department. In 2023, She has training 18 hours on the topic of accounting, (details of her profile appear on Attachment 1, and details of training course appear on section 8.1 Director and management development) with duties and responsibilities as follow:

1. Drawing up policies and plans on accounting and finance as well as determining the accounting and financial systems in line with the guidelines for the Company's work operations.
2. Overseeing preparation of accounts and inspecting close of accounts of the Company in each period to ensure that they are made properly and in accordance with the specified practices.
3. Overseeing and inspecting preparation of financial statements, balance sheet, income statement, and accounting reports.
4. Overseeing and inspecting income-expenditure of the Company.
5. Overseeing the Company's budgeting and inspecting to ensure that the budget is utilized properly and in accordance with the budget plan as specified.
6. Overseeing the preparation of relevant tax reports for submission to relevant government.

Head of Internal Audit

The Company assigned Miss Nadiya Saeting, Assistant Vice President, Internal Audit Dept, overseeing the operations in the internal audit department (details of her profile appear in Attachment 3)

6.2 Investor Relations Unit (if any)

Although the Company does not set up an investor relations department, but the Company assigned the Chief Executive Officer and company secretary representative of the Company to have duties to communicate information to shareholders and other stakeholder such as debenture holders, investors, as well as related parties in time and appropriate, which can be contacted to inquire or request additional information through the following channels:

Investor Relation Information

SGF Capital Public Company Limited

121, 4th Floor, WTH Holding Building, Vibhavadi-Rangsit Rd.



Samsen-nai, Phyathai, Bangkok 10400

Telephone : 02-232-1789 ext 1771

Email : apinya.b@sgfcap.com

6.3 Auditor Remuneration

The Company appointed “PricewaterhouseCoopers ABAS Company Limited” to be the Company’s auditor, which has been approved by the 2023 Annual General Meeting of Shareholders. The Auditor have independence, reliability and have neither relationship with nor interest in the Company or its subsidiaries, executives, major shareholders or their related persons.

In the fiscal year 2023, the Company paid the audit fee to Pricewaterhousecoopers ABAS Co., Ltd for a total amount of 2.70 million Baht for the audit fee and the review fee for the interim separated and consolidated financial statements. Apart from such fee, the Company did not have other fees to pay to the auditor or the auditor’s company.

6.4 Compliance Unit

The Company has not yet established a Compliance unit, but has assigned Ms. Parichat Kuekool, Human Resources and Administration Manager, to act as a Compliance Officer with the following roles and responsibilities:

1. Support policies and objectives of the Company and senior management in supervising operations.
2. Advise on compliance with laws, rules and regulations of the Company, including business ethics for employees and related departments.
3. Liaising with regulatory bodies, including the Bank of Thailand, the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant organizations.
4. It is the center for collecting and providing relevant Company regulations to employees.
5. Prepare guidelines and manuals for employees in the Company to follow the guidelines appropriately and improve guidelines and manuals to suit the situation.





8. Corporate Governance Report

1. Summary of the Board's performance of duties

Boards of directors have placed importance on follow the principle of good corporate governance by realizing role and responsibility of boards of directors in supporting to create good corporate governance in order to increase competitive capacity of business as well as confidence for stockholder, investor, and all concerned people by efficient and above-board management. The Board of the Company had approved the Corporate Governance Policy and various related policies and has published the corporate governance policy, and various related policies on the Company's website at www.sgfcap.com. In order to inform shareholders, investors and all groups of stakeholders about the Company's business practices and operations under the principles of good corporate governance, and also acknowledge the Company employees to follow operation procedure under the set corporate governance policies, creating a real culture of good corporate governance.

The Board of Directors has been assigned by the shareholders to supervise the business according to the Company's objective under the scope specified in the Articles of Association and resolutions of the shareholders' meeting with integrity and impartiality so as to comply with relevant laws and regulations appropriately. One or more directors or any other person may be assigned to perform any action on behalf of the Board. That authorization must be within the scope of power of the Board. Furthermore, the scope of the authority, duties or the proxies are clearly stipulated.

The Board of Directors is responsible for overseeing the management to work according to the goals, strategies and plans approved by the Board of Directors to maximize the benefits of the Company and all stakeholders.

1.1 **Nomination, development and evaluation of performance of the Board**

For appointment of the directors, the Nomination and Remuneration Committee, which has the Chairman of the Nomination and Remuneration Committee as an independent director, is responsible for selecting and screening qualifies person with knowledge, ability, experience, morality and ethics according to the Company's Articles of Association and nominating qualified persons to obtain professional and diverse directors. Consideration in based on the structure, size, Board skill matrix and composition of the Board. Opinions are also proposed to the Board of Directors for approval from the Board of Directors. Then, that name-list of directors will be presented to the shareholders' meeting to continue to elect the directors according to criteria.

A) Appointment of independent directors

The members of the Nomination and Remuneration Committee work together to review and determine principles and policies on nomination and appointment of the Company's independent directors, based on the qualification as specified by the Public Limited Company Act 2535, Notifications of the Securities Commission, Notifications of Capital Market as well as other related regulations, e.g. Other qualifications, such as work experience, knowledge and skills are also taken into account. The Company has a policy to appoint at least one-third of the total directors and not less than three directors as the Company's independent directors.

Qualifications of Independent Directors: The Company has defined the definition of independent directors of the Company equal to the regulation of the SEC and the Stock Exchange of Thailand, without any exceptions and conditions, as following:

- a) To hold the company shares not exceeding 1% of number of total shares entitled to vote in the company, affiliated companies, joint companies or person who may have conflict (are considered as related person pursuant to Article 258 according to the Security Law)
- b) Not being or used to be the director who takes part in the management of the company, or an employee, staff member or advisor who receives a regular salary or is a controlling person of the company, holding company, subsidiary company, associated company, subsidiary company of the same level or corporate with possible conflict, except having been out of the above position for at least two years prior to the appointment.
- c) Not being a person who is related by blood or by law as a parent, spouse, sibling and child



including a child's spouse, to any management member, major shareholder, controlling person or the person whom has been proposed to become the management member or controlling person of the company or subsidiary company.

- d) Not having or used to have business relationship with the company, holding company, subsidiary company, associated company or corporate with possible conflict in a way which may prevent independent judgment, as well as not being or used to be the major shareholder, non-independent director or management member of the entity having business relationship with the company, holding company, subsidiary company, associated company or corporate with possible conflict, except having been out of the above position for at least two years prior to the appointment.

The business relationship stated in the first paragraph shall include normal commercial transactions for business operation, rent or rent out of real estate, transactions concerning the property or service, giving or receiving financial support, receiving or giving loan, standing security, giving property as collateral security or other similar actions, which make the applicant or party in the contract pay debt obligation to the other party from 3% of net tangible asset of the applicant or from twenty million baht, whichever is lower. In this respect, the calculation of such debt obligation shall be in compliance with the method to calculate the value of related transactions as prescribed by the notification of the Commission of Stock Exchange of Thailand relating to the data presentation and operation of registered company for related transactions, mutatis mutandis. However, in consideration of such debt obligation, it shall include debt obligation incurred one year prior to the date of business relationship with the same person.

- e) Not being or used to be the auditor of the company, holding company, subsidiary company, associated company or corporate with possible conflict and not being the major shareholder, non- non-independent director or management member or managing partner of the audit firm with staff being the auditor of the company, holding company, subsidiary company, associated company or corporate with possible conflict, except having been out of the above position for at least two years prior to the appointment.
- f) Not being or used to be the service provider in any professions including legal advisor or financial advisor receiving the service fee exceeding Baht 2 million per year from the company, holding company, subsidiary company, associated company or corporate with possible conflict. Nevertheless, in the case of the professional service provider being a corporate, the consideration shall extend to the major shareholder, non-independent director, management member or managing partner of such professional service provider, except having been out of the above position for at least two years prior to the appointment.
- g) Not being the director who has been appointed as the representative of the company, major shareholder or shareholder whom is related to the major shareholder of the company.
- h) Having no other characteristic which may prevent from giving independent opinions concerning with the business operation of the company.

As of 31 December 2023, the Company has 7 directors, consists of 1 executive directors and 3 independent directors. Independent Director is 43% of the Board of Directors, consists of;

- | | |
|-------------------------|----------------------|
| 1. Mr.Pinit Wuthipand | Independent Director |
| 2. Mrs.Supanut Pongserm | Independent Director |
| 3. Mr.Yanyong Siripun | Independent Director |

The 3 independent directors of the Company do not have any qualifications or conditions that contrary to the requirements of the office of SEC and SET, and they have no business relations with the Company in the past fiscal year.

B) Director recruitment

The selection of qualified candidates to replace vacant directors, Director Pool or Professional Search



Firm shall be partly considered as the case may be, resulting in the diversity of the Board's structure. The Board Skill Matrix shall be prepared to define the qualification of the director who is required for selection by considering from essential skill which is remained deficient in the Board of Directors and strategy of the Company's business operation. If the Company has new strategy of business operation apart from the existing business which is operating, it is necessary for selecting the director who is directly qualified and experienced in the new business of the Company.

The Board of Directors has established a structure consisting of at least one female director. Directors are knowledgeable, competent and have diverse experiences regardless of race and nationality, The Board consists of at least one director who is knowledgeable in the Company's business, at least one person in law and at least one person in accounting and finance and at least one-third of the Board of Directors are independent directors and there are at least three independent directors on the Board.

At the end of 2023, the Company has a total of seven directors, three of which are female directors, who are qualified according to the Structural Diversity Index of the Board of Directors. It can also summarize the board's skill matrix.

| Position | Technology | Legal | Strategy | Accounting | Finance | Audit | Management | Cooperate Governance | Marketing | Policy | Risk Management | Human Resource Management | Credit and Industries | Social Environment and Data Security |
|---|------------|-------|----------|------------|---------|-------|------------|----------------------|-----------|--------|-----------------|---------------------------|-----------------------|--------------------------------------|
| Chairman of the Board / Independent Director | | | | x | x | x | | x | | | x | | | |
| Director | | | x | | x | | x | x | | | x | | | x |
| Director | x | | x | x | x | | x | x | | x | x | | | x |
| Audit Committee member / Independent Director | | x | | | | x | x | x | x | | | x | x | x |
| Audit Committee member / Independent Director | | x | | | | x | x | x | | | x | | | |
| Director | | x | x | | | x | x | x | | x | x | x | | |
| Chief Executive Officer | x | | x | x | x | | x | x | x | x | x | | x | |

In 2023, the Company provided an opportunity for minority shareholders to propose Shareholder's meeting's agendas and list of persons to be nominated as company's directors in the 2023 Annual General Meeting of Shareholders during 1-31 December 2022. However, there was no proposing by minority shareholder for this director nomination in the 2023 Annual General Meeting of Shareholders.

For the agenda regarding the election of directors, the Company requires that the shareholders elect each director individually by allowing shareholders to cast all their votes to select the person nominated as director one by one. Voting result must receive a majority vote of shareholders who attend the meeting and cast their votes

C) Top Management recruitment

The Board of Directors has assigned the Nomination and Remuneration Committee to consider the criteria and methods of nominating qualified persons for the position of Chief Executive Officer and nominate more than one person as deemed appropriate with reasons for the Board of Directors' consideration. In the recruiting process, the selection of persons with complete qualifications, suitability, knowledge, abilities, skills and experiences will benefit the Company's business operations and understand the Company's business well and manage the work to achieve the objectives and goals set by the Board of Directors.



D) Directors and Management Development

The Company's Board of Directors has a policy to support and encourage directors, executive management, and company secretary to attend training or seminars to enhance knowledge and apply the knowledge to their work on continuous basis, both in-house and external course. Most of the Company Directors passed the training programs from Thai Institute of Directors Association (IOD) such as Director Accreditation Program (DAP), Director Certification Program (DCP), etc.

The Board of Directors totaling 7 persons, passed the training program related to performing the duties of the directors, totaling 6 of them, equal 85.7% of the total number of directors. It is divided into one course 1 person, two courses 1 person and trained more and equal 3 courses 4 persons. The Company also support directors and executive management to attend various training courses provided by IOD and other institutions constantly.

In 2023, the Company provided director and management to attend the training courses concerning with the new regulations of The Stock Exchange of Thailand, The Security Exchange Commission, Federation of Accounting, and other. Detail as follow:

| Director / Management | Training Course |
|------------------------------|--|
| Mr. Pinit Wuthipand | <ul style="list-style-type: none">- Update income tax, withholding tax, value added tax and interesting specific business taxes.- Financial statement analysis techniques for executives and accountants to assess strengths and weaknesses and apply the results in business management- Learning about labor laws and labor disputes in business- Online business taxes, issues, and interesting new laws- Understand the changes to TFRS FOR NPAEs effective from B.E.2566 and the Code of Professional Ethics- Understanding Financial Reporting Standards NPAEs (revised B.E.2565, effective B.E.2566)- The importance of the audit committee and confidence in the Thai capital market |
| Mrs.Rachaneekorn Chintakanon | <ul style="list-style-type: none">- Tips for detecting accounting fraud and screening stocks- Economic and Business Update Series No.1 |
| Mr. Yanyong Siripun | <ul style="list-style-type: none">- The importance of the audit committee and confidence in the Thai capital market- Impact of climate change on business- Detection of Accounting Irregularities in Fast Growing Business: The Role of Audit Committee |
| Mrs. Petcharat Thongtang | <ul style="list-style-type: none">- Economic and Business Update Series No.1- Impact of climate change on business |
| Mrs. Supanut Pongserm | <ul style="list-style-type: none">- The importance of the audit committee and confidence in the Thai capital market- Impact of climate change on business- Detection of Accounting Irregularities in Fast Growing Business: The Role of Audit Committee- Appropriate business valuation techniques in today's era |
| Mr.Issarachai Decharit | <ul style="list-style-type: none">- Roles and responsibilities of directors and executives of listed companies |
| Mr.Kannanat Boonsunanondha | <ul style="list-style-type: none">- Company directors and senior executives with ESG risk management |



| Director / Management | Training Course |
|--------------------------|---|
| Ms. Apinya Borivachanon | <ul style="list-style-type: none"> - "Board Retreat / NED Meeting" by the Corporate Secretaries Association - COSO-ERM 2017 Enterprise Risk Management - Governance System for Fraud Detection - IR Sharing 1/2023 Agenda 'MD&A Best Practice – Learn from the Pros' - TLCA CFO CPD 1/2566 Agenda "Economic Update for CFO" - TLCA CFO CPD 6/2566 Agenda “What is the future of the CFO role?” - TLCA CFO CPD 7/2566 Agenda "Economic Update for CFO" No. 2 - Tips for detecting accounting fraud and screening stocks - In-depth analysis of the Consumer Protection Board announcement in 2022 and correct guidelines for car for cash businesses - Roles and responsibilities of directors and executives of listed companies - Impact of climate change on business - Workshop on preparing the carbon footprint of the organization (CFO) |
| Mr. Phairat Kokijrojana | <ul style="list-style-type: none"> - Electric vehicle (BEV) loan management techniques - In-depth analysis of the Consumer Protection Board announcement in 2022 and correct guidelines for car for cash businesses |
| Mrs. Patchara Tippawet | <ul style="list-style-type: none"> - 5 important points at the beginning of the year regarding what accountants must do in their work - Focus group meetings to discuss hire purchase and leasing business regulation - How to properly manage payments and accounting receipts to avoid tax reassessment - Tax audit for accounting errors in five accounting categories (assets, liabilities, income, expenses, shareholders' equity) - e-Payment laws, criteria, and methods for creating e-Tax Invoice & e-Receipt, e-Withholding Tax, and e-Filing - TLCA CFO CPD 1/2566 Agenda "Economic Update for CFO" - TLCA CFO CPD 6/2566 Agenda “What is the future of the CFO role?” - TLCA CFO CPD 7/2566 Agenda "Economic Update for CFO" No. 2 - In-depth analysis of the Consumer Protection Board announcement in 2022 and correct guidelines for car for cash businesses - Leader as Coach |
| Mrs. Chiraporn Madsathan | <ul style="list-style-type: none"> - PromptBiz system for managing Trade Payment & Supply Chain - Leader as Coach |



E) Board of Directors' Self-Assessment

The Board of Directors has policy that the Board shall have Board Self-Assessment annually, for the Board to measure the performances, to review the occurred problems during the past year, and use the assessment results to improve their roles and Board efficiency. Evaluation criteria as a percentage of the total score in each item as follows:

- More than 85% = excellent
- More than 75% = very good
- More than 65% = good
- More than 50% = fair
- Below 50% = should improve

3 sets of assessment form as follow:

1) The performance assessment of the Board of Directors (in group)

The procedure to evaluate the performance of the Board of Directors as in group has been divided in to (1) Qualifications and Structure of the Board (2) Roles and Responsibilities of the Board (3) The Board's meetings (4) The Board's fiduciary (5) The relationship between the Board and the management (6) Self-improvement of the Board and the management. The performance assessment procedures are as follows:

- A) The performance assessment of the Board of Directors as in group at least once a year.
- B) Company Secretary summarizes and reports the results of the performance Board assessment to the Board in order to consider any guidelines to improve the performance of the Board of Directors efficiency.

Self-assessment results of the entire Board of Directors, average score 98.52%

2) The performance assessment of individual directors (self-assessment)

The procedure to evaluate the performance assessment of individual directors (self-assessment) has been divided in to (1) Qualifications and Structure of the Board (2) Roles and Responsibilities of the Board (3) The Board's meetings (4) The Board's fiduciary (5) The relationship between the Board and the management (6) Self-improvement of the Board and the management. The performance assessment procedures are as follows:

- A) The Board of Directors has to do self-assessment at least once a year.
- B) Company Secretary summarizes and reports the results of the performance assessment of individuals director to the Board in order to consider any guidelines to improve the performance of the Board of Directors efficiency.

Self-assessment results of individual directors, average score 97.73%

3) The performance assessment of the sub Committee (in group)

The procedure to evaluate the performance assessment of individual directors (self-assessment) has been divided in to (1) Qualifications and Structure of the Board (2) Roles and Responsibilities of the Board (3) The Board's meetings (4) The Board's fiduciary (5) The relationship between the Board and the management (6) Self-improvement of the Board and the management. The performance assessment procedures are as follows:

- A) The performance assessment of the sub-committee as in group at least once a year.
- B) Company Secretary summarizes and reports the results of the performance assessment of the sub-committee to the Board in order to consider any guidelines to improve the performance of the Board of Directors efficiency.

Self-assessment results of sub-committees are as follow:



1. The Audit Committee, average score 100.00%
2. The Executive Committee, average score 98.97%
3. Nomination and Remuneration Committee, average score 100.00%
4. Risk Management Committee, average score 97.99%
5. The Sustainable Development Working Group 86.67%

F) Chief Executive Officer performance evaluation

The Board of Directors requires that the performance of the Chief Executive Officer be evaluated annually in order to assess the performance according to the annual goals and plans that have been jointly set.

The Board of Directors evaluate the performance of the Chief Executive Officer annually, to use in determining the annual compensation.

The procedure to evaluate the Chief Executive Officer performance has been divided in to

- | | |
|--|--------------------------------------|
| (1) Leadership | (2) Strategy formulation |
| (3) Strategy execution | (4) Financial planning / Performance |
| (5) Relationships with the Board | (6) External Relations |
| (7) Human Resources Management / Relations | (8) Succession |
| (9) Product / Service knowledge | (10) Personal Qualities |
| (11) Sustainability performance | |

The Nomination and Remuneration Committee (excluding the Chief Executive Officer) will evaluate the performance of the Chief Executive Officer based on the above criteria. The Chairman of the Nomination and Remuneration Committee will present the assessment results to the Board of Directors' meeting together with the opinion of the Nomination and Remuneration Committee for approval by the Board of Directors (excluding the Chief Executive Officer) at the Board of Directors' meeting.

The results of the performance evaluation of the Chief Executive Officer are in good criteria.

1.2 Meeting attendance and remuneration for individual directors

• Board of Directors' Meeting

The Company schedules of the Board of Directors' Meeting and make meeting agendas in advance each year, and the Company secretary will inform the meeting date and regular agenda for the whole year before the end of the year, so the directors can arrange the time and attend the meeting as well as arranges the special meeting as necessary. The Board of Directors shall convene on the third Thursday of every month, or may be changed or scheduled for special meetings as necessary. At each meeting, the document is well-prepared and delivered to the directors 5 business days prior to the scheduled meeting to ensure that the directors have adequate time to consider the information, except for some urgent cases. Documents presented are clear in form and content.

The Chairman of the Board of Directors and Chief Executive Officer work together to determine the meeting agendas and consider issues to be included in the agendas, allowing each director to propose any matters to be included in the agendas.

The Chairman of the Board of Directors encourages directors to attend not less than 75 percent of the total meetings for the whole year. The Chairman conducts the meetings in an appropriate manner that is favorable to discussions and consideration of various issues, with directors allowed to freely express their opinions. For some agendas, the top management members may participate to provide additional useful information and to directly learn about the policies so that they can effectively apply such policies to operation.

The directors have the right to obtain necessary additional information from chief executive officer or the Company's secretary or other assigned management members.



The Board of Directors has a policy to allow separate meetings among non-executive directors, as necessary, so that they can discuss the problems related to the management that interest them, without the presence of the management-based directors. The results of such non-executive directors' meeting shall also be reported to the Chief Executive Officer. In 2023, the Board of Directors has 1 meeting among non-executive directors.

Determine the minimum number of quorums to pass on each agenda is two-thirds of the total number of votes of the Board of directors. One director holds one vote. A director involving in conflict of interests in an issue does not attend the meeting and has no voting right in that particular issue. If the votes are equal, the Chairman shall have another vote, which is deemed final. In cash meeting, the secretary to the Board of Director shall attend and complete the meeting minute. The complied minute shall be verified and signed by the chairman and shall be the first agenda for the next meeting proposed for the approval. The secretary is responsible for keeping information and documents about the meeting for future references. In addition, the Board of Directors always realizes the significance of managing related party transactions as well as conflicts of interest, expected to be carried out in a cautious and unbiased manner. All details of related party transactions and conflicts of interest are also disclosed completely.

The company convened 13 meeting of the Board of Directors and 1 Annual General Meeting of Shareholders in 2023. The attendance of each director is broken out as follows:

| Director's Name | Number of times attended (Meeting attendance / Meeting Rights) (times) | | | | |
|----------------------------------|--|--------------------|------------------------------|---------|---------------------------------------|
| | AGM 2023 | Attend the meeting | Meeting via electronic media | Total | Meeting among non-executive directors |
| 1. Mr. Pinit Wuthipand | 1 / 1 | 5 / 12 | 7 / 12 | 12 / 12 | 1 / 1 |
| 2. Mrs. Rachaneekorn Chintakanon | 1 / 1 | 3 / 12 | 9 / 12 | 12 / 12 | 1 / 1 |
| 3. Mr. Yanyong Siripun | 1 / 1 | 8 / 12 | 4 / 12 | 12 / 12 | 1 / 1 |
| 4. Mrs. Petcharat Thongtang | 1 / 1 | 1 / 12 | 9 / 12 | 10 / 12 | 1 / 1 |
| 5. Mrs. Supanut Pongserm | 1 / 1 | - | 12 / 12 | 12 / 12 | 1 / 1 |
| 6. Mr. Issarachai Decharit | 1 / 1 | 12 / 12 | - | 12 / 12 | - |
| 7. Mr. Kannanat Boonsunanondha | 1 / 1 | 12 / 12 | - | 12 / 12 | - |

In 2023, The Company had 13 Company's director meetings. As of 31 December 2023, The Board of Directors' meeting attendance is 97.75%

● Directors' Remuneration

The remuneration for directors is based on their roles and scopes of responsibility as well as the Company's earnings performance; the remuneration is comparable to what offered by peers in the industry.

The remuneration for the Chief Executive Officer and top management officers is based on the principles and policies determines by the Board of Directors and approved by the shareholders' meetings, maximizing benefits for the Company. The remuneration is offered in forms of salaries, bonuses and other benefits.

The Nomination and Remuneration Committee evaluates the performance and remuneration for directors, budget to increase salary, annual employees bonus and proposed to the Board of Directors meeting for consideration. The amounts of remuneration paid to directors are disclosed in the Company's annual report.

The directors' remuneration in 2023 is as following:

| Name | 2023 | | | |
|----------------------------------|------------------------------|----------------------|-------|--------------|
| | Remuneration (Baht/Month) | Meeting Allowance | Bonus | Total (Baht) |
| 1.Mr. Pinit Wuthipand | 216,000 | 308,000 | - | 524,000 |
| 2. Mrs. Rachaneekorn Chintakanon | 156,000 | 252,000 | - | 408,000 |
| 3. Mr. Yanyong Siripun | 156,000 | 228,000 | - | 384,000 |
| 4. Mrs.Petcharat Thongtang | 156,000 | 210,000 | - | 366,000 |
| 5.Mrs. Supanut Pongserm | 156,000 | 200,000 | - | 356,000 |
| 6. Mr.Issarachai Decharit | 156,000 | 192,000 | - | 348,000 |
| 7. Mr. Kannanat Boonsunanondha | 156,000 | 216,000 | - | 372,000 |
| Total | 1,152,000 | 1,606,000 | - | 2,758,000 |

Other' director remuneration: None

◆ Report of changes in securities holding of directors and executives as of 31 December 2023

| No | Name | Position | No. of shares held as of 31 st Dec. 2023 | No. of shares held as of 31 st Dec. 2022 | Change in No. of shares held Increase (decrease) | % of shares held in the Company |
|----|---|--|---|---|--|---|
| 1 | Mr. Pinit Wuthipand | Chairman / Chairman of Audit Committee / Independent director | - | - | - | - |
| | Spouse and minor child | | - | - | - | - |
| 2 | Mrs. Rachaneekorn Chintakanon | Chairman of the Executive Board | 29,165,000 | 29,165,000 | - | 2.23 |
| | Spouse and minor child | | - | - | - | - |
| 3 | Mr. Yanyong Siripun | Chairman of the Nomination and Remuneration Committee / Independent director | - | - | - | - |
| | Spouse and minor child | | - | - | - | - |
| 4 | Mrs. Petcharat Thongtang (appointed 14 February 2022) | Chairman of the Risk Management Committee | - | - | - | - |
| | Spouse and minor child | | 36,945,300 | 36,945,300 | - | 2.82 |
| 5 | Mrs. Supanut Pongserm | Independent Director | - | - | - | - |
| | Spouse and minor child | | - | - | - | - |
| 6 | Mr.Issarachai Decharit | Director | 100 | 100 | - | 0.00 |
| | Spouse and minor child | | - | - | - | - |
| 7 | Mr. Kannanat Boonsunanondha | Chief Executive Officer | - | - | - | - |
| | Spouse and minor child | | - | - | - | - |
| 8 | Ms.Apinya Borivachanon | Chief Financial Officer, Senior Vice President / Company Secretary | - | - | - | - |
| | Spouse and minor child | | - | - | - | - |
| 9 | Mr. Pornsak Kiranasophon | Senior Vice President, Debt Management Dept. | - | - | - | - |
| | Spouse and minor child | | - | - | - | - |
| 10 | Mr. Phairat Kokijrojana | Senior Vice President, Credit Dept. | - | - | - | - |
| | Spouse and minor child | | - | - | - | - |
| 11 | Ms.Chiraporn Madsathan | Senior Vice President, Finance Dept. | - | - | - | - |
| | Spouse and minor child | | - | - | - | - |
| 12 | Ms. Patchara Tipphawes | Assistant Vice President, Accounting Dept. | - | - | - | - |
| | Spouse and minor child | | - | - | - | - |



In addition, the Company also report the changes in securities holding of directors and executives in the Board of Directors meeting every quarter. The number of direct and indirect shares held by the Board of Directors is 5.05%

1.3 Supervision of Subsidiaries and Associated Companies

As of 31 December 2023, the Company has 1 subsidiaries with 99.99% shares, which is SGF Service Management Co.,Ltd. with no associates company.

In order to comply with the principles of supervision that makes it possible to control and manage the operations of subsidiaries The Company has a policy to supervise its subsidiaries and associated companies as a guideline as well as to follow up and supervise in accordance with the policy and guidelines for good corporate governance. Three executives of the Company have been assigned as directors in subsidiaries to manage and supervise the subsidiaries' internal control systems as well as overseeing the implementation of the policies of subsidiaries. However, that companies have not opened to operate.

1.4 Following up on compliance with corporate governance policies and practice

The Company pays attention to good corporate governance. The relevant policies and practices have been established in the Company's corporate governance policy and business ethics. Along with promoting real action to build confidence among all group of stakeholders.

Over the past year, the Company has followed up on the implementation of good corporate governance, covering 1) employee care and non-discrimination 2) environmental stewardship Health and safety in the organization. 3) Information security. The follow-up results showed that the Company had completely followed the guidelines of each issue.

In addition, the Company has followed up on compliance with good corporate governance in 4 other issues as follows:

a) Prevention of Conflicts of Interest

The Company has established a policy on the Board of Directors, Executives and employees are required to perform their duties in the best interests of the Company. Any person who has an interest or is involved in the consideration, such person must notify the Company or the person who supervise such matters and do not participate in the consideration of such transactions.

Policy on conflicts of interest

The Board of Directors will carefully consider conflicts of interest. Connecting transactions or potential conflicts of interest are primarily considered for the benefit of the Company and shareholders as a whole. The policy prohibits directors, executives and employees, including those related to such persons, from seeking personal benefits that are contrary to the Company's interests and they should avoid any conflict-of-interest actions. Any related person or stakeholder or those connected to the considered transaction must inform the Company of the relationship or involvement of the Company in such transaction. Such person is not involved in any decision making in the transaction.

The Audit Committee will carefully present the Board of Directors regarding connected transactions and transactions with conflicts of interest. In addition, the Company has complied with the rules of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand strictly in setting prices and conditions with individuals who may have conflicts of interest as transactions with third parties.

In this regard, the Board of Directors has supervised the compliance with the process requirements and the disclosure of transactions that may have conflicts of interest with accuracy and completeness. The transactions will be disclosed in the financial statements and the annual registration statement in section 2-9, internal control and related party transactions.

b) Use of Inside Information for Exploitation

The Company has supervised the use of inside information in accordance with the laws and good corporate governance principles as stipulated in writing. The key policies are summarized as follows.



Directors and executives, including those dealing with important information, must refrain from trading in the Company's securities; for example, refraining from trading 30 days before the release of the Company's financial statements and can trade 1 business day after such information is published. This includes refraining from trading while other important information that directors and executives know has not yet been disclosed to investors, etc.

In this regard, such guidelines have been approved by the Board of Directors. In the past year, it was not found that directors and executives traded in securities during the period specified by the Company to refrain from trading.

c) Against Corruption and fraud

The company emphasizes on resisting any corruption and fraud in all methods. The company cultivates consciousness in management team and all level of employees, instructs right core value as mentioned below.

1. All employees mustn't propose returns, demands, agreements, or take a bribe from others in every form, both direct and indirect way, in order to sub serve benefit of each other or take an exploit of company's working.
2. If the company finds any fraud, the company won't consider that what the position of the fraud employee is being. Judgement; and punishment will be equal.
3. The company has repeatedly cultivated honesty working value, non-taking an exploit in the position value or non-sub serving the others value in all employees. The company allows employee to acknowledge punishment, as well as distress; and loss which the employee will be received from fraud.
4. All employees have to inspect circumstance in the company. If there is fraud event occurring in department, the employees have to report to the company immediately through commander or other channels which determined by the company or internal control department.

The Company has implemented the anti-corruption policy as follows:

1. The Company communicates with both directors, executives and employees, stating that all processes are strictly within the scope of the law.
2. The Company provides channels for reporting if there is a policy violation or corruption occurs and measures to protect reporters.

The Company has disclosed details of the anti-corruption policy on the Company's website: www.sgfcap.com under the topic of Corporate Governance.

Assessment of risks from fraud and corruption

The Company has designated all executives and employees of the Company as stakeholders who are at risk. They are responsible for regularly identifying and assessing risks to their department. In addition, the Company has proposed appropriate risk management guidelines to successfully prevent fraud risks.

Anti-Corruption Guidelines

The Board of Directors, executives and employees of the Company must strictly comply with the Business Ethics Handbook, Anti-Corruption Policy and Guidelines, and shall not be involved in corruption whether by directly or indirectly by:

1. Refrain from doing any act in the manner of accepting bribes or offering bribes to interested parties in the matters they are responsible for, either directly or indirectly.
2. Do not pay bribes for business benefits of the Company.
3. Procurement must be conducted transparently according to the Company's regulations and can be examined as well.
4. Expenses for business entertainment and other expenses related to the performance of business



contracts are permitted. Nevertheless, it must be reasonably verifiable.

5. Employees must notify supervisors or responsible persons if they see any action or behavior that may indicate corruption and misconduct.
6. Directors and executives place importance on disseminating anti-corruption knowledge to employees and related parties in order to comply with the anti-corruption policy and guidelines.

Corruption Risk Management Process and Measures

Company executives in various departments are responsible for assessing risks in their responsible departments. The first step starts with defining the risk issues, identifying risk events, evaluating current internal controls, assessment of risk level and preparing assessment reports. This includes the preparation of risk control / risk reduction plans to manage the risk at an acceptable level.

Result of Compliance with Anti-Corruption Policy

In 2023, the Company organized training and disseminated information through the Company's intranet system to educate directors, executives and employees on the topic of "Knowledge of Anti-Corruption Policy". The details include the definition of corruption, guidelines to stop corruption and guidelines for anti-corruption. In addition, it provides correct knowledge and understanding of corruption risk management and related internal control measures and enables effective application of anti-corruption guidelines in daily operations. The training also covers channels for complaints and whistleblowing. After the training, directors, executives and employees signed to acknowledge and follow the policy. Detail as follow:

| Course “Anti-corruption Policy Knowledge” | Participants / Total Employees | % |
|--|--------------------------------------|------|
| Trainee | | |
| 1. Directors | 7 / 7 | 100 |
| 2. Managements | 22 / 22 | 100 |
| 3. Employees | 275 / 287 | 95.8 |
| Total | 304 / 316 | 96.2 |

In 2023, there were no complaints or whistleblowers reporting corruption.

d) Whistleblowing

The Board of Directors has a policy of commitment and listening to complaints involving good corporate governance and business ethics or reporting corruption clues from all groups of stakeholders, whether internal or external stakeholders.

The Company has provided measures and reporting channels to the complaint, opinion and to report the offense of stakeholders from all sectors. This can be through various channel as follows:

| | |
|----------------|--|
| Postal service | : Company Secretary / Internal Audit / Audit Committee SGF Capital Public Company Limited 121, 4 th Floor, WTH Holding Building, Vibhavadi-Rangsit Rd. Samsen-nai, Phyathai, Bangkok 10400 |
| Telephone | : 02-232-1789 ext. 1745 internal audit or 1771 company secretary |
| Fax | : 02-232-1790 |
| Email | : internal_audit@sgfcap.com or apinya.b@sgfcap.com |

Employees are able to notify complaints or propose opinions to Executives or Internal audit directly. The Company to ensure fairness and protect the whistleblower act. The confidentiality of those involved in the investigation of acts of corruption.



1.5 Policies and guidelines for corporate governance that the Company has not complied

The company has regulated an annual review of corporate governance policy. Meanwhile, reasons for not being able to comply with any regulations will have to be explained and/or in case alternative measures have been taken on by the Company, it shall be communicated through to shareholders, investors, stakeholders and relevant parties. Detail as follow:

| Topics not exercised | Reasons for not exercising/Substitute measures |
|--|--|
| 1. The Board of Directors should determine that independent directors can continually assume director positions for not longer than 9 years since the date of the first appointment. | The Board does not determine the length of time that independent directors, directors, and members of committees can assume the positions because the Company believes that directors are knowledgeable and skilled persons, and experiences from being in the position for a long time will help such directors better understand the Company's business. |
| 2. The Board of Directors should determine the maximum length that directors and members of committees can assume their positions. | |

In 2023, Although there are 2 independent directors having held the position more than 9 years, the Board of Directors, excluding such directors candidates, considers and deems that both directors will be useful for the Company and shareholders since the directors consecutively holding such office will have better knowledge and experience in the Company's business operations and create more value for shareholders.

2. Report on the performance of the Audit Committee for the past year

The Audit Committee consists of 3 independent directors and is responsible for reviewing the financial reporting process of the Company, the internal control system and internal audit system, compliance with laws relating to the business of the Company, considering and selecting the Company's auditors and reviewing connected transactions, transactions of interested persons or transactions which may give rise to conflicts of interest, etc. This was mentioned in the role, duties and responsibilities in the management structure.

In carrying out its duty on the selection of the auditors of the Company, the Audit Committee will consider the selection of auditors pursuant to the Company's assessment criteria, which consist of the auditors' experience, performance, understanding of the financial business and expertise on auditing, as well as their independence in performing their work during the past year, in order to propose the appointment of the auditors to the Board of Directors and the shareholders' meeting for consideration. At the 2023 Annual General Meeting of shareholders, which was held on 27 April 2023, Mr. Boonlert Kamolchanokkul Certified public accountant No.5339 and/or Mr. Paiboon Tunkoon Certified public accountant No.4298 and/or Ms. Sakuna Yamsakul Certified public accountant No.4906 all from Pricewaterhouse Coopers ABAS Limited were appointed as the auditors of the Company. Furthermore, The audit committee is also responsible for nominating, appointing, relocating and dismissing internal auditors.

The Board of Directors resolved that the Audit Committee should convene at least 4 meetings per annum and that the minutes of meetings should be made in written and systematically keep for future examination and self-evaluation of the Audit Committee. The Directors support the evaluation of overall directors' performance at least once a year so that all directors can work together to review performance and problems for future improvement.

In 2022, and 2023, the Company had Audit Committee meeting as follows:



| Director’s Name | Position | Attend / Total Meeting (Times) | | Attend the meeting / Meeting via electronic media |
|---|-----------------------------|--------------------------------|-------|---|
| | | 2022 | 2023 | |
| Audit Committee | | | | |
| 1. Mr. Pinit Wuthipand | Chairman of Audit Committee | 4 / 4 | 4 / 4 | 1 / 3 |
| 2. Mrs. Supanut Pongserm | Audit Committee member | 4 / 4 | 4 / 4 | - / 4 |
| 3. Mr. Yanyong Siripun | Audit Committee member | 4 / 4 | 4 / 4 | 3 / 1 |
| In 2023, the Company has 4 Audit Committee meeting, the Audit Committee meeting attendance is 100% Remark : Ms.Natiya Saeting being secretary of the Audit Committee, and VP of internal audit dept. | | | | |

3. Summary of the performance of duties of other sub-committees

The Company's Board of Directors also sets up another 3 sub-committees and 1 work group to oversee the Company's business operation. The sub-committees are the Executive Committee, Nomination and Remuneration Committee, Risk Management Committee and Sustainable Development Committee.

- The Executive Committee is comprised of 5 members, consists of 3 executive directors, 1 non-executive director and 1 executive management. The Executive Committee is responsible for assisting the management in managing daily routine work under the policies assigned by the Board of Directors.
- The Nomination and Remuneration Committee consists of 4 members, chairman is independent director, and 3 directors to be members. The Nomination and Remuneration Committee is responsible for considering policies and guidelines to determine payment and forms of remuneration for directors and the chief executive management, both in cash and non-cash forms. The remuneration should suit the Company's performance and can be comparable to the remunerations for offered by other companies in the same industry. The Nomination and Remuneration Committee shall propose the suggested figures of remuneration for chief executive management to the Board for approval, and the Board proposed remuneration for director to the shareholder meeting for approval.
- The Risk Management Committee has 3 members, consists of 1 independent director, 2 non-executive management. The Risk Management Committee takes care of drafting policies and plotting guidelines for the Company's overall risk management aspects. The committee shall propose the drafted policies and guidelines for the Board of Directors to consider approval. The risk management should be able to be evaluated, monitored and control the Company's risks at appropriate levels.
- The Sustainability Development Working Group consists of five members, including one non-executive director and four executives. The Sustainability Development Working Group is responsible for screening and presenting corporate sustainability policies to the Board of Directors for approval and supporting the Board, executives and employees to effectively comply with the Company's sustainable development guidelines.

In 2022, and 2023, the Company had Sub-committee meeting as follows:

| Director’s Name | Position | Attend / Total Meeting (Times) | | Attend the meeting / Meeting via electronic media |
|---|---|--------------------------------|-------|---|
| | | 2022 | 2023 | |
| Executive Committee | | | | |
| 1. Mrs. Rachaneekorn Chintakanon | Chairman of the Executive Committee | 3 / 3 | 6 / 6 | 6 / - |
| 2. Mrs. Petcharat Thongtang | Executive Committee member | 2 / 2 | 6 / 6 | 6 / - |
| 3. Mr. Kannanat Boonsunanondha | Executive Committee member | 3 / 3 | 6 / 6 | 6 / - |
| 4. Mr.Issarachai Decharit | Executive Committee member | 3 / 3 | 6 / 6 | 6 / - |
| 5. Ms.Apinya Borivachanon | Executive Committee member / Management | 3 / 3 | 6 / 6 | 6 / - |
| In 2023, the Company has 6 Executive Committee meeting, the Executive Committee meeting attendance is 100% Remark : Ms.Apinya Borivachanon being secretary of the Executive Committee. | | | | |
| Nomination and Remuneration Committee | | | | |
| 1. Mr. Yanyong Siripun | Chairman of the Nomination & Remuneration Committee | 2 / 2 | 2 / 2 | 1 / 1 |
| 2. Mrs. Rachaneekorn Chintakanon | Nomination & Remuneration Committee member | 2 / 2 | 2 / 2 | 1 / 1 |
| 3.Mrs. Petcharat Thongtang | Nomination & Remuneration Committee member | 2 / 2 | 2 / 2 | 1 / 1 |
| 4. Mr. Kannanat Boonsunanondha | Nomination & Remuneration Committee member | 2 / 2 | 2 / 2 | 1 / 1 |
| In 2023, the Company has 2 Nomination and Remuneration Committee meeting, the Nomination and Remuneration Committee meeting attendance is 100% Remark : Ms.Apinya Borivachanon being secretary of the Nomination and Remuneration Committee. | | | | |
| Risk Management Committee | | | | |
| 1. Mrs. Petcharat Thongtang | Chairman of the Risk Management Committee | 1 / 1 | 1 / 1 | 1 / - |
| 2. Mr. Pinit Wuthipand | Risk Management Committee member | 1 / 1 | 1 / 1 | 1 / - |
| 3. Mrs. Rachaneekorn Chintakanon | Risk Management Committee member | 1 / 1 | 1 / 1 | 1 / - |
| In 2023, the Company has 1 Risk Management Committee meeting, the Risk Management Committee meeting attendance is 100% Remark : Ms.Apinya Borivachanon being secretary of the Risk Management Committee. | | | | |
| Sustainability Development Working Group | | | | |
| 1. Mr. Issarachai Decharit | Chairman of the Sustainability Development Working Group | 1 / 1 | 1 / 1 | 1 / - |
| 2. Ms. Apinya Borivachanon | Member / SVP Human Resource and Administration department | 1 / 1 | 1 / 1 | 1 / - |
| 3. Mr. Pornsak Kiranasopon | Member / SVP Debt Management department | 1 / 1 | 1 / 1 | 1 / - |
| 4. Mr. Kajohnpong Wiwidhawon | Member / Legal department | 1 / 1 | 1 / 1 | 1 / - |
| 5. Mr. Phairat Kokijrojana | Member / Credit and Appraisal department | 1 / 1 | 1 / 1 | 1 / - |
| In 2023, the Company has 1 Sustainable Development Committee meeting, the Sustainable Development Committee meeting attendance is 100% Remark : Ms.Parichat Kuekool being secretary of the Sustainable Development Committee. | | | | |



9. Internal Control and related transactions

1. Internal Control

The Company places importance on the internal control system and internal audit because they are important tools in corporate governance and realize the importance of the governance system, risk management and effective and efficient operational supervision and internal control. The Audit Committee is responsible for supervising the Company's operations to be in accordance with policies and good internal controls. The Internal Audit Department is responsible for auditing internal controls and reporting the results to the Audit Committee on a regular basis.

The Audit Committee has established internal controls according to the COSO (The Committee of Sponsoring Organization of Treadway Commission) framework. As for the internal audit department, it is responsible for evaluating the adequacy of the company's internal control system according to the assessment form of the Securities and Exchange Commission (SEC) and presenting it to the Audit Committee for consideration and approval from the Board of Directors. The COSO Internal Controls Framework defines five key elements of internal controls.

1. Control environment

The Company provides executives and employees at all levels with roles and responsibilities in internal control. Rules and operating procedures are written, which has a good internal control structure and clearly defines the organizational structure, chain of command, and scope of authority and responsibility for work. In addition, the Company realizes that a good internal control system is important to sustainable business operations in order to achieve its objectives.

The Board of Directors has appointed an audit committee to review the efficiency and effectiveness of the internal control process and provide opinions on the adequacy of the internal control system and supervision of the company's business operations. In addition, it must comply with relevant legal requirements and take care to prevent conflicts of interest, as well as examine related transactions and check work mechanisms to prevent corruption or misconduct.

The Internal Audit Department will evaluate the adequacy of the internal control system in accordance with the guidelines of the Securities and Exchange Commission (SEC) on an annual basis and report the evaluation results to the Audit Committee for further consideration.

2. Risk Assessment

The Company realizes the importance of risk management under various changes arising from external and internal factors that may affect the Company's business operations. Risk management is an essential component of all operational processes to reduce potential damages. The Company therefore evaluates risks regarding business risk factors regularly, including evaluating changes in external factors that may have a significant impact on the company's business operations. As for other risks that are specific risks must be under the supervision of senior executives of various departments for consideration. In terms of managing risks that may occur to the company, every department involved has a duty to consider and evaluate results in order to improve work processes, reduce errors, and prevent defects that may occur from operations. As a result, the company's business operations are carried out with maximum efficiency and effectiveness.

3. Control Activities

The Company has established written policies, criteria, work methods and work manuals and has been checked to be up to date at all times. The scope of authority, duties, and approval authority of each level of management has been clearly defined and work is reviewed to ensure compliance with laws and regulations to check each other and prevent corruption.

The Company places great importance on managing customer information with the utmost security. In addition, an information security policy has been created, including policies and



guidelines for protecting personal information by setting criteria for maintaining information security and determining the level of importance of information, duties and responsibilities of relevant departments. Therefore, it is necessary to have the authority to approve the use of data in order to ensure data security and control such operations strictly and efficiently. Moreover, the Company has prepared an assessment of compliance with the code of ethics to encourage executives and employees to work and conduct business ethically by respecting rights and freedoms and encourage employees to cooperate in reporting news or clues when they see actions that are considered corruption through various channels specified by the company.

4. Information and Communication systems

The Company promotes continuous development to increase the efficiency of data governance of information systems to ensure efficiency, tightness, and security. However, caution should be used when dealing with new threats and prevent violations of the security of personal information. The Company tests its business continuity plan at least once a year in order to be able to cope with emergency situations and unexpected events that may affect life and property, including affecting the reputation of the organization and the confidence of stakeholders. Various communication channels have been established from executives to employees through the electronic mail system and the company's intranet system, including providing communication channels for various people both within the company and within external agencies to provide useful information or provide clues about corruption through channels designated by the company safely.

5. Monitoring Activities

The Company monitors and evaluates internal controls to ensure that the internal control system is efficient and effective. It is also able to monitor and evaluate results completely and appropriately and can effectively manage risks that change in each period.

The Internal Audit Department reports independently and directly to the Audit Committee, which is responsible for inspecting and reviewing the work processes of various departments to evaluate the efficiency and effectiveness of the internal control system. The Company's risk management is assessed and deficiencies are reported with recommendations to track progress in resolving deficiencies in each department and reported to the Audit Committee on a quarterly basis. This is to ensure that the company's operations have an adequate, appropriate and efficient internal control system under the good corporate governance of the company In order to achieve success according to the company's policy.

Observation of Internal Audit on Internal Controls of the Company

The internal audit department prepares annual internal audit plan and presented to the Audit Committee for approval of the plan. The plan may be requested to be revised during the year if there are significant new risks. The internal audit department performs the internal audit according to the standards of internal audit and ethics of the auditor. The scope of the audit covers the operations of the Company's branch offices which spread throughout the country.

The internal audit department is responsible for reporting the results of internal audits and reviewing internal control systems to those responsible for the departments that have been audited and follow up the results of the solutions to report to the management on a monthly basis and report to the Audit Committee quarterly. The results of such investigation of internal audit on internal controls could provide appropriate practices.

Observation of Auditor on Internal Controls of the Company

Pricewaterhouse Coopers ABAS Limited, the auditor of the Company as for the year ending 31 December 2023, examined the effectiveness of internal control system in order to set the appropriate



scope of audit work. The results is that the Company operation is in accordance with accounting standards.

Internal Audit Supervisor Information

Ms.Nadiya Saeting, Assistant Vice President of Internal Audit Department and be the Secretary of the Audit Committee, has experienced in internal auditing and received training in course related to internal audit operations, and have an understanding of the activities and operations of the Company. Therefore, considered that it is appropriate to perform such duties appropriately.

The consideration and approval of the appointment, removal, transfer of the head of the Company's internal audit department must be approved from the audit committee. The qualifications of a person holding the position of Internal Audit Supervisor are shown in Attachment no.3

Opinions of the Audit Committee

In the Audit Committee Meeting No.1/2024 which held on 28 February 2024, the Audit Committee provided opinions in regard to the internal control system and completed the evaluation from the adequacy of the internal control system designed by the Office of the Securities Exchange Commission and the Stock Exchange of Thailand. The evaluation covered all five key elements, ie., i) organizational environment; ii) risk assessment; iii) control of operation activities; iv) information & communication and v) monitoring activities. The Audit Committee opined that the Company's internal control systems was sufficient and went in line with the guidance and that there was no significant change from the previous year.

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

In the Board of Directors Meeting No.3/2024 held on 28 February 2024, all three members of the Audit Committee / Independent Directors attended the meeting and commented on adequacy and suitability of the internal control system by referring to "Adequacy Assessment Form of the Internal Control System" of the Securities and Exchange Commission.

The Company regularly provides the monitoring compliance with the internal control system by the responsible parties, and the internal audit unit who monitors the operation and reports the result independently to the Audit Committee.

The Board considered and agreed that The Company has sufficient and appropriate internal control system. The Company's Board of Directors was satisfied with the existing internal control system. The results of the audit, as appears from the evidence that can be examined, did not appear to have a practice that was illegal or against the rules in any ways. Mistaken practices are not significant. The internal audit unit has informed the management department and the relevant authorities and already solved the issues.

2. Related transactions

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

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

The Company is held 18.08% of shares by Thongtang family who is the majority shareholder.



The followings are relationships of the Company and related parties.

| Name of entities | Country of incorporation/ nationality | Business | Nature of relationships |
|---|--|--|--------------------------------|
| SGF Service Management Company Limited | Thailand | Debt collection, call center, appraisal and legal registered services. | Subsidiary |
| WTH Holdings Company Limited | Thailand | Providing services related to buildings and places | Common shareholder |
| Wichaitongtang Law Office Company Limited | Thailand | Providing legal counsel | Common shareholder |

The following transactions were carried out with related parties:

a) Outstanding balances

| | Consolidated financial statements | | Separate financial statements | |
|--|--|--------------------------------------|--|--------------------------------------|
| | 31 December 2023 Baht | 31 December 2022 Baht | 31 December 2023 Baht | 31 December 2022 Baht |
| <u>Other advance payment</u> | | | | |
| SGF Service Management Company Limited | | - | 15,100 | 15,100 |
| <u>Accrued interest expense</u> | | | | |
| SGF Service Management Company Limited | | - | - | 12,000 |

b) Borrowings from subsidiaries

| | Consolidated financial statements | | Separate financial statements | |
|--|--|--------------------------------------|--|--------------------------------------|
| | 31 December 2023 Baht | 31 December 2022 Baht | 31 December 2023 Baht | 31 December 2022 Baht |
| <u>Borrowing</u> | | | | |
| SGF Service Management Company Limited | | - | - | 1,000,000 |

Borrowings from subsidiaries were provided interest rate 1.2% annually, and there were repayment at call.



c) Expenses to related parties

| For the year ended 31 December | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|--------------|----------------------------------|--------------|
| | 2023 Baht | 2022 Baht | 2023 Baht | 2022 Baht |
| SGF Service Management Company Limited | - | - | 1,085 | 12,000 |

| | | Consolidated and Separate financial statements | |
|--------------------------------------|-------------------|--|--------------|
| | | 2023 Baht | 2022 Baht |
| For the year ended 31 December | Pricing policies | | |
| <u>Same shareholder companies</u> | | | |
| Wichaithongtang law office Co., Ltd. | | | |
| - Legal advisor fees | Contractual price | 600,000 | 600,000 |
| WTH Holding Limited | | | |
| - Building rental and expenses | Contractual price | 2,317,800 | 2,076,399 |
| - Service expenses | Contractual price | 1,664,400 | 1,517,670 |

d) Remuneration of Directors and Executives

Remuneration of Directors and Executives are as follows:

| For the year ended 31 December | Consolidated and Separate financial statements | |
|--------------------------------|---|--------------|
| | 2023 Baht | 2022 Baht |
| Short-term benefits | 15,311,998 | 14,515,638 |
| Post-employment benefits | 218,837 | 403,380 |
| | 15,530,835 | 14,919,018 |

Necessities and reasons of transactions

For transactions between the company and related companies, we apply the criteria of credit line, interest rate and important conditions accordance with the credit standards approval which are also applied to other customers in general by presenting a process to determine the size of credit line, the related person had to declare the fact to the meeting and did not involve in consideration of such matter.

The audit committee was of the opinion regarding the above transaction that it was a normal credit approval, like for other customers. The legal advisor expenses are less than the others company legal advisor, therefore, the audit committee had no observations in this matter.

Future transaction measures

We developed the criteria for related transactions in the future. The related transactions shall require the approval from the credit committee, board of management or board of directors, as the case may be, and the audit committee shall express the opinion on such related transactions. (as per the details of policy of related transactions on the company's website : www.sgfcap.com)



Independent Auditor's Report

To the shareholders of SGF Capital Public Company Limited

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of SGF Capital Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: allowance for expected credit losses of mortgaged loan, hire purchase, car for cash, leasing, and loan receivables. This matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.



| Key audit matter | How my audit addressed the key audit matter |
|---|---|
| <p>Allowance for expected credit losses of mortgaged loan, hire purchase, car for cash, leasing, and loan receivables.</p> <p>Referring to Note 6 to the financial statements for critical accounting estimates, assumptions and judgements, and Note 15 to the financial statements for allowance for expected credit losses of mortgaged loan, hire purchase, car for cash loan, leasing, and loan receivables.</p> <p>The mentioned receivables in combine contributed 89% to the Group's total assets as at 31 December 2023, which management estimated the allowance for expected credit losses of all the receivables by applying both quantitative information and qualitative factors. As a result, the allowance for credit losses is significant amount to the financial statements.</p> <p>I focused on this matter because the allowance for expected credit loss model under Thai Financial Reporting Standard 9 - Financial Instruments requires the use of complex models and significant assumptions about future economic conditions and debtors' ability to pay.</p> <p>Also, the significant management judgements in estimating allowance for expected credit losses include:</p> <ul style="list-style-type: none">- Building collective assessment models to calculate the allowance for expected credit losses and applying judgement in determining the appropriate construct of the model.- Significant assumptions and data such as expected future cash flows and appraisal value of collaterals for individual assessment to calculate the expected credit losses. | <p>I evaluated management's judgement in determining the allowance for expected credit losses of mortgaged loan, hire purchase, car for cash, leasing, and loan receivables by enquiring with management about the method used and the assumptions made.</p> <p>I also obtained an understanding of management's process and basis in setting up the allowance for expected credit losses of those receivables.</p> <p>I evaluated the appropriateness of the collective assessment model calculation for the expected credit losses on loans to customers whether it is in accordance with Thai Financial Reporting Standard 9.</p> <p>I evaluated the design of operating controls and tested the effectiveness of those controls over the allowance for expected credit losses as follows:</p> <ul style="list-style-type: none">• the control over the completeness and accuracy of significant input data for the model calculation.• the control over recording the allowance for expected credit loss from models to general ledger.• IT controls for receivable data and aging. <p>I did not find any exceptions from my testing. I also performed the following further procedures:</p> <ul style="list-style-type: none">• I tested the accuracy and appropriateness of expected cash flows for the calculation of allowance for expected credit losses using individual assessment, including the valuation of expected value from collaterals.• For collateral valuations performed by the professional valuers, I assessed the valuers' qualifications and I selected samples of those valuations to test that management used the latest valuations in the calculation of allowances for expected credit losses. In addition, I also tested the accuracy of the collateral values used in the expected credit loss models.• I tested the calculation for the allowance for expected credit losses and agreed the results with the general ledger. <p>Based on the above procedures, models and assumptions used in the estimation of allowance for expected credit losses are appropriate according to the supporting evidence.</p> |



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group'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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

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

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

Boonlert Kamolchanokkul

Certified Public Accountant (Thailand) No. 5339

Bangkok

28 February 2024

SGF Capital Public Company Limited
Statements of Financial Position
As at 31 December 2023

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|-------|--------------------------------------|--------------------|----------------------------------|--------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | Baht | Baht | Baht | Baht |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 10 | 56,172,187 | 42,260,218 | 46,151,472 | 42,254,629 |
| Restricted cash | 11 | 7,500,000 | 5,000,000 | 7,500,000 | 5,000,000 |
| Financial assets measured at fair value through profit or loss | 12 | 81,274,526 | 165,445,992 | 81,274,526 | 165,445,992 |
| Current portion of mortgaged loan receivables | | 3,586,918 | 5,560,447 | 3,586,918 | 5,560,447 |
| Current portion of loan to customer, net | 13 | 649,721,131 | 541,695,038 | 649,721,131 | 541,695,038 |
| Current portion of personal loans receivables, net | | 601,066 | 595,270 | 601,066 | 595,270 |
| Other current assets | | 14,580,259 | 14,795,491 | 14,595,360 | 14,810,195 |
| Total current assets | | 813,436,087 | 775,352,456 | 803,430,473 | 775,361,571 |

_____ Director

_____ Director

The accompanying notes are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2023

| | Notes | Consolidated | | Separate | |
|--|-------|----------------------|---------------|----------------------|---------------|
| | | financial statements | | financial statements | |
| | | 2023 | 2022 | 2023 | 2022 |
| | | Baht | Baht | Baht | Baht |
| Assets (Cont'd) | | | | | |
| Non-current assets | | | | | |
| Restricted cash | 11 | 10,100,000 | 9,600,000 | 10,100,000 | 9,600,000 |
| Mortgaged loan receivables | | 2,486,599 | 1,947,310 | 2,486,599 | 1,947,310 |
| Hire purchase receivables, leasing receivables and car for cash receivables, net | 13 | 1,717,231,932 | 1,777,094,721 | 1,717,231,932 | 1,777,094,721 |
| Personal loans receivables, net | | 11,849 | 285,663 | 11,849 | 285,663 |
| Loans receivables, net | 14 | 244,081,296 | 234,165,629 | 244,081,296 | 234,165,629 |
| Investments in subsidiaries | 16 | - | - | 9,999,500 | 999,500 |
| Loan receivables from purchase of receivables, net | | 85,538 | 85,538 | 85,538 | 85,538 |
| Investment property | | 73,500 | 73,500 | 73,500 | 73,500 |
| Foreclosed assets, net | 17 | 72,575,613 | 56,868,854 | 72,575,613 | 56,868,854 |
| Property, plant and equipment, net | 18 | 22,591,210 | 27,548,246 | 22,591,210 | 27,548,246 |
| Intangible assets, net | 19 | 32,992,798 | 32,443,003 | 32,992,798 | 32,443,003 |
| Deferred tax asset | 20 | 23,175,449 | 30,478,782 | 23,175,449 | 30,478,782 |
| Other non-current assets | | 2,337,315 | 3,218,237 | 2,337,315 | 3,218,237 |
| Total non-current assets | | 2,127,743,099 | 2,173,809,483 | 2,137,742,599 | 2,174,808,983 |
| Total assets | | 2,941,179,186 | 2,949,161,939 | 2,941,173,072 | 2,950,170,554 |

The accompanying notes are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2023

| | | Consolidated | | Separate | |
|--|----|-----------------------------|----------------------|-----------------------------|----------------------|
| | | financial statements | | financial statements | |
| | | 2023 | 2022 | 2023 | 2022 |
| Notes | | Baht | Baht | Baht | Baht |
| Liabilities and equity | | | | | |
| Current liabilities | | | | | |
| Current portion of long-term borrowing | 21 | 654,299,412 | 522,395,864 | 654,299,412 | 522,395,864 |
| Borrowings from subsidiaries | 30 | - | - | - | 1,000,000 |
| Current portion of lease liabilities | | 4,367,734 | 6,646,068 | 4,367,734 | 6,646,068 |
| Deposit payables | | - | 1,169,803 | - | 1,169,803 |
| Accrued interest expenses | | 10,387,734 | 7,490,037 | 10,387,734 | 7,502,037 |
| Other current liabilities | 22 | 28,758,868 | 41,891,051 | 28,748,368 | 41,880,350 |
| Total current liabilities | | 697,813,748 | 579,592,823 | 697,803,248 | 580,594,122 |
| Non-current liabilities | | | | | |
| Long-term borrowings | 21 | 478,903,257 | 569,553,935 | 478,903,257 | 569,553,935 |
| Lease liabilities | | 5,339,197 | 8,818,457 | 5,339,197 | 8,818,457 |
| Employee benefit obligations | 23 | 10,430,689 | 8,892,273 | 10,430,689 | 8,892,273 |
| Total non-current liabilities | | 494,673,143 | 587,264,665 | 494,673,143 | 587,264,665 |
| Total liabilities | | 1,192,486,891 | 1,166,857,488 | 1,192,476,391 | 1,167,858,787 |

The accompanying notes are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2023

| | Note | Consolidated | | Separate | |
|---------------------------------------|------|----------------------|---------------|----------------------|---------------|
| | | financial statements | | financial statements | |
| | | 2023 | 2022 | 2023 | 2022 |
| | | Baht | Baht | Baht | Baht |
| Liabilities and equity (Cont'd) | | | | | |
| Equity | | | | | |
| Share capital | | | | | |
| Authorised share capital | | | | | |
| Preference shares, 4 shares | | | | | |
| at par value of Baht 1.25 each | | 5 | 5 | 5 | 5 |
| Ordinary shares, 1,310,000,000 shares | | | | | |
| at par value Baht 1.25 each | | 1,637,500,000 | 1,637,500,000 | 1,637,500,000 | 1,637,500,000 |
| Issued and paid-up share capital | | | | | |
| Preference shares, 4 shares | | | | | |
| paid-up of Baht 1.25 each | | 5 | 5 | 5 | 5 |
| Ordinary shares, 1,310,000,000 shares | | | | | |
| paid-up at Baht 1.25 each | | 1,637,500,000 | 1,637,500,000 | 1,637,500,000 | 1,637,500,000 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| Legal reserve | 24 | 19,053,704 | 19,053,704 | 19,053,704 | 19,053,704 |
| Unappropriated | | 91,943,540 | 123,260,693 | 91,947,926 | 123,268,009 |
| Other components of equity | | 195,046 | 2,490,049 | 195,046 | 2,490,049 |
| Total equity | | 1,748,692,295 | 1,782,304,451 | 1,748,696,681 | 1,782,311,767 |
| Total liabilities and equity | | 2,941,179,186 | 2,949,161,939 | 2,941,173,072 | 2,950,170,554 |

The accompanying notes are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2023

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|-------|--------------------------------------|--------------------|----------------------------------|--------------------|
| | | 2023 Baht | 2022 Baht | 2023 Baht | 2022 Baht |
| Revenues | | | | | |
| Interest income | 25 | 531,422,385 | 478,081,009 | 531,407,616 | 478,081,006 |
| Fees and services income | | 22,490,623 | 23,764,749 | 22,490,623 | 23,764,749 |
| Other income | | 16,842,700 | 14,314,843 | 16,842,700 | 14,314,843 |
| Total revenues | | 570,755,708 | 516,160,601 | 570,740,939 | 516,160,598 |
| Expenses | | | | | |
| Administrative expenses | 27 | 234,043,148 | 222,960,262 | 234,030,224 | 222,949,412 |
| Expected credit losses | | 266,039,573 | 183,592,349 | 266,039,573 | 183,592,349 |
| Total expenses | | 500,082,721 | 406,552,611 | 500,069,797 | 406,541,761 |
| Profit before finance cost and income tax expense | | 70,672,987 | 109,607,990 | 70,671,142 | 109,618,837 |
| Finance costs | 26 | (94,113,056) | (71,357,782) | (94,114,141) | (71,369,782) |
| Profit (loss) before income tax expense | | (23,440,069) | 38,250,208 | (23,442,999) | 38,249,055 |
| Income tax | 28 | (7,877,084) | 3,014,915 | (7,877,084) | 3,014,915 |
| Profit (loss) for the year | | (31,317,153) | 41,265,123 | (31,320,083) | 41,263,970 |
| Other comprehensive income for the period, net of tax | | | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | | | |
| Remeasurements of employee benefit obligations | 23 | (2,868,754) | - | (2,868,754) | - |
| Income tax on items that will not be reclassified to profit or loss | 20 | 573,751 | - | 573,751 | - |
| Total items that will not be reclassified to profit or loss | | (2,295,003) | - | (2,295,003) | - |
| Total comprehensive income (expense) for the year | | (33,612,156) | 41,265,123 | (33,615,086) | 41,263,970 |
| Earnings (loss) per share | | | | | |
| Basic earnings (loss) per share (Baht) | 29 | (0.0239) | 0.0315 | (0.0239) | 0.0315 |

The accompanying notes are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2023

| Consolidated financial statements | | | | | |
|--|-------------|--|--|--|------------------------------|
| | Note | Issued and paid-up share capital Baht | Retained earnings | | Total equity Baht |
| | | | Appropriated - legal reserve Baht | Unappropriated Baht | |
| | | | | Other components of equity Baht | |
| Opening balance at 1 January 2022 | | 1,637,500,005 | 16,990,506 | 2,490,049 | 1,741,039,328 |
| Total comprehensive income for the year | | - | - | - | 41,265,123 |
| Appropriated to legal reserve | 24 | - | 2,063,198 | - | - |
| Balances at 31 December 2022 | | <u>1,637,500,005</u> | <u>19,053,704</u> | <u>2,490,049</u> | <u>1,782,304,451</u> |
| Opening balance at 1 January 2023 | | 1,637,500,005 | 19,053,704 | 2,490,049 | 1,782,304,451 |
| Total comprehensive expense for the year | | - | - | (2,295,003) | (33,612,156) |
| Balances at 31 December 2023 | | <u>1,637,500,005</u> | <u>19,053,704</u> | <u>195,046</u> | <u>1,748,692,295</u> |

The accompanying notes are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Changes in Equity (Cont'd)
For the year ended 31 December 2023

| Separate financial statements | | | | | | |
|--|------|--|---|------------------------|--|----------------------|
| | Note | Issued and paid-up share capital Baht | Retained earnings | | Other components of equity Baht | Total equity Baht |
| | | | Appropriated - legal reserve Baht | Unappropriated Baht | | |
| | | | | | | |
| | | | | | | |
| Opening balance at 1 January 2022 | | 1,637,500,005 | 16,990,506 | 84,067,237 | 2,490,049 | 1,741,047,797 |
| Total comprehensive income for the year | | - | - | 41,263,970 | - | 41,263,970 |
| Appropriated to legal reserve | 24 | - | 2,063,198 | (2,063,198) | - | - |
| Balances at 31 December 2022 | | 1,637,500,005 | 19,053,704 | 123,268,009 | 2,490,049 | 1,782,311,767 |
| | | | | | | |
| Opening balance at 1 January 2023 | | 1,637,500,005 | 19,053,704 | 123,268,009 | 2,490,049 | 1,782,311,767 |
| Total comprehensive expense for the year | | - | - | (31,320,083) | (2,295,003) | (33,615,086) |
| Balances at 31 December 2023 | | 1,637,500,005 | 19,053,704 | 91,947,926 | 195,046 | 1,748,696,681 |

The accompanying notes are an integral part of these consolidated and separate financial statements.

SGF Capital Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2023

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|-------|--------------------------------------|---------------|----------------------------------|---------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | Baht | Baht | Baht | Baht |
| Cash flows from operating activities | | | | | |
| Profit (loss) before income tax | | (23,440,069) | 38,250,208 | (23,442,999) | 38,249,055 |
| Adjustments for: | | | | | |
| Depreciation and amortisation | 18 | 13,896,122 | 13,884,017 | 13,896,122 | 13,884,017 |
| Expected credit losses | | 266,039,573 | 183,592,349 | 266,039,573 | 183,592,349 |
| Allowance for impairment of foreclosed assets | | 2,927,756 | 3,896,966 | 2,927,756 | 3,896,966 |
| Gains from changes in fair value of financial assets | 12 | (1,294,885) | (665,514) | (1,294,885) | (665,514) |
| Losses from write-off of equipment | | 154,989 | - | 154,989 | - |
| Gains on lease termination | | (1,079,672) | | (1,079,672) | - |
| Employee benefit expenses | 23 | 1,680,197 | 1,618,939 | 1,680,197 | 1,618,939 |
| Interest income | 25 | (531,422,385) | (478,081,009) | (531,407,616) | (478,081,006) |
| Finance costs | 26 | 94,113,056 | 71,357,782 | 94,114,141 | 71,369,782 |
| Loss from operations before changes in working capital | | (178,425,318) | (166,146,262) | (178,412,394) | (166,135,412) |
| Changes in working capital: | | | | | |
| Factoring receivables | | | | | |
| Mortgaged loan receivables | | 1,340,806 | (120,945) | 1,340,806 | (120,945) |
| Hire purchase receivables, leasing receivables and car for cash receivables | | (297,811,340) | (566,809,674) | (297,811,340) | (566,809,674) |
| Personal loans receivables | | 270,026 | 448,111 | 270,026 | 448,111 |
| Loans | | 11,850,859 | 18,822,612 | 11,850,859 | 18,822,612 |
| Other current assets | | 520,144 | (323,577) | 519,747 | (323,061) |
| Foreclosed assets | | (18,634,515) | (20,791,537) | (18,634,515) | (20,791,537) |
| Other non-current assets | | 880,922 | (494,782) | 880,922 | (494,782) |
| Employee benefit obligations | | (3,010,535) | - | (3,010,535) | - |
| Other current liabilities | | (9,915,096) | 7,044,614 | (9,914,895) | 7,044,413 |
| Cash flows used in operating activities | | (492,934,047) | (728,371,440) | (492,921,319) | (728,360,275) |
| Interest received | | 493,355,748 | 448,019,309 | 493,340,979 | 448,019,306 |
| Interest paid | | (87,431,603) | (73,128,364) | (87,444,688) | (73,140,364) |
| Income tax paid | | (304,912) | 33,249 | (304,912) | 32,854 |
| Net cash from operating activities | | (87,314,814) | (353,447,246) | (87,329,940) | (353,448,479) |

The accompanying notes are an integral part of these consolidated and separate financial statements.

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|-------|--------------------------------------|---------------|----------------------------------|---------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | Baht | Baht | Baht | Baht |
| | | | | | |
| Cash flows from investing activities | | | | | |
| Cash received from disposals of financial assets | | | | | |
| measured at fair value through profit or loss | 12 | 220,466,351 | 590,943,145 | 220,466,351 | 590,943,145 |
| Cash paid for purchase of financial assets | | | | | |
| measured at fair value through profit or loss | 12 | (135,000,000) | (525,000,000) | (135,000,000) | (525,000,000) |
| Increase in investment in subsidiary | 16 | - | - | (9,000,000) | - |
| Decrease (increase) in restricted bank deposit | | (3,000,000) | 11,400,000 | (3,000,000) | 11,400,000 |
| Cash paid for purchase of property, plant and equipment | | (2,608,826) | (981,948) | (2,608,826) | (981,948) |
| Cash paid for purchase of intangible assets | | (8,649,158) | (9,206,306) | (8,649,158) | (9,206,306) |
| Net cash from investing activities | | 71,208,367 | 67,154,891 | 62,208,367 | 67,154,891 |
| | | | | | |
| Cash flows from financing activities | | | | | |
| Cash received from long-term borrowings from | | | | | |
| other company | 21 | 558,400,000 | 705,000,000 | 558,400,000 | 705,000,000 |
| Cash paid for long-term borrowings from related parties | | - | - | (1,000,000) | - |
| Cash paid for long-term borrowings from other company | 21 | (519,920,626) | (394,922,803) | (519,920,626) | (394,922,803) |
| Cash paid for principal elements of leases | | (8,460,958) | (9,080,873) | (8,460,958) | (9,080,873) |
| Net cash generated from financing activities | | 30,018,416 | 300,996,324 | 29,018,416 | 300,996,324 |
| Net change in cash and cash equivalents | | 13,911,969 | 14,703,969 | 3,896,843 | 14,702,736 |
| Cash and cash equivalents at the beginning of the year | | 42,260,218 | 27,556,249 | 42,254,629 | 27,551,893 |
| Cash and cash equivalents at the end of the year | 10 | 56,172,187 | 42,260,218 | 46,151,472 | 42,254,629 |
| | | | | | |
| Non-cash items | | | | | |
| Payables from purchase of intangible assets | | - | 4,386,890 | - | 4,386,890 |
| Acquisition of right-of-use assets | 18 | 2,772,776 | 639,639 | 2,772,776 | 639,639 |

The accompanying notes are an integral part of these consolidated and separate financial statements.

1 General information

SGF Capital Public Company ('the Company') is a public limited company which is listed on the Market for Alternative Investment (MAI). The Company is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

121 4th floor WTH Building, Vibhavadi Rangsit Road, Sam sen Nai, Payathai District, Bangkok 10400.

The principal business operations of the Company and its subsidiaries (together "the Group") are providing funds in the forms of hire purchase, car for cash, leasing, mortgaged loan, loans and personal loans.

These consolidated and separate financial statements were authorised by the board of directors on 28 February 2024.

2 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 6.

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

3 New and amended financial reporting standards

Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 and relevant to the Group.

a) Amendment to TAS 1 - Presentation of financial statements

Revision to the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

b) Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors

Revision to the definition of 'accounting estimates' to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.

c) Amendments to TAS 12 - Income taxes

Companies must recognise any deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or any other component of equity, as appropriate.

The amended TFRSs are not mandatory for the current reporting period and the Group has not early adopted them, which management is currently assessing impacts from the standards.

4 Accounting policies

4.1 Principles of consolidation

a) Subsidiaries

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

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

When the Group loses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

c) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

4.2 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

4.3 Mortgaged loan receivables, hire purchase receivables, leasing receivables, car for cash receivables, personal loan receivables, and loan receivables

Mortgaged loan receivables, hire purchase receivables, car for cash receivables, leasing receivables, personal loan receivables and loan receivables would initially be recognised at an amount equal to the net investment in the contract. Subsequently, they are stated at net realisable value from the contract value net of unearned interest income plus accrued interest income and deferred commission and fee expenses and deducted by allowance for expected credit losses.

4.4 Loan receivables from purchase of receivables

The Group acquired secured assets from credit facility companies. The Group has no rights to claim the repayment from the seller when the debts cannot be collected.

The loan receivables from purchase of receivables are classified as non-current assets unless management has expressed the intention of holding the loans for less than 12 months from the statement of financial position date, in which case they are included in current assets, except management has intention to sell the loans for financing cash in the operation, in which case they are included in current assets.

The loan receivables from purchase of receivables are presented at their acquisition cost less amortised costs using the effective interest rate less allowance for impairment (if any).

The Group recognised loss on impairment of loan receivables from purchase of receivables are when it anticipates discounted cash flows to the present values of receivables are lower than carrying value.

4.5 Financial assets

a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and

- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income and other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment and reversal of impairment losses are recognised in profit or loss as a separate line item.

f) Interest revenue recognition

The Group recognises interest income using the effective interest rate. By this calculation, the effective interest rate is applied to the book value of financial assets, except for financial assets that are not purchased or originated credit-impaired but later became a credit-impaired which the Group applies the effective interest rate to the amortised cost after deducting allowance for expected credit losses of the financial assets for the subsequent reporting periods.

g) Offsetting

Financial assets and financial liabilities will be offsetting one another and will be presented as the net amount in the statement of financial position only when the Company has legal rights to offset the amount to recognise and the Company has intention to settle with net amount or has intention to recognise both assets and liabilities together. In some situation, although the Company has an agreement to offset, if the management does not have an intention to settle both assets and liabilities together, the financial assets and financial liabilities will be presented as gross balance in the statement of financial position.

4.6 Foreclosed assets

Foreclosed assets are properties seized from default debtors. They are initially recognised lower of the outstanding debt and the fair value of assets less cost to sell and subsequently stated at cost less allowance on impairment (if any).

The asset's carrying amount is written-down to its recoverable amount at the end of reporting period if the asset's carrying amount is greater than its estimated recoverable amount.

Gains (losses) on disposal of properties foreclosed are recorded as income or expenses in profit or loss when the disposal is made. Impairment loss (if any) is recognised as expense in profit or loss.

4.7 Investment properties

Investment properties, principally freehold land, are held for long-term rental yields or for capital appreciation or both - amend as appropriate and are not occupied by the Group.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

After the initial recognition, investment properties are recorded at cost less accumulated depreciation and allowance for impairment loss.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

| | |
|-----------|----------|
| Buildings | 20 years |
|-----------|----------|

4.8 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

| | |
|----------------------------------|----------|
| Buildings | 20 years |
| Building improvement | 10 years |
| Furniture, fixture and equipment | 5 years |
| Vehicles | 5 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

4.9 Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and the amortisation is calculated using the straight-line method over their estimated useful lives 10 years.

Cost associated with maintaining computer software programmes are recognised as an expense as incurred.

4.10 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

4.11 Leases

Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments)
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small office equipments.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

4.12 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.13 Financial liabilities

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation.

The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

4.14 Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost in effective interest calculation. The difference between cash received (net of transaction cost) compared to repayment are recognised in profit or loss over the coverage period.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

4.15 Employee benefits

Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, bonuses, and contribution that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

Defined contribution plan

The Group pays contributions to a separate fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity

Past-service costs are recognised immediately in profit or loss.

Termination benefits

The Group recognises termination benefits at the earlier of 1) when the Group can no longer withdraw the offer of those benefits; and 2) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

4.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4.17 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.18 Recognition of revenue and expenses

a) Interest income

The interest recognition will be changed to recognised based on the effective interest rate as mentioned in Note 4.5 f).

b) Fee and service income

Fee and service income e.g. late-payment fee is recognised on an accrual basis when services are rendered and it has a probability of cash collection.

c) Other income

Other income will be considered as income when completed the obligation according to the contract which the amount of revenue recognised may be recognised at point in time or point overtime. For the case that the obligation must be completed for a period of time, the Group recognises income over the aforementioned period by selecting the appropriate method for measuring the progress of the completed obligation. The Group will recognise income when there is a probability of cash collection.

d) Expenses

Expenses are recognised on accrual basis.

4.19 Dividend distribution

Dividend distributed to the Group's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

4.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors those make strategic decisions.

5 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the fluctuation of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

5.1 Market risk

a) Interest rate risk

The Group's income and operating cash flows are not substantially independent of changed in market interest rates. The contract rates of the Group's mortgaged loan receivables, hire purchase receivables, car for cash receivables, leasing receivables, personal loan receivables, and loan receivables are fixed at contractual rate. Meanwhile, the contract rates of the Group's long-term borrowings from financial institutions include floating rate and fixed rate which the Group decide not to use interest rate swaps as cash flow hedges of future interest payments for floating rate borrowings. The Group considers that it is unnecessary to use derivative instruments to hedge such risk since market interest rate volatility will not materially affect the Group's operating results.

The interest rate exposure on the borrowings is as follows:

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------|--|----------------------|--|----------------------|
| | 2023 Baht | 2022 Baht | 2023 Baht | 2022 Baht |
| Borrowings | | | | |
| at fixed rates | 911,519,226 | 881,067,237 | 911,519,226 | 882,067,237 |
| at floating rates | 221,683,443 | 210,882,562 | 221,683,443 | 210,882,562 |
| Total borrowings | 1,133,202,669 | 1,091,949,799 | 1,133,202,669 | 1,092,949,799 |

SGF Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2023

As at 31 December 2023 and 2022, financial assets and liabilities are classified by interest rate type and remaining maturity as follows:

| As at 31 December 2023 | Consolidated financial statements | | | | | | | |
|--|-----------------------------------|-------------|--------------|-------------------------|-------------|--------------|----------------------|-----------|
| | Fixed interest rates | | | Floating interest rates | | | Non-Interest bearing | Total |
| | Within 1 year | 1 - 5 years | Over 5 years | Within 1 year | 1 - 5 years | Over 5 years | | |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | - | - | - | 49,265 | - | - | 6,907 | 56,172 |
| Financial assets measured at fair value through profit or loss | - | - | - | - | - | - | 81,275 | 81,275 |
| Restricted cash | 5,000 | 12,600 | - | - | - | - | - | 17,600 |
| Mortgaged loan receivables | 3,587 | 2,487 | - | - | - | - | - | 6,074 |
| Hire purchase receivables | 582,495 | 1,295,556 | - | - | - | - | - | 1,878,051 |
| Car for cash receivables | 73,204 | 450,830 | - | - | - | - | - | 524,034 |
| Leasing receivables | 12,987 | 71,480 | - | - | - | - | - | 84,467 |
| Personal loans receivables | 635 | 287 | - | - | - | - | - | 922 |
| Loans receivables | - | 431,213 | - | - | - | - | - | 431,213 |
| Financial liabilities | | | | | | | | |
| Accrued interest expense | 10,388 | - | - | - | - | - | - | 10,388 |
| Other current liabilities | - | - | - | - | - | - | 17,652 | 17,652 |
| Long-term borrowings | 493,213 | 418,306 | - | 192,679 | 29,005 | - | - | 1,133,203 |
| Lease liabilities | 4,368 | 5,339 | - | - | - | - | - | 9,707 |

SGF Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2023

| As at 31 December 2022 | Consolidated financial statements | | | | | | | Total Baht'000 |
|---|-----------------------------------|----------------------------|-----------------------------|------------------------------|----------------------------|-----------------------------|---|-------------------|
| | Fixed interest rates | | | Floating interest rates | | | Non- Interest bearing Baht'000 | |
| | Within 1 year Baht'000 | 1 - 5 years Baht'000 | Over 5 years Baht'000 | Within 1 year Baht'000 | 1 - 5 years Baht'000 | Over 5 years Baht'000 | | |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | - | - | - | 36,174 | - | - | 6,086 | 42,260 |
| Financial assets measured at fair value through profit or loss | - | - | - | - | - | - | 165,446 | 165,446 |
| Restricted cash | 5,000 | 9,600 | - | - | - | - | - | 14,600 |
| Mortgaged loan receivables | 5,561 | 1,947 | - | - | - | - | - | 7,508 |
| Hire purchase receivables | 553,104 | 1,838,425 | - | - | - | - | - | 2,391,529 |
| Car for cash receivables | 3,210 | 8,153 | - | - | - | - | - | 11,363 |
| Personal loans receivables | 622 | 749 | - | - | - | - | - | 1,371 |
| Loans receivables | - | 415,153 | - | - | - | - | - | 415,153 |
| Financial liabilities | | | | | | | | |
| Deposit payables | - | - | - | - | - | - | 1,170 | 1,170 |
| Accrued interest expense | 7,490 | - | - | - | - | - | - | 7,490 |
| Other current liabilities | - | - | - | - | - | - | 12,174 | 12,174 |
| Long-term borrowings | 395,748 | 485,320 | - | 126,648 | 84,234 | - | - | 1,091,950 |
| Lease liabilities | 6,646 | 8,819 | - | - | - | - | - | 15,465 |

SGF Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2023

| As at 31 December 2023 | Seperate financial statements | | | | | | | |
|--|-------------------------------|-------------|--------------|-------------------------|-------------|--------------|----------------------|-----------|
| | Fixed interest rates | | | Floating interest rates | | | Non-Interest bearing | Total |
| | Within 1 year | 1 - 5 years | Over 5 years | Within 1 year | 1 - 5 years | Over 5 years | | |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | - | - | - | 39,244 | - | - | 6,907 | 46,151 |
| Financial assets measured at fair value through profit or loss | - | - | - | - | - | - | 81,275 | 81,275 |
| Restricted cash | 5,000 | 12,600 | - | - | - | - | - | 17,600 |
| Mortgaged loan receivables | 3,587 | 2,487 | - | - | - | - | - | 6,074 |
| Hire purchase receivables | 582,495 | 1,295,556 | - | - | - | - | - | 1,878,051 |
| Car for cash receivables | 73,204 | 450,830 | - | - | - | - | - | 524,034 |
| Leasing receivables | 12,987 | 71,480 | - | - | - | - | - | 84,467 |
| Personal loans receivables | 635 | 287 | - | - | - | - | - | 922 |
| Loans receivables | - | 431,213 | - | - | - | - | - | 431,213 |
| Financial liabilities | | | | | | | | |
| Accrued interest expense | 10,388 | - | - | - | - | - | - | 10,388 |
| Other current liabilities | - | - | - | - | - | - | 17,652 | 17,652 |
| Long-term borrowings | 493,213 | 418,306 | - | 192,679 | 29,005 | - | - | 1,133,203 |
| Lease liabilities | 4,368 | 5,339 | - | - | - | - | - | 9,707 |

SGF Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2023

| As at 31 December 2022 | Seperate financial statements | | | | | | | Total Baht'000 |
|---|-------------------------------|----------------------------|-----------------------------|------------------------------|----------------------------|-----------------------------|---|-------------------|
| | Fixed interest rates | | | Floating interest rates | | | Non- Interest bearing Baht'000 | |
| | Within 1 year Baht'000 | 1 - 5 years Baht'000 | Over 5 years Baht'000 | Within 1 year Baht'000 | 1 - 5 years Baht'000 | Over 5 years Baht'000 | | |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | - | - | - | 36,168 | - | - | 6,087 | 42,255 |
| Financial assets measured at fair value through profit or loss | - | - | - | - | - | - | 165,446 | 165,446 |
| Restricted cash | 5,000 | 9,600 | - | - | - | - | - | 14,600 |
| Mortgaged loan receivables | 5,561 | 1,947 | - | - | - | - | - | 7,508 |
| Hire purchase receivables | 553,104 | 1,838,425 | - | - | - | - | - | 2,391,529 |
| Car for cash receivables | 3,210 | 8,153 | - | - | - | - | - | 11,363 |
| Personal loans receivables | 622 | 749 | - | - | - | - | - | 1,371 |
| Loans receivables | - | 415,153 | - | - | - | - | - | 415,153 |
| Financial liabilities | | | | | | | | |
| Borrowings from subsidiaries | 1,000 | - | - | - | - | - | - | 1,000 |
| Deposit payables | - | - | - | - | - | - | 1,170 | 1,170 |
| Accrued interest expense | 7,502 | - | - | - | - | - | - | 7,502 |
| Other current liabilities | - | - | - | - | - | - | 12,164 | 12,164 |
| Long-term borrowings | 395,748 | 485,320 | - | 126,648 | 84,234 | - | - | 1,091,950 |
| Lease liabilities | 6,646 | 8,818 | - | - | - | - | - | 15,465 |

Sensitivity

The Group has financial assets measured at fair value through profit or loss (FVPL), which is mutual fund (Note 13). However, changes in interest rates at the end of the reporting period do not affect profit or loss or equity of the Group because the fair value does not depend on interest rates.

For cash and cash equivalents and borrowings with floating interest rates, profit or loss are sensitive to changes in interest rates. However, such amounts are not material, management regularly assesses and manages the cash flow risks associated with changes in interest rates.

5.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at fair value through profit or loss (FVPL), as well as credit exposures to customers, including outstanding receivables.

a) Risk management

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that contracts are made with customers who have an appropriate credit history, limiting customers' credit limit as well as obtaining appropriate guarantees from customers.

b) Security

The Group employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Group has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Group prepares a valuation of the collateral obtained as part of the loan origination process.

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior period.

c) Impairment of financial assets

The Group has 2 types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Mortgaged loan receivables, hire-purchase receivables, car for cash receivables, leasing receivables, personal loan receivables, loan receivables and loan receivables from purchase of receivables.

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

The Group applies general approach to measure expected credit losses. The Group always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

Under the three-stage expected credit loss impairment model for significant exposures in hire purchase receivables and car for cash receivables, the impairment will be assessed by using collective approach model with forward looking information adjustment. The impairment of some significant exposures in mortgaged loan receivables, loan receivables and personal loans receivables will be assessed by using individual assessment approach.

The expected credit loss (ECL) is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit loss is the discounted product of the probability of default (PD), exposure at default (EAD), and loss given default (LGD), defined as follows:

- Probability of default (PD) represents the likelihood of a borrower defaulting on its financial obligation (as per definition of default and credit-impaired), either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.

- Loss given default (LGD) represents the Group's expectation of the extent of the loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.
- Exposure at default (EAD) is based on the amounts that the Group expects to be owed at the time of default, over the next 12 months (12-month EAD) or over the remaining lifetime (lifetime EAD).

The expected credit loss is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together. This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof. The 12-month and lifetime EADs are determined based on the expected payment profile.

Forward-looking economic information is also included in determining the 12-month and lifetime.

Forward-looking information

The Group performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each debtors portfolio.

5.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 56.2 million (2022: Baht 42.3 million) that are expected to readily generate cash inflows for managing liquidity risk.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group, in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining financing plans.

a) Financing arrangements

The Group has access to undrawn credit facilities as at 31 December as follows:

| | Consolidated and Separate financial statements | |
|---------------------------------------|---|-------------|
| | 2023 | 2022 |
| | Baht | Baht |
| Floating rate | | |
| Bank loans - Expiring within one year | 50,000,000 | 180,000,000 |

b) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| | Consolidated financial statements | | | | |
|-------------------------------|--|----------------------|--------------------|---------------------|------------------------|
| | On demand | Within 1 year | 1 - 5 years | Over 5 years | Carrying amount |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| As at 31 December 2023 | | | | | |
| Deposit payables | - | 10,388 | - | - | 10,388 |
| Other current liabilities | - | 17,652 | - | - | 17,652 |
| Long-term borrowings | - | 694,515 | 457,509 | - | 1,152,024 |
| Lease liabilities | - | 4,368 | 5,339 | - | 9,707 |

| | Consolidated financial statements | | | | |
|-------------------------------|--|----------------------|--------------------|---------------------|------------------------|
| | On demand | Within 1 year | 1 - 5 years | Over 5 years | Carrying amount |
| | Baht'000 | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| As at 31 December 2022 | | | | | |
| Deposit payables | - | 1,170 | - | - | 1,170 |
| Other current liabilities | - | 12,174 | - | - | 12,174 |
| Long-term borrowings | - | 528,976 | 584,568 | - | 1,113,544 |
| Lease liabilities | - | 7,495 | 9,537 | - | 17,033 |

SGF Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2023

| | Separate financial statements | | | | | Carrying amount Baht'000 |
|-------------------------------|-------------------------------|------------------------------|-------------------------|-----------------------------|-------------------|-----------------------------|
| | On demand Baht'000 | Within 1 year Baht'000 | 1 - 5 years Baht'000 | Over 5 years Baht'000 | Total Baht'000 | |
| As at 31 December 2023 | | | | | | |
| Borrowings from subsidiaries | - | - | - | - | - | - |
| Deposit payables | - | 10,388 | - | - | 10,388 | 10,388 |
| Other current liabilities | - | 17,652 | - | - | 17,652 | 17,652 |
| Long-term borrowings | - | 694,515 | 457,509 | - | 1,152,024 | 1,133,203 |
| Lease liabilities | - | 4,368 | 5,339 | - | 9,707 | 9,707 |

| | Separate financial statements | | | | | Carrying amount Baht'000 |
|-------------------------------|-------------------------------|------------------------------|-------------------------|-----------------------------|-------------------|-----------------------------|
| | On demand Baht'000 | Within 1 year Baht'000 | 1 - 5 years Baht'000 | Over 5 years Baht'000 | Total Baht'000 | |
| As at 31 December 2022 | | | | | | |
| Borrowings from subsidiaries | 1,000 | - | - | - | 1,000 | 1,000 |
| Deposit payables | - | 1,170 | - | - | 1,170 | 1,170 |
| Other current liabilities | - | 12,164 | - | - | 12,164 | 12,164 |
| Long-term borrowings | - | 528,976 | 584,568 | - | 1,113,544 | 1,091,950 |
| Lease liabilities | - | 7,495 | 9,537 | - | 17,033 | 15,465 |

5.4 Capital management

5.4.1 Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital based on the basis of the following gearing ratio.

During 2023, the Group's strategy, which was unchanged from 2022, was to maintain a gearing ratio within 2.5%. The credit rating was unchanged and the gearing ratios at 31 December were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|--------------------------------------|------------------|----------------------------------|------------------|
| | 2023 Baht'000 | 2022 Baht'000 | 2023 Baht'000 | 2022 Baht'000 |
| Net debt | 1,192.49 | 1,166.86 | 1,192.48 | 1,167.86 |
| Total equity | 1,748.69 | 1,782.30 | 1,748.70 | 1,782.31 |
| Net debt to equity ratio | 0.68 | 0.66 | 0.68 | 0.66 |

Debt covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- the ratio of debt to equity must be not more than 2.50%.
- the ratio of collateral to debenture not less than 1.50 times.

6 Critical accounting estimates, assumptions and judgements

Preparation of financial statements in conformity with the Thai Financial Reporting Standards requires management to make estimates and assumptions in certain circumstances, affecting reported amounts of revenue, expenses, assets and liabilities, the disclosure of contingent assets and liabilities. Actual results could differ from these estimates. The significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures in the financial statements are as follows:

6.1 Impairment of financial assets - Allowance of expected credit losses

The Group estimates expected credit losses for financial assets measured at the amortised cost and FVOCI by considering whether there has been a significant increase in credit risk and include forward-looking information for in the consideration as mentioned in Note 5.2 c).

6.2 Allowance for impairment loss of foreclosed assets and investment property

The Group assesses the allowance for impairment of foreclosed assets and investment property when the recoverable value of the property is lower than its book value. Management uses judgment to estimate impairment losses based on the most recent appraised value of the property, type and characteristics of the property. However, the use of different estimates and assumptions may influence the allowance for impairment. Therefore, an adjustment for impairment may be made in the future.

6.3 Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits.

6.4 Determination of lease terms

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

6.5 Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

6.6 Post-employment benefits under defined benefit plans

Post-employment benefit costs (Defined benefit plan) are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate and mortality rate.

7 Fair value estimation

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the current bid price by reference to the Stock Exchange of Thailand.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

The fair value measurement of financial assets and financial liabilities is in accordance with the accounting policies disclosed in Note 4.5 and Note 4.13.

As at 31 December 2023 and 2022, the Group has financial assets measured at fair value through profit or loss which is mutual fund (Note 12). The fair value is included in level 2.

For financial instruments that are not measured at fair value as at 31 December 2023 and 2022, fair value of the borrowings from financial institutions is not significantly different from book value because the interest rates are close to the market, and is classified in level 2 of fair value hierarchy, and fair value of mortgaged loan receivables, hire purchase receivables, car for cash receivables, leasing receivables, personal loan receivables, and loan receivables is not significantly different from book value because the effective interest rates are mostly close to the market, and is classified in level 3 of fair value hierarchy.

Transfer between fair value hierarchy

The Group recognises transfers between fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer.

There are no transfers of fair value hierarchy or changes in valuation techniques during the year.

8 Reclassification

The Group has reclassified items in the statements of financial position as at 31 December 2022 and the statement of cash flows for the year ended 31 December 2022 presented as comparative figures for hire purchase receivables and car for cash receivables in order to be consistent with the classification in the current reporting period in which they are presented together. The impacts from the reclassification are as follows:

| | Consolidated and Separate financial information | |
|--|---|--------------------------------|
| | Before reclassification Baht | After reclassification Baht |
| Statements of financial position as at 31 December 2022 | | |
| Current | | |
| Hire purchase receivables | 538,497,170 | - |
| Car for cash receivables | 3,197,868 | - |
| Loans to customers | - | 541,695,038 |
| Non-current | | |
| Hire purchase receivables | 1,769,057,761 | - |
| Car for cash receivables | 8,036,960 | - |
| Loans to customers | - | 1,777,094,721 |
| Statement of cash flows for the year ended 31 December 2022 | | |
| | | |
| Hire purchase receivables | 561,813,994 | - |
| Car for cash receivables | 4,995,680 | - |
| Loans to customers | - | 566,809,674 |

9 Segment information

The Group present segment information by presenting business segment as the primary reporting format based on the type of business in determining business segment as follows:

| | Consolidated financial statements | | |
|--|--|---------------------|-----------------|
| | Hire purchase, leasing and car for cash segment | Loan segment | Total |
| | Baht'000 | Baht'000 | Baht'000 |
| For the year ended 31 December 2023 | | | |
| Revenues | | | |
| Interest income | 496,652 | 33,858 | 530,510 |
| Fees and services income | 22,390 | 101 | 22,491 |
| Other income | 12,520 | - | 12,520 |
| | 531,562 | 33,959 | 565,521 |
| Expenses | | | |
| Expected credit losses | (259,904) | (6,135) | (266,040) |
| Finance costs | (93,103) | - | (93,103) |
| | (353,007) | (6,135) | (359,143) |
| Unallocated income and expenses: | | | |
| Other interest income | | | 912 |
| Other income | | | 4,323 |
| Administrative expenses | | | (234,043) |
| Finance costs | | | (1,010) |
| Profit before corporate income tax | | | (23,440) |
| Income tax | | | (7,877) |
| Profit for the year | | | (31,317) |
| As at 31 December 2023 | | | |
| Mortgaged loan receivables | - | 6,074 | 6,074 |
| Hire purchase receivables, net | 1,783,799 | - | 1,783,799 |
| Car for cash receivables, net | - | 499,716 | 499,716 |
| Leasing receivables, net | 83,437 | - | 83,437 |
| Personal loans receivables, net | - | 613 | 613 |
| Loans receivables, net | - | 244,081 | 244,081 |
| Unallocated assets | - | - | 323,458 |
| | | | 2,941,179 |

SGF Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2023

| | Consolidated financial statements | | |
|--|--|----------------------------------|---------------------------|
| | Hire purchase and car for cash segment Baht'000 | Loan segment Baht'000 | Total Baht'000 |
| For the year ended 31 December 2022 | | | |
| Revenues | | | |
| Interest income | 443,377 | 34,586 | 477,963 |
| Fees and services income | 23,623 | 142 | 23,765 |
| Other income | 3,967 | 450 | 4,417 |
| | 470,967 | 35,178 | 506,145 |
| Expenses | | | |
| Expected credit losses | (165,140) | (18,452) | (183,592) |
| Finance costs | (70,043) | - | (70,043) |
| | (235,183) | (18,452) | (253,635) |
| Unallocated income and expenses: | | | 118 |
| Other income | | | 9,898 |
| Administrative expenses | | | (222,960) |
| Finance costs | | | (1,316) |
| Profit before corporate income tax | | | 38,250 |
| Income tax | | | 3,015 |
| Profit for the year | | | 41,265 |
| As at 31 December 2022 | | | |
| Mortgaged loan receivables | - | 7,508 | 7,508 |
| Hire purchase receivables, net | 2,307,555 | - | 2,307,555 |
| Car for cash receivables, net | - | 11,235 | 11,235 |
| Personal loans receivables, net | - | 881 | 881 |
| Loans receivables, net | - | 234,166 | 234,166 |
| Unallocated assets | | | 387,817 |
| | | | 2,949,162 |
| Timing of revenue recognition under TFRS 15 | | | |
| | Consolidated and Separate financial statements | | |
| | 2023 Baht'000 | 2022 Baht'000 | |
| At a point in time | | | |
| Hire purchase, leasing and car for cash segment | 34,910 | 27,590 | |
| Loan segment | 101 | 592 | |
| Unallocated income | 4,323 | 9,898 | |
| | 39,334 | 38,080 | |

10 Cash and cash equivalents

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|-----------------------------------|--------------|-------------------------------|--------------|
| | 2023 Baht | 2022 Baht | 2023 Baht | 2022 Baht |
| Cash on hand | 69,361 | 64,545 | 69,361 | 64,545 |
| Deposits at financial institutions | | | | |
| - Current deposits | 6,838,150 | 6,496,845 | 6,838,150 | 6,496,845 |
| - Saving deposits | 49,135,093 | 31,387,656 | 39,117,378 | 31,382,067 |
| - Fixed deposits | 129,583 | 4,311,172 | 129,583 | 4,311,172 |
| Total | 56,172,187 | 42,260,218 | 46,151,472 | 42,254,629 |

11 Restricted cash

| | Consolidated and Separate financial statements | |
|--------------------|--|--------------|
| | 2023 Baht | 2022 Baht |
| Current | | |
| Saving accounts | 5,000,000 | 5,000,000 |
| Fixed accounts | 2,500,000 | - |
| Non-current | | |
| Fixed deposits | 10,100,000 | 9,600,000 |
| Total | 17,600,000 | 14,600,000 |

As at 31 December 2023, saving account of Baht 5 million and fixed deposit of Baht 11 million (2022: Saving account of Baht 5 million and fixed deposit of Baht 8 million) are pledged as collaterals to secure borrowings from financial institutions, and fixed deposit of Baht 1.6 million (2022: Baht 1.6 million) is pledged as a collateral to a bank for bank facilities.

12 Financial assets measured at fair value through profit or loss

Movement in financial assets measured at fair value through profit or loss during the years is as follows:

| | Consolidated and Separate financial statements | |
|---------------------------------|--|---------------|
| | 2023 Baht | 2022 |
| At 1 January | 165,445,992 | 230,723,623 |
| Additions | 135,000,000 | 525,000,000 |
| Disposals | (220,466,351) | (590,943,145) |
| Gains on fair value measurement | 1,294,885 | 665,514 |
| At 31 December | 81,274,526 | 165,445,992 |

As at 31 December 2023 and 2022, information of financial assets measured at fair value through profit or loss is as follows:

| | Consolidated and Separate financial statements | |
|------------------------------------|--|--------------|
| | 2023 Baht | 2022 Baht |
| Mutual fund | 80,000,000 | 165,000,000 |
| Add Gains on fair value adjustment | 1,274,526 | 445,992 |
| Fair value | 81,274,526 | 165,445,992 |

13 Hire purchase receivables, leasing receivables and car for cash receivables, net

As at 31 December 2023 and 31 December 2022, hire purchase receivables, leasing receivables and car for cash receivables are analysed as follows:

| Consolidated and Separate financial statements | | | |
|---|---|---|-----------------------|
| 31 December 2023 | | | |
| | Portion due within 1 year Baht | Portion due Later than 1 year Baht | Total Baht |
| Hire purchase receivables | 874,012,130 | 1,772,101,489 | 2,646,113,619 |
| Car for cash receivables | 61,484,288 | 446,893,976 | 508,378,264 |
| Leasing receivables | 34,254,628 | 100,052,953 | 134,307,580 |
| Total loans to customers | 969,751,046 | 2,319,048,418 | 3,288,799,464 |
| <u>Add</u> Accrued interest income | 11,719,613 | 3,935,765 | 15,655,378 |
| <u>Less</u> Deferred interest income | (312,784,845) | (505,118,858) | (817,903,703) |
| Total loans to customers and accrued interest income, net of deferred interest income | 668,685,814 | 1,817,865,325 | 2,486,551,139 |
| <u>Less</u> Allowance for expected credit loss | (18,964,683) | (100,633,393) | (119,598,076) |
| Total | 649,721,131 | 1,717,231,932 | 2,366,953,063 |

| Consolidated and Separate financial statements | | | |
|---|---|---|-----------------------|
| 31 December 2022 (reclassified) | | | |
| | Portion due within 1 year Baht | Portion due Later than 1 year Baht | Total Baht |
| Hire purchase receivables | 966,871,142 | 2,569,905,186 | 3,536,776,328 |
| Car for cash receivables | 3,124,041 | 8,037,749 | 11,161,790 |
| Total loans to customers | 969,995,183 | 2,577,942,935 | 3,547,938,118 |
| <u>Add</u> Accrued interest income | 85,958 | 115,412 | 201,370 |
| <u>Less</u> Deferred interest income | (413,766,936) | (731,480,315) | (1,145,247,251) |
| Total loans to customers and accrued interest income, net of deferred interest income | 556,314,205 | 1,846,578,032 | 2,402,892,237 |
| <u>Less</u> Allowance for expected credit losses | (14,619,167) | (69,483,311) | (84,102,478) |
| Total | 541,695,038 | 1,777,094,721 | 2,318,789,759 |

SGF Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2023

As at 31 December 2023 and 31 December 2022, hire purchase receivables, leasing receivables and car for cash receivables and allowance for expected credit losses are classified by staging as follows:

| | | Consolidated and Separate financial statements | |
|-----------------------------------|--|--|--|
| | | 31 December 2023 | |
| | | Hire purchase receivables, leasing receivables and car for cash receivables and accrued interest income, net of deferred interest income Baht | Allowance for expected credit losses Baht |
| Staging | | | |
| Performing financial assets | | 1,838,880,890 | 31,621,115 |
| Under-performing financial assets | | 439,944,388 | 31,263,358 |
| Non-performing financial assets | | 207,725,861 | 56,713,603 |
| Total | | 2,486,551,139 | 119,598,076 |
| | | Consolidated and Separate financial statements | |
| | | 31 December 2022 (reclassified) | |
| | | Hire purchase receivables, leasing receivables and car for cash receivables and accrued interest income, net of deferred interest income Baht | Allowance for expected credit losses Baht |
| Staging | | | |
| Performing financial assets | | 1,698,108,625 | 20,373,809 |
| Under-performing financial assets | | 564,994,484 | 38,299,327 |
| Non-performing financial assets | | 139,789,128 | 25,429,342 |
| Total | | 2,402,892,237 | 84,102,478 |

Since January 2023, the Group has changed used car loan agreement format from hire purchase loan agreement to personal loan under regulation (car title loan) or car for cash. Also, since October 2023, the Group has changed hire purchase loan agreement to leasing loan agreement. There are no changes in loan approval criteria, customer segmentation and valuation model for allowance of expected credit loss. Therefore, the Group jointly presented the receivables and staging of hire purchase and car for cash receivables together.

As at 31 December 2023, hire purchase receivables and car for cash receivables totalling 8,092 contracts (2022: 7,512 contracts) with total book value amounting to Baht 1,408 million (2022: Baht 1,360 million) have been pledged as collateral for debentures and hire purchase receivables and car for cash receivables totalling 1,918 contracts (2022: 1,255 contracts) with total book value amounting to Baht 209 million (2022: Baht 284 million) have been pledged as collateral for borrowings from financial institutions (Note 21).

14 Loans receivables

As at 31 December 2023 and 31 December 2022, loan receivables are analysed as follows:

| Consolidated and Separate financial statements | | | |
|---|--------------------------------------|---|---------------|
| 31 December 2023 | | | |
| | Portion due within 1 year Baht | Portion due Later than 1 year Baht | Total Baht |
| Loans receivables | - | 283,780,917 | 283,780,917 |
| Add Accrued interest | - | 147,431,679 | 147,431,679 |
| Total loans receivables, and accrued interest income | - | 431,212,596 | 431,212,596 |
| Less Allowance for expected credit losses | - | (187,131,300) | (187,131,300) |
| Loans receivables, net | - | 244,081,296 | 244,081,296 |

| Consolidated and Separate financial statements | | | |
|---|--------------------------------------|---|---------------|
| 31 December 2022 | | | |
| | Portion due within 1 year Baht | Portion due Later than 1 year Baht | Total Baht |
| Loans receivables | - | 295,631,776 | 295,631,776 |
| Add Accrued interest | - | 119,521,471 | 119,521,471 |
| Total loans receivables, and accrued interest income | - | 415,153,247 | 415,153,247 |
| Less Allowance for expected credit losses | - | (180,987,618) | (180,987,618) |
| Loans receivables, net | - | 234,165,629 | 234,165,629 |

As at 31 December 2023 and 31 December 2022, loan receivables and allowance for expected credit losses are classified by staging as follows:

| Consolidated and Separate financial statements | | |
|--|---|---|
| 31 December 2023 | | |
| | Loan receivables and accrued interest income Baht | Allowance for expected credit losses Baht |
| Staging | | |
| Non-performing financial assets | 431,212,596 | 187,131,300 |
| Total | 431,212,596 | 187,131,300 |

| Consolidated and Separate financial statements | | |
|--|---|---|
| 31 December 2022 | | |
| | Loan receivables and accrued interest income Baht | Allowance for expected credit losses Baht |
| Staging | | |
| Non-performing financial assets | 415,153,247 | 180,987,618 |
| Total | 415,153,247 | 180,987,618 |

15 Allowance for expected credit losses

| | Consolidated and Separate financial statements | | | | |
|---|--|--|--|-------------------------------|---------------|
| | Performing financial assets Baht | Under- performing financial assets Baht | Non- performing financial assets Baht | Management overlay Baht | Total Baht |
| As at 1 January 2023 | 20,373,807 | 38,339,708 | 212,457,065 | - | 271,170,580 |
| Newly acquired financial assets | (41,828,557) | (40,591,357) | 82,419,914 | - | - |
| Changes due to changes in staging | 5,437,314 | 38,927,917 | 112,487,810 | - | 156,853,041 |
| Changes due to new estimation of credit loss | 48,725,714 | - | - | - | 48,725,714 |
| Transfers to foreclosed assets | (1,065,770) | (5,400,272) | (6,460,689) | - | (12,926,731) |
| Write-off | - | - | (151,194,275) | - | (151,194,275) |
| As at 31 December 2023 | 31,642,508 | 31,275,996 | 249,709,825 | - | 312,628,329 |
| | Consolidated and Separate financial statements | | | | |
| | Performing financial assets Baht | Under- performing financial assets Baht | Non- performing financial assets Baht | Management overlay Baht | Total Baht |
| As at 1 January 2022 | 14,361,639 | 23,591,498 | 270,112,857 | 13,369,881 | 321,435,875 |
| Newly acquired financial assets | 37,692,436 | - | - | - | 37,692,436 |
| Changes due to changes in staging | (1,760,086) | (730,088) | 2,490,174 | - | - |
| Changes due to new estimation of credit loss | (28,933,489) | 18,446,850 | 108,383,469 | - | 97,896,830 |
| Transfers to foreclosed assets | (986,693) | (2,950,184) | (2,095,844) | - | (6,032,721) |
| Write-off | - | (18,368) | (166,433,591) | - | (166,451,959) |
| Changes in management overlay | - | - | - | (13,369,881) | (13,369,881) |
| As at 31 December 2022 | 20,373,807 | 38,339,708 | 212,457,065 | - | 271,170,580 |

As at 31 December 2023, the Group has allowance for expected for credit loss of factoring receivables, car for cash receivables and personal loan receivables amounting to Baht 5,898,953 (31 December 2022: Baht 6,080,485) which includes in the movement of the expected credit loss above.

16 Investments in subsidiary

The Company has a subsidiary included in the consolidated financial statements. The subsidiary has only ordinary shares in which the Company directly holds those shares. The proportion of ownership interests held by the Company is equal to voting rights in subsidiary held by the Company.

| Entity name | Country of incorporation | Type of business | Ownership interest | | Separate financial statements Investments at cost | |
|---|-----------------------------|----------------------------|--------------------|-------|---|---------|
| | | | 2023 | 2022 | 2023 | 2022 |
| | | | % | % | Baht | Baht |
| Subsidiary | | | | | | |
| SGF Service Management Company Limited | Thailand | Debt collection Service | 99.99 | 99.99 | 9,999,500 | 999,500 |
| | | | | | 9,999,500 | 999,500 |

During the year, the Company invested in a subsidiary in the amount of 90,000 ordinary shares at Baht 100 per share totalling Baht 9 million which the subsidiary increased its capital to be working capital for future business plans. The subsidiary received share payment and registered the capital increase with the Ministry of Commerce on 5 January 2023.

SGF Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2023

17 Foreclosed assets

| | Consolidated and Separate financial statements | |
|-------------------------------|--|--------------|
| | 2023 Baht | 2022 Baht |
| Foreclosed assets | 79,597,335 | 60,962,820 |
| Less Allowance for impairment | (7,021,722) | (4,093,966) |
| Foreclosed assets, net | 72,575,613 | 56,868,854 |

As at 31 December 2023 and 2022, foreclosed assets with net book value of Baht 25,729,411 have been mortgaged as collateral for borrowings from financial institutions (Note 21).

18 Property, plant and equipment and Right-of-use assets

| | Consolidated and Separate financial statements | | | | | | | |
|---|--|------------------|---------------------------------|---|------------------|---------------------|-------------------|---------------|
| | Land Baht | Building Baht | Building improvement Baht | Furniture, fixtures and office equipment Baht | Vehicles Baht | Right-of-use assets | | Total Baht |
| | | | | | | Vehicles | Buildings Baht | |
| At 1 January 2022 | | | | | | | | |
| Cost | 4,880,000 | 8,557,264 | 10,327,375 | 25,818,425 | 3,111,946 | 8,189,026 | 30,209,680 | 91,093,716 |
| Less Accumulated depreciation | - | (8,557,258) | (4,229,004) | (21,436,206) | (2,010,372) | (7,187,722) | (9,552,967) | (52,973,529) |
| Net book amount | 4,880,000 | 6 | 6,098,371 | 4,382,219 | 1,101,574 | 1,001,304 | 20,656,713 | 38,120,187 |
| For the year ended 31 December 2022 | | | | | | | | |
| Opening net book amount | 4,880,000 | 6 | 6,098,371 | 4,382,219 | 1,101,574 | 1,001,304 | 20,656,713 | 38,120,187 |
| Additions / Increase from lease extension | - | - | 43,900 | 648,048 | 290,000 | - | 639,639 | 1,621,587 |
| Depreciation charge | - | - | (1,034,674) | (2,737,934) | (264,106) | (1,001,299) | (7,155,516) | (12,193,528) |
| Closing net book amount | 4,880,000 | 6 | 5,107,597 | 2,292,333 | 1,127,469 | 5 | 14,140,836 | 27,548,246 |
| At 31 December 2022 | | | | | | | | |
| Cost | 4,880,000 | 8,557,264 | 10,371,275 | 26,466,474 | 3,401,946 | 8,189,026 | 30,338,710 | 92,204,694 |
| Less Accumulated depreciation | - | (8,557,258) | (5,263,678) | (24,174,141) | (2,274,477) | (8,189,021) | (16,197,874) | (64,656,448) |
| Net book amount | 4,880,000 | 6 | 5,107,597 | 2,292,333 | 1,127,469 | 5 | 14,140,836 | 27,548,246 |
| | | | | | | | | |
| | Consolidated and Separate financial statements | | | | | | | |
| | Land Baht | Building Baht | Building improvement Baht | Furniture, fixtures and office equipment Baht | Vehicles Baht | Right-of-use assets | | Total Baht |
| | | | | | | Vehicles | Buildings Baht | |
| At 1 January 2023 | | | | | | | | |
| Cost | 4,880,000 | 8,557,264 | 10,371,275 | 26,466,474 | 3,401,946 | 8,189,026 | 30,338,710 | 92,204,694 |
| Less Accumulated depreciation | - | (8,557,258) | (5,263,678) | (24,174,141) | (2,274,477) | (8,189,021) | (16,197,874) | (64,656,448) |
| Net book amount | 4,880,000 | 6 | 5,107,597 | 2,292,333 | 1,127,469 | 5 | 14,140,836 | 27,548,246 |
| For the year ended 31 December 2023 | | | | | | | | |
| Opening net book amount | 4,880,000 | 6 | 5,107,597 | 2,292,333 | 1,127,469 | 5 | 14,140,836 | 27,548,246 |
| Additions / Increase from lease extension | - | - | 127,638 | 1,750,248 | 730,940 | - | 2,772,776 | 5,381,602 |
| Write-off / Decrease from lease termination | - | - | (154,983) | (5) | (1) | - | - | (154,989) |
| Depreciation charge | - | - | (1,021,871) | (1,260,476) | (406,500) | - | (7,494,801) | (10,183,649) |
| Closing net book amount | 4,880,000 | 6 | 4,058,380 | 2,782,100 | 1,451,908 | 5 | 9,418,811 | 22,591,210 |
| At 31 December 2023 | | | | | | | | |
| Cost | 4,880,000 | 8,557,264 | 10,146,220 | 28,201,029 | 11,556,491 | 5 | 20,517,123 | 83,858,132 |
| Less Accumulated depreciation | - | (8,557,258) | (6,087,840) | (25,418,929) | (10,104,583) | - | (11,098,312) | (61,266,922) |
| Net book amount | 4,880,000 | 6 | 4,058,380 | 2,782,100 | 1,451,908 | 5 | 9,418,811 | 22,591,210 |

As at 31 December 2023 and 2022, land and buildings with net book value of Baht 4,880,006 have been mortgaged as collateral for borrowings from financial institutions (Note 21).

SGF Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2023

For the year ended 31 December 2023 and 2022, amounts charged to profit or loss and cash flows relating to leases are as follows:

| | Consolidated and Separate financial information | |
|--|--|----------------------|
| | 2023 Baht | 2022 Baht |
| Depreciation charge of right-of-use assets - Buildings | 7,494,801 | 5,344,620 |
| Cash paid for principle elements of leases | 8,460,958 | 9,080,873 |
| Interest expense for leases | 1,010,260 | 1,314,005 |
| Expense relating to leases of low-value assets | 737,458 | 609,858 |

19 Intangible assets

| | Consolidated and Separate financial statements | | |
|--|---|---|-----------------------|
| | Software Baht | Software under installation Baht | Total Baht |
| At 1 January 2022 | | | |
| Cost | 15,842,206 | 8,834,064 | 24,676,270 |
| <u>Less</u> Accumulated amortisation | (4,135,974) | - | (4,135,974) |
| Net book amount | 11,706,232 | 8,834,064 | 20,540,296 |
| For the year ended 31 December 2022 | | | |
| Opening net book amount | 11,706,232 | 8,834,064 | 20,540,296 |
| Additions | 11,489,159 | 2,104,037 | 13,593,196 |
| Amortisation charge | (1,690,489) | - | (1,690,489) |
| Closing net book amount | 21,504,902 | 10,938,101 | 32,443,003 |
| At 31 December 2022 | | | |
| Cost | 27,331,365 | 10,938,101 | 38,269,466 |
| <u>Less</u> Accumulated amortisation | (5,826,463) | - | (5,826,463) |
| Net book amount | 21,504,902 | 10,938,101 | 32,443,003 |
| For the year ended 31 December 2023 | | | |
| Opening net book amount | 21,504,902 | 10,938,101 | 32,443,003 |
| Additions | - | 4,262,268 | 4,262,268 |
| Transfer in (out) | 15,132,893 | (15,132,893) | - |
| Amortisation charge | (3,712,473) | - | (3,712,473) |
| Closing net book amount | 32,925,322 | 67,476 | 32,992,798 |
| At 31 December 2023 | | | |
| Cost | 42,464,258 | 67,476 | 42,531,734 |
| <u>Less</u> Accumulated amortisation | (9,538,936) | - | (9,538,936) |
| Net book amount | 32,925,322 | 67,476 | 32,992,798 |

20 Deferred income tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

SGF Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2023

| | Consolidated and Separate financial statements | |
|--------------------------|---|----------------------|
| | 2023 Baht | 2022 Baht |
| Deferred tax assets | 55,995,895 | 55,266,916 |
| Deferred tax liabilities | (32,820,446) | (24,788,134) |
| Deferred tax asset, net | 23,175,449 | 30,478,782 |

The movement of deferred income taxes is as follows:

| | Consolidated and Separate financial statements | |
|--|---|----------------------|
| | 2023 Baht | 2022 Baht |
| At 1 January | 30,478,782 | 27,463,867 |
| Recognised to profit or loss (Note 28) | (7,877,084) | 3,014,915 |
| Recognised to other comprehensive income (Note 28) | 573,751 | - |
| At 31 December | 23,175,449 | 30,478,782 |

The movement in deferred tax assets and liabilities during the year is as follows:

| | Consolidated and Separate financial statements | | | | |
|--|---|--|--|---------------------------------|-----------------------|
| | Allowance for expected credit loss Baht | Diminution in value of foreclosed assets Baht | Employee benefit obligations Baht | Unused tax loss Baht | Total Baht |
| Deferred tax assets | | | | | |
| At 1 January 2022 | 31,900,457 | 7,888,991 | 1,083,661 | 2,605,775 | 43,478,884 |
| Recognised to profit or loss | (4,214,289) | 15,374,746 | 694,794 | (67,218) | 11,788,032 |
| At 31 December 2022 | 27,686,168 | 23,263,737 | 1,778,455 | 2,538,557 | 55,266,916 |
| At 1 January 2023 | 27,686,168 | 23,263,737 | 1,778,455 | 2,538,557 | 55,266,916 |
| Recognised to profit or loss | 6,608,653 | (16,195,756) | 307,683 | 9,434,648 | 155,228 |
| Recognised to other comprehensive income | - | - | 573,751 | - | 573,751 |
| At 31 December 2023 | 34,294,821 | 7,067,981 | 2,659,889 | 11,973,205 | 55,995,895 |

| | Consolidated and Separate financial statements | | | |
|---------------------------------|---|--|--|-----------------------|
| | Prepaid arrange fee on borrowings Baht | Stop-accrued interest income Baht | Amortised commission fee Baht | Total Baht |
| Deferred tax liabilities | | | | |
| At 1 January 2022 | (3,624,469) | (12,390,548) | - | (16,015,017) |
| Recognised to profit or loss | (694,378) | (6,238,487) | (1,840,252) | (8,773,117) |
| At 31 December 2022 | (4,318,847) | (18,629,035) | (1,840,252) | (24,788,134) |
| At 1 January 2023 | (4,318,847) | (18,629,035) | (1,840,252) | (24,788,134) |
| Recognised to profit or loss | 554,699 | (6,414,730) | (2,172,281) | (8,032,312) |
| At 31 December 2023 | (3,764,148) | (25,043,765) | (4,012,533) | (32,820,446) |

The Group did not recognise deferred tax assets for the year 2023 of Baht 28.4 million (2022: Baht 28.2 million) since the realisation of the related tax benefit through the future taxable profit is not probable.

21 Borrowings

| | Consolidated and Separate financial statements | |
|--|--|---------------|
| | 2023 Baht | 2022 Baht |
| Current | | |
| Debentures | 493,213,098 | 395,747,597 |
| Borrowings from financial institutions | 161,086,314 | 126,648,267 |
| Total current borrowings | 654,299,412 | 522,395,864 |
| Non-current | | |
| Debentures | 418,306,129 | 485,319,640 |
| Borrowing from financial institutions | 60,597,128 | 84,234,295 |
| Total non-current borrowings | 478,903,257 | 569,553,935 |
| Total | 1,133,202,669 | 1,091,949,799 |

Movements of borrowings for the period ended 31 December are analysed as follows:

| | Consolidated and Separate financial statements | |
|--|--|---------------|
| | 2023 Baht | 2022 Baht |
| Opening net book value | 1,091,949,799 | 785,358,224 |
| Additions | 558,400,000 | 705,000,000 |
| Repayments | (519,920,626) | (394,922,803) |
| Add. Deferred upfront fee amortisation | 2,773,496 | (3,485,622) |
| Closing net book value | 1,133,202,669 | 1,091,949,799 |

As at 31 December 2023 and 2022, the Group has a borrowing agreement with a financial institution of Baht 50 million with net book value of Baht 35 million (31 December 2022: Baht 46 million) which will be due in 2026. Normal repayments had been made on regular basis without any default. The Group has to maintain a certain ratio between non-performing (stage-3) hire-purchase and car for cash receivables and total hire-purchase and car for cash receivables. However, the Group is not able to maintain the covenant currently, and therefore classifies the borrowing to current liability as of the reporting period.

As at 31 December 2023, debentures bear interest rate of 6.70% to 6.80% (31 December 2022: 6.35% to 6.70%) which will be due in 2024 to 2025 (31 December 2022: 2023 to 2024) and borrowings from financial institutions bear interest at 2% to MLR +0.695 % (31 December 2022: 2% to MLR + 0.695%) which will be due during 2024 to 2027 (31 December 2022: 2023 to 2026).

Debentures

As at 31 December 2023 and 2022, hire purchase receivables and car for cash receivables (Note 13) have been pledged as collateral for debentures.

Borrowings from financial institutions

As at 31 December 2023, and 2022 saving accounts and fixed deposits (Note 11), hire purchase receivables and car for cash receivables (Note 13), foreclosed asset (Note 17), and land and building (Note 18) have been pledged as collateral for borrowings from financial institutions.

22 Other current liabilities

| | Consolidated financial statements | | Separate financial statements | |
|----------------------------|--------------------------------------|-----------------------------|----------------------------------|-----------------------------|
| | 31 December 2023 Baht | 31 December 2022 Baht | 31 December 2023 Baht | 31 December 2022 Baht |
| Accrued personnel expenses | 1,996,380 | 13,653,476 | 1,996,380 | 13,653,476 |
| Accrued expenses | 9,110,352 | 16,063,224 | 9,099,852 | 16,063,224 |
| Taxes payable | 4,138,866 | 4,847,405 | 4,138,866 | 4,847,405 |
| Other payables | 7,194,100 | 14,309 | 7,194,100 | 14,309 |
| Others | 6,319,170 | 7,312,637 | 6,319,170 | 7,312,637 |
| Total | 28,758,868 | 41,891,051 | 28,748,368 | 41,880,350 |

As at 31 December 2023, bank deposit for insurance premiums awaiting delivery to insurance companies of Baht 3.4 million (31 December 2022: Baht 4.5 million) is not recognised as assets and liabilities in the statement of financial position.

23 Employee benefit obligations

The amounts recognised in the statement of financial position are determined as follows:

| | Consolidated and Separate financial statement | |
|------------------------------|--|--------------|
| | 2023 Baht | 2022 Baht |
| Employee benefit obligations | 10,430,689 | 8,892,273 |

The movement in the employee benefit obligations over the year is as follows:

| | Consolidated and Separate financial statement | |
|---|--|--------------|
| | 2023 Baht | 2022 Baht |
| At 1 January | 8,892,273 | 7,273,334 |
| Current service cost | 1,474,926 | 1,446,290 |
| Interest expense | 205,271 | 172,649 |
| Remeasurements: | | |
| Loss from change in demographic assumptions | 1,705,040 | - |
| Gain from change in financial assumptions | (1,194,786) | - |
| Loss from experience | 2,358,000 | - |
| Benefit payment during the year | (3,010,535) | - |
| At 31 December | 10,430,689 | 8,892,273 |

The significant actuarial assumptions used were as follows:

| | Consolidated and Separate financial statements | |
|--------------------|---|-----------------|
| | 2023 | 2022 |
| Discount rate | 3.23% | 1.98% |
| Salary growth rate | 4.62% | 5.78% |
| Turnover rate | 12 - 17% | 15 - 18% |
| Mortality rate | 100% of TMO2017 | 100% of TMO2017 |
| Retirement age | Aged 60 year | Aged 60 year |

Sensitivity analysis for each significant assumption used is as follows:

| | Consolidated financial statements | | | | | |
|--------------------|-----------------------------------|------|------------------------|-------------------|------------------------|-------------------|
| | Impact on retirement benefits | | | | | |
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Discount rate | 1% | 1% | Decrease by 7.80% | Decrease by 6.91% | Increase by 8.62% | Increase by 7.59% |
| Salary growth rate | 1% | 1% | Increase by 8.25% | Increase by 8.33% | Decrease by 7.62% | Decrease by 7.71% |
| Turnover rate | 1% | 1% | Decrease by 9.39% | Decrease by 6.87% | Increase by 9.39% | Increase by 7.69% |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the defined benefit obligation are 9 years (2022: 8 years).

Analysis of the maturity of the payment of retirement benefits is as follows:

| | Consolidated and Separate financial statements | | | |
|---------------------|--|------------------------|------------------------|------------|
| | Less than 1 year Baht | Between 1-5 years Baht | More than 5 years Baht | Total Baht |
| At 31 December 2023 | | | | |
| Retirement benefits | 458,952 | 7,746,204 | 11,645,435 | 19,850,591 |

24 Legal reserve

| | Consolidated and Separate financial statements | |
|-------------------------------|--|------------|
| | 2023 Baht | 2022 Baht |
| At 1 January | 19,053,704 | 16,990,506 |
| Appropriation during the year | - | 2,063,198 |
| At 31 December | 19,053,704 | 19,053,704 |

Under the Public Limited Company Act., B.E. 2535, the Group is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is non-distributable.

25 Interest income

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------------|-----------------------------------|-------------|-------------------------------|-------------|
| | 2023 Baht | 2022 Baht | 2023 Baht | 2022 Baht |
| Loan to customers interest income | 496,647,357 | 445,076,633 | 496,647,357 | 445,076,633 |
| Loans interest income | 32,098,188 | 31,192,435 | 32,098,188 | 31,192,435 |
| Others | 2,676,840 | 1,811,941 | 2,662,071 | 1,811,938 |
| Total | 531,422,385 | 478,081,009 | 531,407,616 | 478,081,006 |

26 Finance costs

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
| | 2023 Baht | 2022 Baht | 2023 Baht | 2022 Baht |
| Promissory notes | - | - | 1,085 | 12,000 |
| Debentures | 60,846,587 | 48,279,589 | 60,846,587 | 48,279,589 |
| Borrowing from financial institution | 14,751,848 | 6,254,296 | 14,751,848 | 6,254,296 |
| Lease liabilities | 1,010,260 | 1,298,779 | 1,010,260 | 1,298,779 |
| Arrangement fee for debenture | 17,504,361 | 15,508,779 | 17,504,361 | 15,508,779 |
| Others | - | 16,339 | - | 16,339 |
| Total | 94,113,056 | 71,357,782 | 94,114,141 | 71,369,782 |

27 Expenses by nature

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|--------------|----------------------------------|--------------|
| | 2023 Baht | 2022 Baht | 2023 Baht | 2022 Baht |
| Marketing incentives | 47,458,600 | 44,276,473 | 47,458,600 | 44,276,473 |
| Advisory and professional fee | 8,069,925 | 6,162,097 | 8,059,925 | 6,152,097 |
| Personnel expenses | 111,360,597 | 115,775,090 | 111,360,597 | 115,775,090 |
| Depreciation and amortisation expenses | 13,896,122 | 13,884,017 | 13,896,122 | 13,884,017 |
| Rental and services expenses | 6,661,333 | 6,192,722 | 6,661,333 | 6,192,722 |
| Utilities and fuel expenses | 16,652,623 | 16,855,345 | 16,652,623 | 16,855,345 |
| Others | 29,943,948 | 19,814,518 | 29,941,024 | 19,813,668 |
| Total | 234,043,148 | 222,960,262 | 234,043,148 | 222,949,412 |

28 Income tax expenses

Income tax expense for the year comprises the following:

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|--------------|----------------------------------|--------------|
| | 2023 Baht | 2022 Baht | 2023 Baht | 2022 Baht |
| Deferred income tax: | | | | |
| Recognised in deferred tax assets | 728,979 | 11,788,032 | 728,979 | 11,788,032 |
| Recognised in deferred tax liabilities | (8,032,312) | (8,773,117) | (8,032,312) | (8,773,117) |
| Total | (7,303,333) | 3,014,915 | (7,303,333) | 3,014,915 |

The income tax expenses on profit before tax differ from the theoretical amount that would arise using the basic tax rate of as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------------|--|----------------------|
| | 2023 Baht | 2022 Baht | 2023 Baht | 2022 Baht |
| Profit before tax | (23,440,069) | 38,250,208 | (23,442,999) | 38,249,055 |
| Tax calculated at a tax rate of 20% (2022: 20%) | (4,688,014) | 7,650,042 | (4,688,600) | 7,649,811 |
| Tax effect of: | | | | |
| Income not subject to tax | (1,827,577) | (1,710,892) | (1,826,991) | (1,710,661) |
| Expenses not deductible for tax purpose | 5,544,357 | 23,069,294 | 5,544,357 | 23,069,294 |
| Additional deductible expenses | (6,332,098) | (25,993,529) | (6,332,098) | (25,993,529) |
| Income tax expenses | (7,303,333) | 3,014,915 | (7,303,333) | 3,014,915 |

29 Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares in issue and paid-up during the year.

| | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------|--|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net profit (loss) attributable to shareholders (Baht) | (31,317,153) | 41,265,123 | (31,320,083) | 41,263,970 |
| Weighted average number of ordinary shares in issue (Shares) | 1,310,000,000 | 1,310,000,000 | 1,310,000,000 | 1,310,000,000 |
| Basic earnings (loss) per share (Baht per share) | (0.0239) | 0.0315 | (0.0239) | 0.0315 |

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2023 and 2022.

30 Related party transactions

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

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

The Company is held 18.08% of shares by Thongtang family who is the majority shareholder.

SGF Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2023

The followings are relationships of the Company and related parties.

| Name of entities | Country of incorporation/ nationality | Business | Nature of relationships |
|--|--|--|--------------------------------|
| SGF Service Management Company Limited Company Limited | Thailand | Debt collection, call center, appraisal and legal registered services. | Subsidiary |
| WTH Holdings Company Limited | Thailand | Providing services related to buildings and places | Common shareholder |
| Wichaitongtang Law Office Company Limited | Thailand | Providing legal counsel | Common shareholder |

The following transactions were carried out with related parties:

a) Outstanding balances

| | Consolidated financial information | | Separate financial information | |
|---|---|--------------------------------------|---|--------------------------------------|
| | 31 December 2023 Baht | 31 December 2022 Baht | 31 December 2023 Baht | 31 December 2022 Baht |
| <u>Other advance payment</u> SGF Service Management Company Limited | - | - | 15,100 | 15,100 |
| <u>Accrued interest expense</u> SGF Service Management Company Limited | - | - | - | 12,000 |

b) Borrowings from subsidiaries

| | Consolidated financial information | | Separate financial information | |
|--|---|--------------------------------------|---|--------------------------------------|
| | 31 December 2023 Baht | 31 December 2022 Baht | 31 December 2023 Baht | 31 December 2022 Baht |
| <u>Borrowing</u> SGF Service Management Company Limited | - | - | - | 1,000,000 |

The borrowing from subsidiary was provided at an interest rate of 1.2% per annum, and the repayment is at call.

c) Expenses to related parties

| For the year ended 31 December | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------------|--|----------------------|
| | 2023 Baht | 2022 Baht | 2023 Baht | 2022 Baht |
| <u>Interest expenses to:</u> SGF Service Management Company Limited | - | - | 1,085 | 12,000 |

| For the year ended 31 December | Consolidated and Separate financial statements | | |
|---|---|----------------------|-----------|
| Pricing policies | 2023 Baht | 2022 Baht | |
| <u>Companies with common shareholders</u> | | | |
| Wichaitongtang law office Co., Ltd. | | | |
| Legal advisor fees | Agreed price | 600,000 | 600,000 |
| WTH Holding Limited | | | |
| Building rental and expenses | Agreed price | 2,317,800 | 2,076,399 |
| Service fees | Agreed price | 1,664,400 | 1,517,670 |

d) Key management compensation

| For the year ended 31 December | Consolidated and Separate financial statements | |
|--------------------------------|--|--------------|
| | 2023 Baht | 2022 Baht |
| Short-term benefits | 15,311,998 | 14,515,638 |
| Post-employment benefits | 218,837 | 403,380 |
| Total | 15,530,835 | 14,919,018 |

31 Commitments

Capital expenditure commitments

Capital expenditure contracted as at the statement of financial position date but not recognised in the financial statements is as follows:

| | Consolidated and Separate financial statements | |
|--------------------------------|--|--------------|
| | 2023 Baht | 2022 Baht |
| Software installation contract | 71,647 | 7,401,147 |
| Total | 71,647 | 7,401,147 |

32 Lawsuits

As at 31 December 2023, the Company has the following significant lawsuits:

Lawsuits about Factoring Business, former business of the Company

On 29 June 2020, the Group was sued by previous factoring client to demand the Group to repay the different portion of debt which has been collected according to the factoring agreement. The Group has submitted several objection petitions to defend the case to the Court on several grounds and is confident that the petitions can be used to defend the case. On 23 December 2021, the court dismissed the case. The Court has an appointment to hear the judgment and or the order of the Appeal Court on 14 December 2022. On 14 March 2023, the plaintiff filed a petition of the Supreme Court. On 16 January 2024, the Supreme Court issues an order to dismiss the petition of the Plaintiff in which the Court does not allow the Plaintiff to appeal the case to the Supreme Court.

Attachment 1

Mr. Pinit Wuthipand

| | |
|---|--|
| Position | : Chairman of the Board /Chairman of Audit Committee / Independent Director |
| Age | : 76 years |
| Appointed Date | : 24 March 2004 |
| No.of year be director | : 19 years |
| Education | : B.A. in Account, Thammasat University Certified Public Accountant |
| Certificate | : DAP, DCP from Thai Institute of Directors (IOD) |
| % of shareholding | : - None - (Himself : none / Underage children : none) |
| Other Listed current Directorship Positions : | |
| | 2020 – Present Chairman of Audit Committee / Independent director, Bliss Intelligence Plc. |
| | 2021 – Present Audit Committee member /Independent director, News Network Corporation Plc. |
| Other Current Directorship Positions : | - None - |
| Experiences | : 2013 – 2021 Chairman of Audit Committee / Independent director, News Network Corporation Plc. |
| | 2003 – 2018 Internal Audit, Rangsit University. |
| | 2010 – 2011 Chairman of Audit Committee /Independent director, Paolo Medic Co.,Ltd. |
| | 2009 – 2011 Chairman of Audit Committee /Independent director, Health Network Co.,Ltd. |

Familial relationship between directors and executives : - None -

Mrs. Rachaneekorn Chintakanon

Position : Chairman of the Executive Board / Director

Age : 53 years

Appointed Date : 3 August 2015

No.of year be director : 8 years

Education : Master's degree in Business Administration (MBA) with a major in Finance San Francisco State University, CA, U.S.A
Bachelor of Education with Specialization in Business (2nd Class Honors), Chulalongkorn University

Certificate : DAP from Thai Institute of Directors (IOD)

% of shareholding : 29,165,000 shares (Herself : 29,165,000 shares / Underage children : none)

Other Listed current Directorship Positions : - None -

Other Current Directorship Positions : - None -

Experiences : 2015 – 2019 Executive Director, SGF Capital Plc.
2014 – 2015 Independent Director /Audit Committee Member, RPCG Plc.
2011 – 2013 Director, Solution Corner (1998) Plc.

Familial relationship between directors and executives : - None -

Mrs. Petcharat Thongtang

Position : Chairman of Risk Management Committee / Director
 Age : 46 years
 Appointed Date : 14 February 2022
 No.of year be director : 2 years
 Education : MSc in Economics and Finance, London School of Economics and Political Sciences, London, United Kingdom
 B.A. Economics and Business Administration Minor, University of California at Berkeley, CA, United States
 Certificate : EDP, DAP, DCP from Thai Institute of Directors (IOD)
 % of shareholding : 36,945,300 shares (Spouse : 36,945,300 shares Herself : none / Underage children : none)
 Other Listed current Directorship Positions : -
 2022 - Now Director, Bliss Intelligence Plc.
 Other Current Directorship Positions : -
 : 2011 - Now Strategic and Business Development Director Phyathai Hospital Group and Paolo Memorial Hospital Group Pcl.
 : 2010 - Now Director, IV Global Securities Plc.
 Experiences 2018 - 2022 Managing Director, Bliss Intelligence Plc.
 2012 - 2016 Director, Cable Thai Holding Plc.
 2009 - 2010 Director, Siam General Factoring Plc.
 Familial relationship between directors and executives : - None -

Mr. Yanyong Siripun

Position : Chairman of the Nomination and Remuneration Committee / Independent Director
 Age : 78 years
 Appointed Date : 28 April 2016
 No.of year be director : 7 years
 Education : Master of Law (LLM), Kieo University, Tokyo, Japan.
 Bachelor of Laws, Thammasat University
 Certificate : Diploma of English Language and Administration Management of Canberra University, Australia.
 % of shareholding : - None - (Himself : none / Underage children : none)
 Other Listed current Directorship Positions : - None -
 Other Current Directorship Positions : - None -
 Experiences : 2016 - 2019 Director / Independent Director, SGF Capital Plc.
 2011 - 2012 Director, Paolo Medic Co.,Ltd.
 Familial relationship between directors and executives : - None -

Mrs. Supanut Pongserm

Position : Audit Committee Member / Independent Director
 Age : 63 years
 Appointed Date : 24 March 2004
 No.of year be director : 19 years
 Education : Barrister-at-law, The Thai Barrister
 LLB., Thammasat University
 Certificate : DAP, DCP, CSP, FND from Thai Institute of Directors (IOD)
 % of shareholding : - None - (Herself : none / Underage children : none)
 Other Listed current Directorship Positions : - None -
 Other Current Directorship Positions : - None -
 Other Positions : 2004 – Present Director, Office of the CEO and legal Department, Prasit
 Pattana Plc., Phyathai Hospital Group.
 Experiences : 2007 – 2009 Director, Sriracha-nakorn Hospital Co.,Ltd.
 2005 – 2007 Director, Paolo Medic Co.,Ltd.
 Familial relationship between directors and executives : - None -

Mr. Issarachai Decharit

Position : Director
 Age : 64 years
 Appointed Date : 19 December 2019
 No.of year be director : 4 years
 Education : Bachelor Degree of Laws, Chulalongkorn University
 Thai Bar, The Institute of Legal Education, Thai Bar Association
 Certificate : DAP, AACP, RNG, ELP from Thai Institute of Directors (IOD)
 % of shareholding : 100 shares (Himself : 100 shares / Underage children : none)
 Other Listed current Directorship Positions : - None -
 Other Current Directorship Positions : -
 2015 – Present Director, Global One Capital Co., Ltd.
 Experiences : 2013 – 2023 Director, Ichitan Group Plc.
 2010 – 2015 Director, Global Service Center Co., Ltd.
 2010 – 2013 Director, ACAP Asset Management Co., Ltd.
 2006 – 2015 Director, ACAP Consulting Co., Ltd.
 2003 – 2015 Director, ACAP Advisory Pcl.
 Familial relationship between directors and executives : - None -

Mr. Kannanat Boonsunanondha

Position : Chief Executive Officer / Director
 Age : 54 years
 Appointed Date : 4 November 2019
 No. of year be director : 4 years
 Education : Master of Science in Administration, Boston University, Massachusetts, U.S.A.
 B.A. in Business Administration, International Business and Management,
 the University of the Thai Chamber of Commerce, Bangkok
 Certificate : DAP, RCL from Thai Institute of Directors (IOD)
 % of shareholding : - None - (Himself : none / Underage children : none)
 Other Listed current Directorship Positions : - None -
 Other Current Directorship Positions : -
 2017 - Present Director, SGF Service Management Co.,Ltd.
 Experiences : 2019 - Present Chief Executive Officer / Director, SGF Capital Plc.
 2016 - 2019 Managing Director, SGF Capital Plc.
 2015 - 2016 Managing Director, Capital OK Co.,Ltd. and Global Service
 Center Co.,Ltd.
 2004 - 2015 Head of Marketing & Sale Department, Capital OK Co.,Ltd.
 and Global Service Center Co.,Ltd.
 Familial relationship between directors and executives : - None -

Ms. Apinya Borivachanon

Position : Chief Financial Officer, Senior Vice President, HR-Admin Dept. /
 Company Secretary
 Age : 54 years
 Education : B.B.A. Commerce (Hon.), Chulalongkorn University
 Certificate : DAP, CSP, EMT from Thai Institute of Directors (IOD)
 CFO's Orientation Course for New IPOs' No.4
 % of shareholding : - None - (Herself : none / Underage children : none)
 Other Current Directorship Positions : -
 2017 - Present Director, SGF Service Management Co.,Ltd.
 Experiences : 2020 - Present Chief Financial Officer, SGF Capital Plc.
 2017 - Present Senior Vice President, HR Dept. and Admin Dept.,
 SGF Capital Plc.
 2008 - Present Company Secretary, SGF Capital Plc.
 2018 - 2020 Senior Vice President, Finance Dept.
 2008 - 2017 Senior Manager, M.I.S Dept, Admin Dept.,
 Siam General Factoring Plc.
 2004 - 2010 Director, Siam General Factoring Plc.
 Familial relationship between directors and executives : - None -

Mr. Pornsak Kiranasopon

Position : Senior Vice President, Debt Management Department., Marketing Motorcycle Department

Age : 64 years

Education : Bachelor Degree of Law, Ramkhamhaeng University

% of shareholding : - None - (Himself : none / Underage children : none)

Experiences : 2021 - Present Senior Vice President, Marketing Motorcycle Department., SGF Capital Plc.

2017 - Present Senior Vice President, Debt Management Dept., SGF Capital Plc

2014 - 2017 Manager, Special Liabilities management 1 Dept., Thitikorn Plc.

2013 - 2014 Manager, Operation 1 Dept., Thitikorn Plc.

2010 - 2013 Manager, Region Special Liabilities management Dept., Thitikorn Plc.

2008 - 2010 Manager, Central Special Liabilities management Dept., Thitikorn Plc.

Familial relationship between directors and executives : - None -

Mr. Phairat Kokijrojana

Position : Senior Vice President, Credit Department

Age : 52 years

Education : Bachelor Degree of Economics, Chiangmai University

% of shareholding : - None - (Himself : none / Underage children : none)

Experiences : 2020 - Present Senior Vice President, Credit Dept., SGF Capital Plc.

2017 - 2019 Vice President, Credit Dept., SGF Capital Plc.

2011 - 2017 Deputy Vice President, Credit Acceptance Dept., Internal Audit Dept., Amanah Leasing Plc.

Familial relationship between directors and executives : - None -

Ms. Chiraporn Madsathan

Position : Senior Vice President, Finance Department
 Age : 57 years
 Education : B.B.A. (Money and Banking), Ramkhamhaeng University
 % of shareholding : - None - (Herself : none / Underage children : none)
 Other Current Directorship Positions : -
 2017 – Present Director, SGF Service Management Co.,Ltd.
 Experiences : 2024 – Present Senior Vice President, Finance Dept., SGF Capital Plc.
 2020 – 2023 Vice President, Finance Dept., SGF Capital Plc.
 2018 – 2020 Assistant Vice President, Finance Dept., SGF Capital Plc.
 2017 – 2018 Assistant Vice President, Operation Dept., SGF Capital Plc.
 2002 – 2017 Manager, Operation Dept., Siam General Factoring Plc.
 Familial relationship between directors and executives : - None -

Mrs. Patchara Tippawet

Position : Assistant Vice President, Accounting Department
 (Supervises accounting preparation)
 Age : 53 years
 Education : Bachelor of Accountancy, Bangkok University
 % of shareholding : - None – (Herself : none / Underage children : none)
 Experiences : 2017 - Present Assistant Vice President, Accounting Dept., SGF Capital Plc.
 2015 - 2017 Manager, BAF (Thailand) Co.,Ltd.
 2012 – 2015 Assistant Manager, Coway (Thailand) Co.,Ltd.
 2004 – 2012 Assistant Manager, Capital OK Co.,Ltd.
 Familial relationship between directors and executives : - None –



2. Duties and responsibilities of Company Secretary

Company secretary must perform duties as stipulated in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No.4) B.E.2551, which comes into force on 31 August 2008 with responsibility caution and honesty and must comply with the law, objectives, company regulations Board resolution as well as the resolution of the shareholders' meeting. The legal duties of the company secretary are as follows:

1. Prepare and maintain the following documents.
 - Director's Profile
 - Notice of Board of Directors' meeting, Board meeting minutes, and the annual report of the Company.
 - Invitation letter to shareholders' meeting and minutes of the shareholders' meeting.
2. Keeping reports of interest reported by directors or executives, and send a copy of the report of interest under Section 89/14 to the Chairman of the Board and the Chairman of the Audit Committee knows within 7 business days from the date the Company receives the report.
3. Other actions as specified by the Capital Market Supervisory Board

Other duties include

- Responsible for conducting board meetings and shareholders' meetings.
- Liaise with regulatory agencies such as the SET office, and oversee the disclosure of information and reporting information to regulators and the Public, to be comply with legal.
- Arrange an orientation to give advice to newly appointed directors.
- Other duties as assigned by the Company.

At the Board of Directors' meeting no.5/2008 on 28 July 2008, the Board of Directors has appointed Ms. Apinya Borivachanon to be the company secretary. She has passed the certificate DAP from IOD in 2004, CSP No.17/2006, EMT No.11/2008.



3. Detail of the tenure of the management in related companies as at 31 December 2023 :

| Name | Company Name | SGF Capital | SGF Service Management |
|----------------------------------|--------------|-------------|------------------------|
| | | | |
| 1. Mr. Pinit Wuthipand | | 1, 5, 6 | |
| 2. Mrs. Rachaneekorn Chintakanon | | 2, 4 | |
| 3. Mr. Yanyong Siripun | | 2, 5, 6 | |
| 4. Mrs. Petcharat Thongtang | | 3, 4 | |
| 5. Mrs. Supanut Pongserm | | 2, 5, 6 | |
| 6. Mr. Issarachai Decharit | | 2, 4 | |
| 7. Mr. Kannanat Boonsunanondha | | 2, 4, 7 | 1 |
| 8. Ms. Apinya Borivachanon | | 7, 8 | 2 |
| 9. Mr. Pornsak Kiranasopon | | 7 | |
| 10. Mr. Phairat Kokijrojana | | 7 | |
| 11. Ms. Chiraporn Madsathan | | 7 | 2 |
| 12. Mrs. Patchara Tippawet | | 7 | |

Definition

- 1 = Chairman
- 2 = Director
- 3 = Vice Chairman
- 4 = Executive Director
- 5 = Audit committee member
- 6 = Independent Director
- 7 = Executive
- 8 = Company Secretary

4. Profiles of directors, executives and controllers who has a record of being punished in the past 5 years:

- none-

Attachment 2 Details of the directors of subsidiaries

| Name / Company name | | SGF Service Management |
|--------------------------------|--|------------------------|
| 1. Mr. Kannanat Boonsunanondha | | 1 |
| 2. Ms. Apinya Borivachanon | | 2 |
| 3. Ms. Chiraporn Madsathan | | 2 |

Definition

1 = Chairman

2 = Director

Attachment 3 Details of the Heads of the Internal Audit and Compliance Units

The Company focus more on the importance of internal control system for both management and operational levels, and it has the power to determine the scope and authority of the internal processes. Implementation of such control property will benefit the Company the most. Some of the benefits of the internal control includes: the separation of the approved responsibilities, recording transactions and data information, and storing and evaluating the assets separately. To achieve a balance between the validity and integrity of the system, financial department of the Company provides financial reports to the managing director in charge. On the other hand, the Internal Audit Department is responsible for monitoring the internal control system, as well as providing reports directly to the audit committee. The Audit Committee has appointed Ms. Nadiya Saeting, Assistant Vice President of Internal Audit serves as the secretary of the Audit Committee.

Name : Ms. Nadiya Saeting

Position : Assistant Vice President of Internal Audit Department

Age : 44 years

Education : Master's degree in Economics, Ramkhamhaeng University

Experience :

| | |
|--------------|---|
| 2020-Present | Assistant Director, Internal Audit, SGF Capital Public Company Limited |
| 2016-2019 | Credit Review Manager, Internal Audit, CIMB THAI Public Company Limited |
| 2010-2016 | Assistant Manager, Credit Control, BAF(Thailand) Co., Ltd. |
| 2006-2007 | Retail Credit Acceptance, United Overseas Bank Public Company Limited |
| 2004-2006 | Credit Approver, Credit Acceptance, Citibank Thailand |

Training History :

- AI in Society, IA Clinic
- Logical Thinking and Decision Making, Mahidol University
- Code of Ethics and Conduct, CIMBThai
- Data Governance, CIMBThai
- IT Security Awareness, AML and KYC, CIMBThai
- Anti Corruption, CIMBThai
- Fraud Audit, Institute of Internal Auditors Thailand
- Management system and knowledge assessment on anti-money laundering laws, Anti-Money Laundering Office (AMLO)

Attachment 4 Assets for business undertaking and details of asset appraisal

Fixed Assets (Net)

As at 31 December 2022 and 2023, the Company has property, plant and equipment detail as follows:

Note : The above foreclosed assets consist of land, buildings which is an asset arising from the seizure of customer assets used as collateral for debt.

| Details of Asset | Net Book Value (Baht) | | Proprietary nature | Obligation |
|---|-----------------------|-------------------|-------------------------|---|
| | 31 Dec 2022 | 31 Dec 2023 | | |
| 1. Land | | | | |
| 1.1) Title deed No.68500-501 locate at Mueang Chiangmai district, Chiangmai | 2,880,000 | 2,880,000 | Company owned | Mortgages as securities, bank loan guarantee |
| 1.2) Title deed No.43934 locate at Mueang Nakorn Ratchasima district, Nakorn Ratchasima | 2,000,000 | 2,000,000 | Company owned | |
| Total Land | 4,880,000 | 4,880,000 | | |
| 2. Building (cost 8,557,264 baht less depreciation 8,557,258 baht remaining book value 6 baht) | 6 | 6 | Company owned | |
| 3. Building improvement | 5,107,597 | 4,058,380 | - | - |
| 4. Furniture, fixture and equipment | 2,292,333 | 2,782,101 | Company owned | - |
| 5. Vehicles | 1,127,474 | 1,451,912 | Company owned | - |
| 6. Leasehold | 14,140,836 | 12,908,747 | Company building tenant | - |
| Total Property, plant and equipment, net | 22,668,246 | 21,201,146 | | |
| 7. Investment property | 73,500 | 73,500 | Company owned | - |
| 8. Foreclosed assets* | 56,868,854 | 72,575,612 | Company owned | Land and building 32,634,647 baht mortgage as collateral for bank loans |
| Total | 84,490,600 | 98,730,258 | | |



Hire-purchase receivables, Leasing and Car for cash receivables

Hire-purchase receivables, Leasing and Car for cash receivables are stated at net realizable value from the contract value net of unearned interest income plus accrued interest income and deferred commission and fee expenses and deducted by allowance for expected credit losses as following:

| Staging | For the year ended 31 December | | | |
|-----------------------------------|--------------------------------|--------|---------------|--------|
| | 2022 | | 2023 | |
| | Amount | % | Amount | % |
| Performing Financial Assets | 1,698,105,624 | 70.67 | 1,838,880,890 | 73.96 |
| Under-Performing Financial Assets | 564,994,484 | 23.51 | 439,944,388 | 17.69 |
| Non-Performing Financial Assets | 139,789,128 | 5.82 | 207,725,861 | 8.35 |
| Total | 2,402,892,237 | 100.00 | 2,486,551,139 | 100.00 |

Obligations of the Debtor under the Hire Purchase and Car for cash Agreement

The Company has registered receivables under hire purchase and Car for cash agreements to register business collaterals with loan guarantees from financial institutions and issuance of debentures as of 31 December 2022. The Company has hire purchase and Car for cash receivables registered as business collateral with financial institutions and debentures. The details are as follows.

1. SGF24OA debentures worth 500 million baht and debentures SGF255A worth 428.40 million baht, totalling 1,408 million baht in registered receivables.
2. Loans from three financial institutions totalling 380 million baht, outstanding balance 204.80 million baht, with registered debtors as collateral for a total of 134 million baht.

Total registered receivables as collateral was 1,542 million baht.

However, the receivables registered under hire purchase and Car for cash agreements as business collateral to secure loans from financial institutions and issuance of debentures are excluded in non-performing credit financial assets.

Debtor Type Definition

Financial assets where there has not been a significant increase in credit risk (Performing) are non-defaulted receivables or debtors who owe principal or total interest for no more than 30 days. Such group of financial assets is an asset with no credit risk significantly increasing performing from initial recognition. The Company will use a probability of default that corresponds to remaining maturity for financial assets with a remaining maturity of less than 12 months.

Financial assets where there has been a significant increase in credit risk (Under-Performing) are receivables that overdue principal or interest for a combined period exceeding 30 days or 1 month but not exceeding 90 days from the due date. Such group of financial assets is an asset with credit risk significantly increasing from initial recognition. The Company recognizes allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.

Financial assets that are credit-impaired (Non-Performing) is a receivable that owes principal or interest for a combined period of more than 90 days or 3 months from the due date. Such group of financial assets is a group of qualifying non-performing financial assets. The Company recognizes allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.

In calculating an expected credit loss, a three-level approach is used to determine the change in the credit quality of a financial asset. The expected credit loss is calculated by group of receivables relating to forward-looking information, except the expected credit loss for non-performing credit of financial assets, the expected credit loss is calculated on a per contract basis.



| Staging | For the year ended 31 December | | | |
|-----------------------------------|--------------------------------|--------|-------------|--------|
| | 2022 | | 2023 | |
| | Amount | % | Amount | % |
| Performing Financial Assets | - | - | - | - |
| Under-Performing Financial Assets | - | - | - | - |
| Non-Performing Financial Assets | 415,153,247 | 100.00 | 431,212,596 | 100.00 |
| Total | 415,153,247 | 100.00 | 431,212,596 | 100.00 |

Loan Receivable

Revenue Recognition

- Contractual income from hire purchase, car for cash, leasing, and personal loans
The Company records revenue in accordance with Accounting Standard No. 17, Lease Agreement. Revenues Income received under hire purchase contracts is recognized as revenue at the effective interest rate.
- Penalty income from late payment under the hire purchase contract
From the ability to negotiate with customers, the Company therefore determines the late recognition of the penalty at the time of actual payment and consider the appropriate amount expected to be received in the future.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and all types of bank deposits with a maturity of not more than 3 months from the date of acquisition and without withdrawal restrictions.

Revenue Recognition Policy and Expected Credit Loss Setting (Allowance for doubtful accounts)

The Company has a policy to recognize income from hire purchase (retail) loans, leasing, personal loans, car for cash, nano finance and loans and determine the expected credit loss (allowance for doubtful accounts) in accordance with the accounting standard on impairment of financial assets (IFRS9) by dividing the debtor group into 3 stages as follows:

- Financial assets where there has not been a significant increase in credit risk (Performing) are non-defaulted receivables or debtors who owe principal or total interest for no more than 30 days. Such group of financial assets is an asset with no credit risk significantly increasing performing from initial recognition. The Company will use a probability of default that corresponds to remaining maturity for financial assets with a remaining maturity of less than 12 months.
- Financial assets where there has been a significant increase in credit risk (Under-Performing) are receivables that overdue principal or interest for a combined period exceeding 30 days or 1 month but not exceeding 90 days from the due date. Such group of financial assets is an asset with credit risk significantly increasing from initial recognition. The Company recognizes allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.
- Financial assets that are credit-impaired (Non-Performing) is a receivable that owes principal or interest for a combined period of more than 90 days or 3 months from the due date. Such group of financial assets is a group of qualifying non-performing financial assets. The Company recognizes allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.

In calculating an expected credit loss, a three-level approach is used to determine the change in the credit quality of a financial asset. The expected credit loss is calculated by group of receivables relating to



forward-looking information, except the expected credit loss for non-performing credit of financial assets, the expected credit loss is calculated on a per contract basis.

Bad debt write-off policy

The Company has a policy to write off bad debts according to the Ministerial Regulation No. 186 (B.E. 2534) issued under the Revenue Code governing the bad debts write off from the debtor account.

Subsidiary Investment

As of 31 December 2023, the Company holds 99.99% of the subsidiary's shares. Details of the subsidiary are as follows:



| Name | Register Capital | Type of Business |
|---------------------------------|------------------|---|
| SGF Service Management Co.,Ltd. | 1.0 Million Baht | Debt collection, call center, appraisal and legal registered services |

Attachment 5

**Unabridged policy and guidelines on corporate governance
and unabridged code of business conduct prepared by the
Company.**

1. Corporate Governance Policy, Business Ethics of SGF Capital Public Company Limited

The Company has defined the corporate governance policy for the Board of Directors, all executives, and employees to adhere to as a guiding principle in their work, to promote SGF as a company with efficient business operations, good corporate governance and management, integrity, transparency and auditability.

The Company has announced its corporate governance principles and business ethics standard for the acknowledgement and adoption of the Board of Directors, all executives, and employees as their practical guidelines at work. The handbook is publicized on SGF intranet and website.

- Corporate Governance Policy and Practice disclosed on the company website at www.sgfcap.com, reported under section “Corporate Governance” details as follow:

- ☐ Corporate Governance Policy
- ☐ Privacy Policy
- ☐ Conflict of Interest Policy
- ☐ Environmental Management Policy
- ☐ Sustainable Procurement Policy
- ☐ Connected Transaction Policy
- ☐ Risk Management Policy
- ☐ HR Policy
- ☐ Inside Information Protection and Supervision Policy
- ☐ Sustainable Development Policy
- ☐ Whistle Blowing Policy
- ☐ Anti-corruption Policy
- ☐ Policy to Control and Supervise Subsidiary and Associated Companies
- ☐ Information Technology Security Policy

- Business ethics disclosed on the Company website at www.sgfcap.com under section “Corporate Governance”.

2. Charter of the Board of Directors and Charters of Specific Committees disclosed under section “Charter” details as follow:

- ☐ Charter of the Board
- ☐ Charter of the Audit Committee
- ☐ Charter of the Executive Committee
- ☐ Charter of the Risk Management Committee
- ☐ Charter of the Remuneration and Compensation Committee
- ☐ Charter of the Sustainable Development Sub-committee

Attachment 6 Audit Committee's Report

The Audit Committee of SGF Capital Public Company Limited has been appointed from Board of Directors. The Audit Committee has comprised 3 independent directors. In 2023, the positions are as follow:

1. Mr. Pinit Wuthipand Chairman of Audit Committee
2. Mrs. Supanut Pongserm Audit Committee Member
3. Mr. Yanyong Siripun Audit Committee Member

Ms. Nadiya Saiting, Assistant Vice President, Internal Audit Department be secretary of the meeting, and minute's taker.

The Audit Committee has performed the duties which delegated by the Board of Directors in accordance with Securities and Exchange Act, announcement of the Stock Exchange of Thailand which specified in the charter of the company's committee, focus on being a transparent organization, which is an efficient and effective audit.

In 2023, the Audit Committee held the meeting; 4 times totally, with management team, internal control team, and auditor on the agenda.

| Director's Name | Position | Attend / Total Meet (Times) | Attend the meeting / Meeting via electronic media |
|--------------------------|-----------------------------|-----------------------------|---|
| 1. Mr. Pinit Wuthipand | Chairman of Audit Committee | 4 / 4 | 2 / 2 |
| 2. Mrs. Supanut Pongserm | Audit Committee member | 4 / 4 | 1 / 3 |
| 3. Mr. Yanyong Siripun | Audit Committee member | 4 / 4 | 3 / 1 |

There is the summary meeting report which proposed to Board of Directors for acknowledgement in every time of meeting. One of the meetings was held exclusively for auditor, without management team. We can summarize substantial affair during the past year as follow:

1. Financial Reports

The Audit Committee reviewed quarterly financial statements, annual financial statements, consolidated financial statements of the Company and its subsidiaries together with auditors, management and internal audit departments in the meeting by reviewing important issues such as accuracy and completeness of reports and important item adjustments, including accounting estimates that affect financial reports. The disclosure of information is accurate, complete, sufficient and the independence of the auditor to ensure that the Company's financial reports prepared correctly in accordance with legal requirements and accounting standards according to generally accepted accounting principles with accuracy, reliability and timeliness, including sufficient disclosure of information to be useful to users of the financial statements.

The Audit Committee held one meeting with the auditor without the participation of management to discuss and inquire about the independence of performing duties and cooperation in auditing from various departments. In 2023, auditors reported good cooperation from management that is independent in operating the business and there were no suspicious behaviors or significant observations.

2. Internal Control System and Internal Audit

The Audit Committee has reviewed the adequacy of the internal control system by considering the operations, use and maintenance of assets to prevent and reduce errors caused by leakage of consumables. Reliability of financial reports Compliance with laws, rules and regulations can be considered from the reports of the internal audit department and the auditor's reports, including the list of improvements in various important issues enhance a number of significant operational concerns, by taking into account the



internal audit department's report and the auditor's report, which includes a list of changes and repairs to significant concerns in order to assess the suitability and adequacy of the Company's internal control system.

3. Compliance

The Audit Committee has reviewed the company's operations in accordance with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and the law related to the business of the company; and acknowledged changes of the rules affecting the business of the company.

4. Risk Management

The Audit Committee reviews the efficiency and effectiveness of risk management and risk management guidelines that affect operating results. However, potential risks can be controlled by internal and external factors to ensure that the Company's risk management in various aspects is appropriate and sufficient for the situation. In addition, there is monitoring of various problem situations that may have an impact on the company's business operations by giving advice on development and improvement and follow up on performance. This will help the Company have appropriate and effective risk management measures.

5. Connected transactions or Potential Conflict of Interest

The Audit Committee has reviewed transactions between the Company and its subsidiaries, including related items or items that may cause conflicts of interest. It is considered a connected transaction according to the announcement of the Stock Exchange of Thailand board and the Securities and Exchange Commission of the Company to ensure that the transaction is in accordance with normal and reasonable business conditions and disclose information adequately and transparently without having a significant impact on the company.

6. Selection of Auditors and Remuneration

The Audit Committee has selected and considered remuneration of the auditor company in 2023, PricewaterhouseCoopers ABAS Co., Ltd., based on of the auditor's qualifications, experiences, knowledge, ability, experience, and independence as requiring by the SET, including each proposed audit fee. The quality of audit in the past year was appropriate.

Therefore, PricewaterhouseCoopers ABAS Co., Ltd. should be appointed as the company's auditor. It has been approved by the Board of Directors and by the shareholders meeting to appoint PricewaterhouseCoopers ABAS Co., Ltd. as the company's auditor at the Annual General Meeting of Shareholders of 2023 and determined the annual audit fee of 2,700,000.00 baht (Two million and seven hundred thousand baht only) in 2023.

List of auditors are as following:

| Auditor Name | CPA No. | The person who audited the Company's financial statement |
|-----------------------------|----------------|---|
| Mr. Boonlert Kamolchanokkul | 5339 | signature |
| Mr. Paiboon Tunkul | 4298 | - |
| Ms.Sakuna Yamsakul | 4906 | - |

7. Corporate Governance

The Audit Committee has reviewed the results of compliance with laws, regulations, including the Company's rules and regulations, and regularly evaluated corporate governance results to ensure that the Company is managed in accordance with the principles of good corporate governance and comply with the law according to the rules of the regulatory agency and the company's regulations.



8. Prevention of fraud and corruption

The Audit Committee has reviewed the performance in accordance with the Anti-Corruption and Anti-Money Laundering Act to ensure that the operations of various departments are controlled in accordance with the established policies.

9. Self Assessment

The Audit Committee has self-assessed by comparing with good practices. Based on the results of the assessment in 2023, the Audit Committee performed its duties with thoroughness and independence as specification in the Audit Committee Charter and performances consistent with the good practices of the Stock Exchange of Thailand. This has contributed to strengthen good corporate governance effectively in order to maximize benefits for the company and its stakeholders groups.

The Audit Committee expressed their opinion that in accounting period which ending at 31 December 2023, the company had fairness in preparing financial statement, abide by accounting standards, and disclose adequate information.

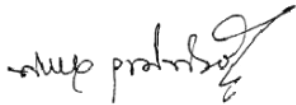
Mr. Pinit Wutiphan
Chairman of Audit Committee

Attachment 7 Report on Responsibilities of the Board of Directors towards the Financial Report

The Board recognizes its duties and responsibility for directing a listed company, particularly the responsibility for financial statements of the Company and its subsidiaries – including financial information that appears in the annual report of 2023. Such statements have been prepared under generally accepted accounting standards, which regularly complies with a suitable accounting policies. There are accounting information that is accurate, complete, sufficiently transparent, adequate significant information has been disclosed in the disclosed in the notes to these financial statements, audited and unqualified opinion from independent auditor. The financial statements therefore reflect the financial status, income and expenses, true cash flow of the Company.

The Audit Committee, acting on behalf of the Board, has been assigned responsibility for the quality of financial report and internal control system, and its opinion duty appear in its own report found in the publication.

It is our view that the Company's overall internal control system is satisfactory and can reasonably ensure that the financial statements of the Company and its subsidiaries for the year ended 31 December 2023, showed accurate financial report, accordance with financial reporting standards, law and regulations.



Mr. Pinit Wuthipand
Chairman of the Board



Mr. Kannanat Boonsunanondha
Chief Executive Officer

Attachment 8 Report from sub-committee

Report of the Executive Committee

The Executive Committee is appointed by the Board of Directors of SGF Capital Public Company Limited, consisted of 4 directors and 1 executive management, which responsible for the overall of business operations as assigned by the Board of Directors in accordance with its scope of duties. In 2023, the Executive Committee held the meeting; 6 times totally, detail as follow:

| Name | Position | Meeting attendance / Meeting rights (times) | Attend the meeting / Meeting via electronic media |
|----------------------------------|---|---|---|
| 1. Mrs. Rachaneekorn Chintakanon | Chairman of the Executive Committee | 6 / 6 | 6 / 0 |
| 2. Mrs. Petcharat Thongtang | Executive Committee member | 6 / 6 | 6 / 0 |
| 3. Mr. Kannanat Boonsunanondha | Executive Committee member | 6 / 6 | 6 / 0 |
| 4. Mr. Issarachai Decharit | Executive Committee member | 6 / 6 | 6 / 0 |
| 5. Ms. Apinya Borivachanon | Executive Committee member / Management | 6 / 6 | 6 / 0 |

Ms. Apinya Borivachanon, Company Secretary be secretary of the meeting, and minute's taker. We can summarize substantial affair during the past year as follow:

1. Proposed the annual strategies, action plans and budget to the Board of Directors, as well as undertook its responsibilities to manage various business activities in accordance with the agreed policies and corporate objectives.
2. Monitoring overall activities of the Company together with providing any required relevant suggestions and commendations for the ongoing development of business activities to achieve further efficiency.
3. Considering any proposed connected transactions together carefully and cautiously with acquisitions or dispositions of assets, so that these transactions are undertaken in a reasonable manner, at the appropriate prices, and under the most appropriate terms and conditions for the best interests to the Company and shareholders.
4. Supporting and promoting staff to undertake the best practice.
5. Considering a new approach to company opportunities as well as chances and rules for sustainable business growth.
6. Reviewing the scope of duties in order to appropriate the current situation, and serving as operating guidelines for compliance by both the management team and staff in a fully transparent and equitable manner.

The Executive Committee is fully committed to manage the Company's business to achieve the Company's goals under the principles of good corporate governance with transparency and accountability couple with taking corporate social responsibility and environment to enable the Company to continue growing on a sustainable basis.



Mrs. Rachaneekorn Chintakanon
Chairman of the Executive Committee



Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is appointed by the Board of Directors of SGF Capital Public Company Limited, consisted of 4 directors, chairman of the Nomination and Remuneration Committee is independent directors. In 2023, the Nomination and Remuneration Committee held the meeting; 2 times totally, detail as follow:

| Name | Position | Meeting attendance / Meeting rights (times) | Attend the meeting / Meeting via electronic media |
|----------------------------------|--|---|---|
| 1. Mr. Yanyong Siripun | Chairman of the Nomination and Remuneration Committee / Independent Director | 2 / 2 | 1 / 1 |
| 2. Mrs. Rachaneekorn Chintakanon | Nomination and Remuneration Committee member | 2 / 2 | 1 / 1 |
| 3. Mrs. Petcharat Thongtang | Nomination and Remuneration Committee member | 2 / 2 | 1 / 1 |
| 4. Mr. Kannanat Boonsunanondha | Nomination and Remuneration Committee member | 2 / 2 | 1 / 1 |

Ms. Apinya Borivachanon, Company Secretary be secretary of the meeting, and minute's taker. We can summarize substantial affair during the past year as follow:

1. Nominated and selected directors to replace the director who completes their tenure by proposing to the Board of Directors to consider appointing align with the Company business.
2. Provided an opportunity for minority shareholders to propose Shareholder's meeting's agendas and list of persons to be nominated as company's directors in order to comply with best corporate governance and to benefit the Company as a whole as well as all stakeholders. However, there was no proposing by minority shareholder for this director nomination in the 2023 Annual General Meeting of Shareholders.
3. Considered appropriation and proposed the remunerations of the Company's directors and sub-committee compared to other companies in the same industry with regards to their roles and responsibilities together with the Company's performance to be proposed to the Company's Board of Directors for approval prior to proposing to the General Meeting of Shareholders for considering the approval.
4. Consider and propose policy relating to the remuneration and benefit in order to keep and motivate employees who possess required qualifications comply with the Company's performance.

In conclusion, the Nomination and Remuneration Committee has completely performed per the above in accordance to the roles and responsibilities assigned by the Board of Directors and is having an opinion that in 2023, the Company's directors and committees are knowledgeable and talented. It is also considered that the remunerations and other benefits exhibited in the Annual Report are appropriate for the roles and responsibilities in line with the economic condition as well as the Company's overall performance

Mr. Yanyong Siripun
Chairman of the Nomination and Remuneration Committee



Report of the Risk Management Committee

The Risk Management Committee of SGF Capital Public Company Limited is appointed by the Board of Directors consists of 3 directors who are responsible for setting risk management policies, assess the Company's business risks and provide advice on measures to prevent and correct risks and regularly monitor results. In 2023, the Risk Management Committee held one meeting, which can be summarized as follows:

| Name | Position | Meeting attendance / Meeting rights (times) | Attend the meeting / Meeting via electronic media |
|----------------------------------|---|---|---|
| 1. Mrs. Petcharat Thongtang | Chairman of the Risk Management Committee | 1 / 1 | 1 / - |
| 2. Mr. Pinit Wuthipand | Risk Management Committee member | 1 / 1 | 1 / - |
| 3. Mrs. Rachaneekorn Chintakanon | Risk Management Committee member | 1 / 1 | 1 / - |

Ms. Apinya Borivachanon, Company Secretary be secretary of the meeting, and minute's taker. We can summarize substantial affair during the past year as follow:

1. Consider setting and reviewing the annual risk management policy, considering the risk management plan proposed by the management, along with giving advice on risk management to keep it at an acceptable level or reduce the mistake that will occur.
2. Follow up and review the implementation of the risk management plan under the established risk management policy and framework to ensure that the Company has a systematic and efficient risk management.

The Risk Management Committee is committed to overseeing the Company's risk management to be effective in accordance with good corporate governance principles and practices. In addition, an internal control system is adequate and suitable for the business and the compliance with laws and regulations relating to business operations accurately and completely.

Mrs. Petcharat Thongtang
Chairman of the Risk Management Committee

Sustainability Development Working Group Report

Sustainability Development Working Group of SGF Capital Public Company Limited consists of one director as the chairman of the sustainability development working group and four executives. In 2023, the Sustainability Development working group held one meeting, which can be summarized as follows:

| Name | Position | Meeting attendance / Meeting rights (times) | Attend the meeting / Meeting via electronic media |
|------------------------------|---|---|---|
| 1. Mr. Issarachai Decharit | Chairman of the Sustainability Development Working Group | 1 / 1 | 1 / - |
| 2. Ms. Apinya Borivachanon | Member / SVP Human Resource and Administration department | 1 / 1 | 1 / - |
| 3. Mr. Pornsak Kiranasopon | Member / SVP Debt Management department | 1 / 1 | 1 / - |
| 4. Mr. Kajohnpong Wiwidhawon | Member / SVP Legal department | 1 / 1 | 1 / - |
| 5. Mr. Phairat Kokijrojana | Member / SVP Credit and Appraisal department | 1 / 1 | 1 / - |

Ms. Parichat Kuekool, Manager, Human Resource and Administration Department / Compliant Officer be secretary of the meeting, and minute taker. We can summarize substantial affair during the past year as follow:

1. Consider reviewing the annual sustainable development policy to develop and enhance the company's good corporate governance to cover the environment, society, and corporate governance.
2. Promote the organization of operational activities to help society and communities.
3. Promote the development and creation of business innovations along with social and environmental innovations to achieve the goal of operating a sustainable business, which creates fairness and confidence for all groups of stakeholders.

The Sustainability Development Working Group is committed to setting guidelines, overseeing and promoting strategies to drive the organization towards sustainability by focusing on building quality to balance economic, social and environmental aspects. In addition, business operations are carried out with honesty and fairness, adhering to the law and human rights principles, as well as giving importance to social responsibility and environmental preservation to create value for the organization and all groups of stakeholders.



Mr. Issarachai Decharit
Chairman of the Sustainability Development Working Group



Branch

Head Office : 121 4th Floor, WTH Holding Building, Vibhavadi-Rangsit Road, Samsen – Nai, Phyathai, Bangkok 10400

Telephone : 0-2232-1789 **Fax** : 0-2232-1790

Now, the company had 29 branch offices, separate to region as follow:



North Region

Petchaboon : 52/175 Thepha Phatthana Rd, Tambon Naimuang, Amphoe Muang, Petchaboon 67000
Telephone : 064-585-3463

North-East Region

Nakhon Ratchasima : 143/8 Sapasit Rd., Tambon Naimuang, Amphoe Muang, Nakhon Ratchasima 30000
Telephone : 064-585-3542

Mukdahan : 39/2 Muangmai Rd., Tambon Mukdahan, Amphoe Muang, Mukdahan 49000
Telephone : 064-585-3517

U-don Thani : 844/5 Tahan (Dongwat) Rd., Tambon Makkang, Amphoe Muang, U-don Thani 41000
Telephone : 064-585-3529

Khonkaen : 588/41-42 Moo 5, Tambon Muang kao, Amphoe Muang, Khonkaen 40000
Telephone : 064-585-3524

Sakon Nakorn : 789/2 Nitayo, Tambon That Choeng Chum, Amphoe Muang, Sakon Nakorn 47000
Telephone : 064-585-3519

Surin : 147 Moo 22, Tambon Nok Muang, Amphoe Muang, Surin 32000
Telephone : 064-585-3520

Buriram : 690/11 Moo 1, Tambon E-san, Amphoe Muang, Buriram 31000
Telephone : 064-585-3516



| | |
|--|--|
| Ubon Ratchathani Telephone | : 97/2 Moo 3, Tambon Kamyai, Amphoe Muang, Ubon Ratchathani 34000 : 064-585-3518 |
| Kalasin Telephone | : 1/10 Kut Yang Samakkhi Rd., Tambon Kalasin, Amphoe Muang, Kalasin 46000 : 095-395-4396 |
| Roi Et Telephone | : 31 Tewapiban Rd., Tambon Nai Muang, Amphoe Muang, Roi Et 45000 : 096-845-7312 |
| <u>Central Region</u> | |
| Mahachai Telephone | : 1240/3-4 Ekachai Rd., Tambon Mahachai, Amphoe Muang, Samutsakorn 74000 : 064-585-3548 |
| Ayudhaya Telephone | : 199/354 Moo 3, Tambon Klongsuanpru, Amphoe Pranakorn Sriayudhaya, Ayudhaya 13000 : 064-585-3545 |
| Chainat Telephone | : 88/7 Promprasert Rd., Tambon Ban Kluai, Amphoe Muang, Chainat 17000 : 063-832-2040 |
| Pratumthani Telephone | : 56/3 Moo 7, Tambon Klong Sam, Amphoe Klong Luang, Pratumthani 12120 : 095-395-5121 |
| <u>East Region</u> | |
| Chachoengsao Telephone | : 93/4 Moo 13, Tambon Bang Tin Pet, Amphoe Muang, Chachoengsao 24000 : 064-585-3509 |
| Rayong Telephone | : 327/15 Sukhumvit Rd., Tambon Noen Phra, Amphoe Muang, Rayong 21000 : 064-585-3515 |
| Chonburi Telephone | : 111/29 Moo 6, Tambon Don Hua Lo, Amphoe Muang, Chonburi 20000 : 063-847-8424 |
| <u>West Region</u> | |
| Ratchaburi Telephone | : 3/11 Maen Ramluek Rd, Tambon Namuang, Amphoe Muang, Ratchaburi 70000 : 064-585-3561 |
| <u>South Region</u> | |
| Surat Thani Telephone | : 88/15 Moo 5 Kanchanavithi Rd., Tambon Bangkung, Amphoe Muang, Surat Thani 84000 : 064-585-3512 |
| Nakorn Srithamarat Telephone | : 61/8-9 Nakorn-pakpanang Rd., Tambon Naimuang, Amphoe Muang, Nakorn Srithamarat 80000 : 064-585-3513 |
| Chumporn Telephone | : 252/4 Moo 1, Chumporn-Ranong Rd., Tambon Wangpai, Amphoe Muang, Chumporn 86000 : 064-585-3514 |
| Narathiwat Telephone | : 143/12 Suriyapradit Rd., Tambon Bangnak, Amphoe Muang, Narathiwat 96000 : 064-585-3508 |
| Pattani Telephone | : 109/6 Moo 5, Tambon Rusamilae, Amphoe Muang, Pattani 94000 : 064-585-3506 |
| Yala Telephone | : 102/6 Sirorot Rd., Tambon Sateng, Amphoe Muang, Yala 95000 : 064-585-3507 |
| Hadyai Telephone | : 84/49 Moo 3, Tambon Khlong Hae, Amphoe Hadyai, Songkla 90110 : 064-585-3505 |
| Phatthalung Telephone | : 230 Moo 2, Tambon Khao Chiak, Amphoe Muang, Phatthalung 93000 : 064-585-3504 |



SGF capital

Public Company Limited

บริษัท เอสจีเอฟ แคปปิตอล จำกัด (มหาชน)

เลขที่ 121 อาคารดับบลิวทีเอ โฮลดิ้งส์ ชั้น 4 ถนนวิภาวดีรังสิต แขวงสามเสนใน เขตพญาไท กรุงเทพมหานคร 10400
โทร. 02-232-1789 โทรสาร. 02-232-1790

SGF Capital Public Company Limited

No. 121, 4th Floor, WTH holding building, Vibhavadi Rangsit Road, Samsennai, Phayathai Bangkok
Telephone. 0-2232-1789 Fax. 0-2232-1790