

ANNUAL REPORT 2020

Ratchthani Leasing Public Company Limited



ราชนานีลีซซิง
Ratchthani Leasing
A Thanachart Group Company

SMART
MOVING
FORWARD»»

Vision

To be the leader in the loan services for commercial cars, vehicles, other assets and one-stop services that can satisfy customer's needs covering all provinces nationwide.

Mission

Mission to Shareholders

The Company will conduct business with transparency, efficiency and sustainable growth in order to continuously gain good performance and business result for shareholders.

Mission to Employees

The Company will develop human resources to occupy capabilities, expertise, skills, professionalism while sustaining honesty and professional code of conduct. The Company will provide the proper remuneration to sustain the qualified employees with the Company.

Mission to Trade Partners

The Company will create good relationship, confidence, fast services and fair return on business to trade partners for the efficient long-term business partnership.

Mission to Customers

The Company will develop products and services to the excellence to meet targeted customer's needs and create highest customer satisfaction.

Mission to Society

The Company will conduct business in accordance with good corporate governance with honesty and resistance to all forms of corruption in order to give back to society and to cooperate in the country's economy development.

Mission to Environment

The Company will conduct business with responsibility to the resources and environment and involving in the conservation, rehabilitation and balance of the ecosystem.

Core Values

<u>C</u> ustomer Focus	: We will give importance to customer's demand and will focus on providing services to the excellence.
<u>C</u> ollaboration	: We will make it as a team work.
<u>C</u> ommitment	: We will be committed to working to achieve the goal and being responsible for the result.
<u>S</u> pirit	: We will work with determination and dedication.
<u>I</u> ntegrity	: We will persist in honesty, transparency and anti-corruption.
<u>P</u> rofessional	: We will occupy knowledge, skills and capabilities sufficient to perform our duties.

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Message from the Board of Directors

The world economic and Thailand economic situation in 2020 were in contraction due to the Coronavirus Disease 2019 (COVID-19) pandemic which affected the way of living and business operations inevitably. However, the Company has closely monitored and assessed the situation to adjust itself to be able to operate under the changing economic condition continuously.

In the previous year, the Company issued and offered new common shares to existing shareholders in a proportion to their rights holding (Right Offering) to increase capital for financial restructuring management and strengthening the capital stability to build confidence in the Company's strong financial status to shareholders, investors, creditors, and all stakeholders. After such capital increase, the Company received over 1,887 million Baht and has used it for the mentioned purposes.

As for the business performance in 2020, the Company and its subsidiaries' net profits were 1,860.19 million Baht, decreasing from the previous year by 5.27%. The outstanding hire purchase and financial lease receivables were 46,751.02 million Baht, decreasing from the previous year by 5.94% due to the contracting and uncertain economic condition. The Company, thus, has carefully approved credit applications. Moreover, the Company has provided support to debtors affected from such economic situation through various measures as deemed appropriate to each debtor.

In 2021, it is expected that the economy would recover because of the relaxation of disease control measures and the economic stimulation measures of the government. The Company still operates business concisely, taking into consideration the best interest of the Company and shareholders under the good corporate governance principles and effective risk management. The Company still gives importance to the participation of stakeholders in the business value chain, the financial services provided with responsibility and the promotion of opportunity to access to financial services to every group of users in the society. Social activities in other dimensions of Environment, Social & Governance (ESG) are also conducted to lead the Company to the sustainable economic value added.

On behalf of the Board of Directors, I would like to thank you all stakeholders groups and all shareholders for your trust and good support to Ratchthani Leasing Public Company Limited's business as always. I also appreciated all executives and every employee for your dedication in performing your duties at your fullest ability last year. Please believe that the committees, all executives and every employee will be committed to perform our duties with consciousness and responsibility in order to drive the Company's business to further achieve the success and continuous and sustainable growth.

(Mr. Virat Chinprapinorn)

Chairman



Report of the Executive Committee

The Board of Directors appointed the Executive Committee, which consists of 4 members as follows Mr.Kovit Rongwattanasophon as the Chairman of the Executive Committee, Mr.Virat Chinprapinporn, Mr.Somjate Moosirilert and Mr.Kamtorn Tantisirivat as Member of the Executive Committee.

In 2020, the Executive Committee held 12 meetings (average of 100% of the directors attended) to consider, execute and manage the important issues of the Company to ensure the compliance with the Company's objectives, regulations, resolution of shareholder meetings and resolution approved by the Board of Directors, under the legal and regulation requirement of the official agencies and the related regulatory agencies. Those issues were considered, examined and screened before being proposed to the Board of Directors as follow:

- Defined the annual strategies and operational plans of the Company and subsidiaries for the year, and communicated to the executives and employees of the organization for further practices. Monitored the result and adjusted the strategies to suite the situation and to be in compliance with the preset objectives.
- Examined and followed up on the performance of the Company and subsidiaries every month to ensure the achievement of the plans and as assigned by the Board of Directors.
- Approved the risk management guidelines, scope of decision making authority and the business continuity management of the Company.
- Considered the direction to define the employee's remuneration.
- Performed other duties as assigned from the Board of Directors and reported to the Board of Directors for acknowledgement or further consideration.

The Coronavirus Disease 2019 (COVID-19) pandemic, which affected the economic and business operations, the Executive Committee has closely monitored and assessed the situation to adjust itself to be able to operate under the changing economic condition continuously. The Executive Committee has performed the duties with their full knowledge and capability to achieve the Company's short-term, medium-term, and long-term business goals, under the law, rules, and related regulations, and in accordance with the good corporate governance, to ensure the Company's stable and sustainable growth.

(Mr. Kovit Rongwattanasophon)
Chairman of the Executive Committee



Report of the Risk Management Committee

The Board of Directors appointed and assigned the Executive Board to act as the Risk Management Committee, as another role, which consists of 4 members as follows Mr.Kovit Rongwattanasophon as the Chairman of the Risk Management Committee, Mr.Virat Chinprapinporn, Mr.Somjate Moosirilert and Mr.Kamtorn Tantisirivat as Member of the Risk Management Committee. In 2020, the Risk Management Committee held 12 meetings (average of 100% of the directors attended) summarizing the performance of risk management as follows:

1.Consider the Company's Risk Management Policy and the acceptable level of risks before proposing to the Executive Committee and Board of Directors for approval.

2.Assess both internal and external factors that could significantly affect the Company's business and use such information to improve the Risk Management measures.

3.Define measures to manage risk properly in the internal and external situation to avoid any potential damages in the future.

4.Consider the overall risks to assess whether the current measures used to manage risks are appropriate and practical with efficiency.

5.Consider to approve the appropriate and credible tools or guidelines to measure and assess risks.

The Coronavirus Disease 2019 (COVID-19) pandemic had impact on overall economy of the country and Company's business conduct. The Risk Management Committee, thus, kept closely monitoring and updating with the economic situation and managed risks in all dimensions so that the Company shall be able to conduct business properly and efficiently and be able to achieve its goals under such circumstances with stability and continuous growth.

(Mr. Kovit Rongwattanasophon)

Chairman of the Risk Management Committee



Report of the Nomination and Remuneration Committee

The Board of Directors has appointed the Nomination and Remuneration Committee comprising of 3 Directors as follows:

- | | | | |
|-----------------|---------------|--------------------------|------------------------------|
| 1. Mr. Suvit | Arunanondchai | (Independent Director) | as Chairman of the Committee |
| 2. Mr. Varavudh | Varaporn | (Independent Director) | as Member of the Committee |
| 3. Mr. Somjate | Moosirilert | (Non-executive Director) | as Member of the Committee |

The Nomination and Remuneration Committee has performed their duties fully and carefully under the policy and charter of the Nomination and Remuneration Committee which were considered and approved by the Board of Directors.

In 2020, the Nomination and Remuneration Committee held 4 meetings (average of 83% of the directors attended) to consider the nomination and remuneration issues to propose to the Board of Directors for approval as summarized below:

- Consider and nominate the qualified persons for the Company Director positions according to the nomination criteria and process as follows:
 - Propose to appoint a person to replace the Directors who is retired by rotation in the Annual General Meeting of Shareholders.
 - Propose to appoint a person to fill in the vacant Director position.

The Committee considered the qualified candidates to fill in the 4 vacant Director positions and proposed to the Board of Directors meeting for the approval of qualified persons who have expertise, skills and experiences to bring benefits to the Company and have complete qualification in accordance with the Public Limited Companies Act B.E. 1992

- Assured that the Company's Directors, members of sub-committees and the Chief Executive Officer and Managing Director received remuneration appropriate for their duties and responsibilities and in accordance with their performance.
- Determined the performance evaluation criteria for the Managing Director in order to consider the annual remuneration package.
- Reviewed the remuneration package and other benefits for the Company's Directors, members of sub-committees and the Chief Executive Officer and Managing Director to be appropriate for their duties and responsibilities and in accordance with the market condition.
- Review the policy and charter of the Remuneration and Nomination Committee (Board Skill Matrix), including their responsibility, to be appropriate with the current situation and be in accordance with the good corporate governance. And reporting Board Skill Matrix results to the Board of Directors.

In summary, the Nomination and Remuneration Committee has performed such above duties and responsibilities as assigned by the Board of Directors and viewed that in 2020 the Company's Directors, members of sub-committees and the Chief Executive Officer and Managing Director were knowledgeable and capable persons. The remuneration and other benefits shown in the Annual Report were considered suitable for their duties and responsibilities in accordance with the economic condition and overall performance of the Company.

(Mr. Suvit Arunanondchai)

Chairman of the Nomination and Remuneration Committee



Report of the Corporate Governance Committee

The Board of Directors gives importance to conducting business based on good corporate governance, taking into consideration all stakeholders, and therefore sees as appropriate for the whole board of directors to perform the duty of the Corporate Governance Committee. The Board of Directors meeting specified that the good corporate governance issue was included in the meeting agenda. Eight Corporate Governance Committee meetings were held in 2020. The number of director attendance to the meeting was on average of 87%. The corporate governance's duties are summarized as follows:

1. Consider and review the corporate governance policy and the Company's code of conduct manual of 2020 to be in accordance with and appropriate to the Company's business operation in compliance with the Corporate Governance Code of the Securities and Exchange Commission and other agencies relevant to corporate governance.

2. Consider the submission of information of self-assessment on anti-corruption measures to apply for the membership renewal of the Thailand Private Sector Collective Action Against Corruption (CAC) and consider having RTN Insurances Broker Co., Ltd. which is a subsidiary of the Company submit information of self-assessment on anti-corruption measures to apply for the new membership of the Thailand Private Sector Collective Action Against Corruption (CAC).

3. Consider the results of the knowledge and understanding test for the compliance with good corporate governance principles and anti-corruption of executives and employees of the Company and subsidiaries. It was found that employees' score of knowledge and understanding of practicing in compliance with good corporate governance principles and anti-corruption was 90.35% which was higher than defined target.

4. Arrange the performance evaluation of the board and sub-committees, including self-evaluation and cross-evaluation for individual director, to review performances, problems, obstacles, during the previous year and to improve the board and sub-committees' performance to be more efficient.

With the intention to conduct business under the good corporate governance, the Company, as a result, received "excellent" score for the third consecutive year in the assessment from the Corporate Governance Report of Thai Listed Company (CGR) 2020 conducted by the Thai Institute of Directors Association and was selected to be the company with outstanding performance in Environmental, Social and Governance (ESG) from Thaipat Institute, by being selected as the Universe of the ESG 100 Securities Group for the year 2020 for the sixth consecutive year. This reflected the Company's intention to conduct business in accordance with the corporate governance.

(Mr. Virat Chinprapinporn)

Chairman of Corporate Governance Committee



Financial Summary

Balance Sheet	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
<u>Current assets</u>						
Cash and bank deposit	1,043.79	2.15	429.13	0.84	213.95	0.45
Hire-purchase account receivable due within 1 year, Net	17,724.12	36.53	17,696.27	34.78	15,868.94	33.38
Financial lease- account receivable due within 1 year, Net	237.82	0.49	215.62	0.43	172.47	0.37
Other debtors	75.59	0.15	67.49	0.13	66.77	0.14
Foreclosed assets, Net	67.31	0.14	156.18	0.31	78.79	0.17
Other current assets	61.27	0.13	46.00	0.09	301.67	0.63
<u>Non-current assets</u>						
Restricted bank deposits	2.00	0.00	2.00	0.00	1.00	0.00
Hire-purchase account receivable due more than 1 year, Net	28,334.30	58.40	31,352.60	61.62	29,996.66	63.11
Financial lease- account receivable on due more than 1 year, Net	451.72	0.93	444.13	0.87	373.57	0.79
Long-term investment, Net	0.00	0.00	0.21	0.00	0.21	0.00
Other non-current financial assets	0.19	0.00	0.00	0.00	0.00	0.00
Properties for investment	19.33	0.04	19.33	0.04	19.33	0.04
Property, plant and equipment, Net	80.19	0.17	95.28	0.19	113.88	0.24
Right-of-use assets, Net	20.39	0.04	0.00	0.00	0.00	0.00
Intangible assets	22.98	0.05	16.84	0.03	5.25	0.01
Deferred tax asset, Net	375.56	0.78	338.37	0.67	317.04	0.67
Other non-current assets	1.45	0.00	1.48	0.00	1.53	0.00
Total assets	48,518.01	100.00	50,880.93	100.00	47,531.06	100.00



Balance Sheet	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Liabilities						
<u>Current liabilities</u>						
Overdraft	0.00	0.00	0.00	0.00	0.00	0.00
Short-term loan	5,371.89	11.07	14,904.57	29.29	16,358.85	34.41
Long-term loan due within 1 year	0.00	0.00	50.00	0.10	189.00	0.40
Portion of debentures due within 1 year	5,619.34	11.58	14,130.92	27.77	5,434.03	11.43
Other creditors	481.88	0.99	506.56	1.00	588.77	1.24
Hire-purchase creditor due within 1 year	0.00	0.00	3.83	0.01	4.29	0.01
Current portion of lease liabilities within 1 year	8.52	0.02	0.00	0.00	0.00	0.00
Accrued corporate income tax	250.89	0.52	255.91	0.50	231.60	0.49
Other current liabilities	225.02	0.46	207.24	0.40	191.00	0.40
<u>Non-current liabilities</u>						
Hire-purchase creditor	0.00	0.00	4.59	0.01	7.40	0.02
Lease liabilities - net of current portion within 1 year	11.22	0.02	0.00	0.00	0.00	0.00
Long-term loan	7,589.98	15.64	600.91	1.18	100.00	0.21
Debenture	18,098.73	37.30	12,496.33	24.56	17,201.58	36.19
Forecasted liabilities- reserve for long-term staff benefit	41.86	0.09	49.05	0.10	29.58	0.06
Total liabilities	37,699.32	77.70	43,209.91	84.92	40,336.10	84.86
Shareholders' equity						
Issued and paid-up capital	5,663.03	11.67	3,775.35	7.42	3,020.28	6.36
Capital surplus	319.89	0.66	319.89	0.63	319.89	0.67
<u>Appropriated retained earnings</u>						
Legal reserve	471.00	0.97	378.00	0.74	303.00	0.64
Retained earnings for treasury stocks	4,364.76	8.99	3,197.78	6.29	3,551.79	7.47
Less Treasury stocks	0.01	0.00	0.009	0.00	0.0003	0.00
Total shareholders' equity	10,818.69	22.30	7,671.02	15.08	7,194.96	15.14
Total liabilities & shareholders' equity	48,518.01	100.00	50,880.93	100.00	47,531.06	100.00



Income Statement	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Income and expenses						
Interest income from hire purchase	3,466.92	81.33	3,498.13	82.54	3,166.74	82.74
Interest income from financial lease	48.82	1.14	40.52	0.96	35.53	0.93
Income from fee and services	316.17	7.42	328.16	7.74	342.15	8.94
Other incomes	430.82	10.11	371.34	8.76	282.95	7.39
Total incomes	4,262.73	100.00	4,238.15	100.00	3,827.37	100.00
Financial cost	1,063.47	24.95	1,011.35	23.86	869.80	22.73
Selling and administrative expense	537.61	12.61	570.03	13.45	503.56	13.14
Expected Credit Loss	337.91	7.93	0.00	0.00	0.00	0.00
Bad debt and Doubtful account	0.00	0.00	193.53	4.57	402.60	10.52
Corporate income tax	463.53	10.87	499.67	11.79	410.70	10.73
Total expenses	2,402.52	56.36	2,274.58	53.67	2,186.66	57.12
Net profit	1,860.21	43.64	1,963.57	46.33	1,640.71	42.85

Major Financial Ratio Reflecting Financial Status and Operating Performance

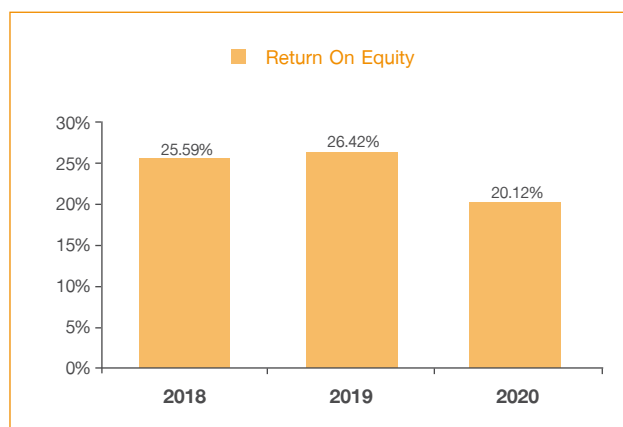
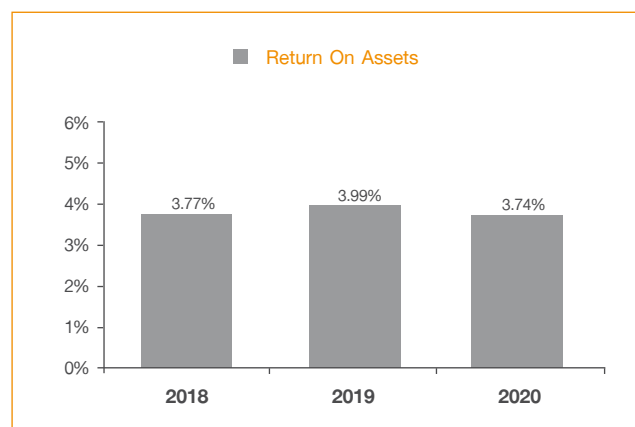
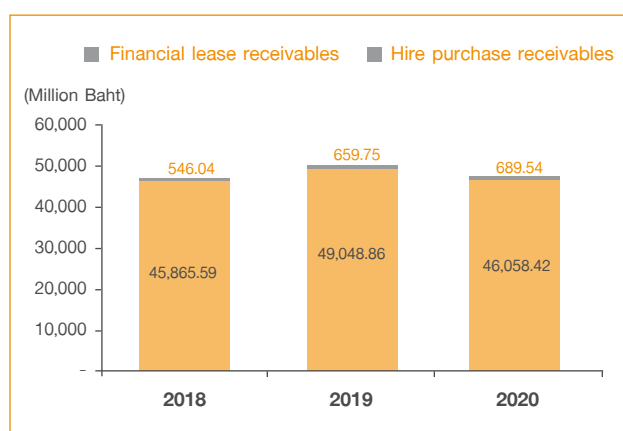
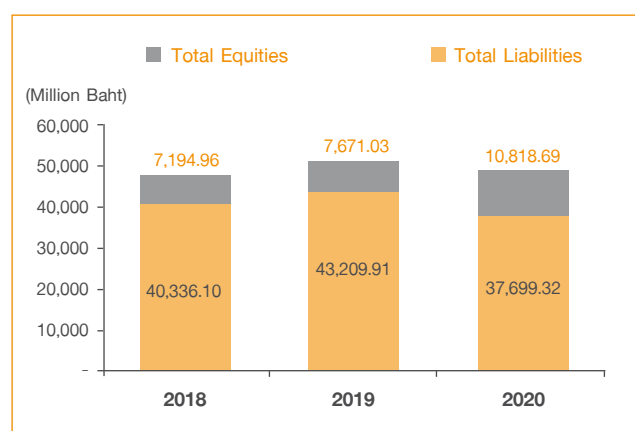
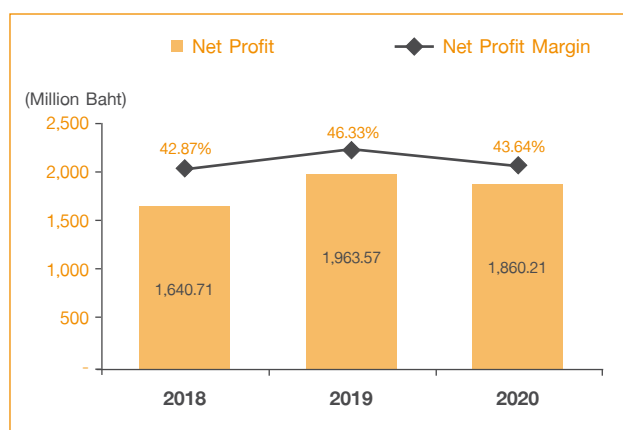
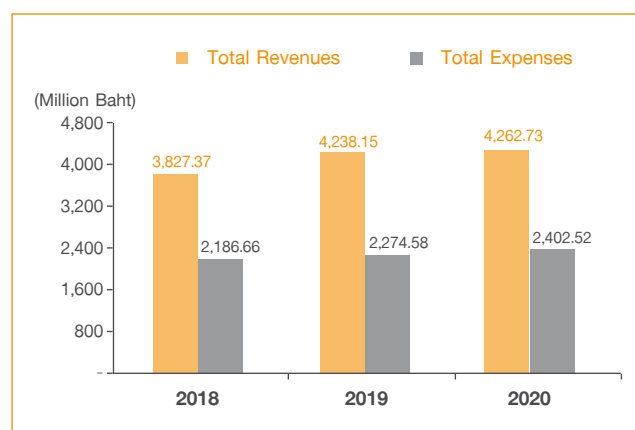
Ratio	2020	2019	2018
<u>Liquidity Ratio</u>			
Liquidity Ratio (Time)	1.61	0.62	0.73
Quick Ratio (Time)	1.59	0.61	0.72
<u>Profitability Ratio</u>			
Net profit margin (%)	43.64	46.33	42.85
Net profit to net interest (%)	75.86	77.69	70.34
Interest rate received (%)	7.04	7.04	7.20
Interest rate paid (%)	2.70	2.48	2.40
Interest rate gap (%)	4.34	4.56	4.80
Return on equity (%)	20.12	26.42	25.59
<u>Efficiency Ratio</u>			
Return on assets (%)	3.74	3.99	3.77
Total assets turnover (Time)	0.09	0.09	0.09
<u>Financial Ratio</u>			
Interest coverage ratio* (Time)	3.19	3.44	3.36
Debt to equity ratio (Time)	3.48	5.63	5.61
Debt to equity ratio** (Time)	3.44	5.57	5.52
Lending to loan ratio (Time)	1.31	1.23	1.24
Dividend payout ratio (%)	51.74***	61.53	99.40
<u>Share Information</u>			
Book value per share (Baht)	1.91	2.03	1.91
Basic earnings per share (Baht)	0.40	0.52	0.43

Note : (*) Interest coverage ratio calculated from earnings before interest expense and tax expense / interest expense

(**) Debt to equity ratio calculated under the same conditions in "The right and obligations of bond issuer which to maintain the Net Debt to Equity Ratio not over than 10:1 time at the end of quarterly or year ended date (The Net Debt is not including trade account payables).

(***) Such rights of the Company are uncertain, will need the approval from the 2021 Annual General Meeting of Shareholders.

Financial Information Highlight





Policy and Business Overview

Ratchthani Leasing Public Company Limited operates loan service business in hire purchase and finance leasing for commercial cars, vehicles, other assets and one-stop services. In 2020, the main target group of the Company was the commercial cars, both new and used cars. Currently, the commercial car segment was accounted for 65% while other car and assets segment was accounted for 35% of total loans. However, the Company conducts business with a credit policy which mainly considers the return on loans. To maintain the spread of interest to meet the goals set.

Significant Changes and Development

Background

Ratchthani Leasing Public Company Limited was established on 2nd June 1988 under the original name of “Ratchthani Leasing Co., Ltd.”, with an initial capital of 6 Million Baht. The initial business aimed at the hire purchase loan services for second hand automobiles, both to individual retail customers and to second hand car dealers (Floor plan). Since its establishment, the Company has been increasing its registered capital for the business expansion. Its registered capital was raised to 36 Million Baht in the first year and to 56 Million Baht and 168 Million Baht in 1992 and 1995 respectively.

At present, the Company conducts business of vehicle hire purchase loans and financing loans and has cancelled loans for used vehicle operators (Floor Plan). The Company focuses on providing loan services to the vehicle market of which the Company has expertise, that is, new and old commercial vehicle market, such as pickup, taxi, tractor, truck, etc., including old passenger car market. In addition to the above services, the Company also provides after-sales service relating to the main business, such as annual car registration renewal service, coordination of car insurance renewal service, and vehicle condition inspection before paying annual tax service, etc. This is to provide convenience to customers and to increase incomes for the Company. It is beneficial for both parties in terms of asset protection for customers and damage prevention for the Company.

Significant development in the past

Business Operations

- | | |
|-------------|--|
| 2002 | The Company was registered as the public company and changed its name to “Ratchthani Leasing Public Company Limited” in August 2002 and was approved to be the listed company on the Stock Exchange of Thailand (SET) on 19 th December 2002. |
| 2003 | The Company had the better information technology development which helped customers communicate to the Company on website and get significant fundamental information, important news, such as reference price of second hand cars. The Company also provided the partial payment service and other fees payment service with the Bar Code system and ATM system. All services were to provide more convenience to customers. During this year, the Company received the “BBB” credit rating from Tris Rating Co., Ltd. |
| 2004 | The Company applied for membership of National Credit Bureau to obtain customer’s information and use it for considering credit approval and blocking hirers who are not capable to pay back to the Company’s leases. |
| 2006 | The Company opened a new hire-purchase service center in Wongwaen-Kanchanaphisek area, Bangkok to meet retail customer’s demand in credit and hire-purchase refinancing for automobiles. |



- 2007** The Company had policy to develop Management Information System to support the market expansion to regional offices across the country.
- 2008** The Company expanded 5 branches in other regions: Nakorn Ratchasima, Khonkaen, Rayong, Pitsanulok and Ratchaburi. However, Ratchaburi branch was closed later. The company started leasing services for corporate customers, target customers were the second hand cars of higher than 1 Million Baht value.
- 2010** The Company opened a new branch in the South is Surat Thani branch.
- 2011** The Company opened a new branch in the North is Chiangrai branch.
- 2012** The Company's credit rating was upgraded by Tris Rating Co., Ltd., from "BBB" to "BBB+", "Stable" outlook.
- 2013** The Company opened a new branch in the North-East is Ubon Ratchathani branch.
- 2014** The Company expanded 3 branches in other regions: Udon Thani branch, Had Yai branch in Songkhla province, Nakorn Sawan branch.
- 2016** The Company's credit rating was upgraded by Tris Rating Co., Ltd., from "BBB+" to "A-", "Stable" outlook.
- 2018** Bank of Thailand allows the Company to establish RTN Insurances Brokers Co., Ltd, as Thanachart Financial Business Group. By conducts non-life insurance, life insurance, and related business. RTN Insurances Brokers Co., Ltd. were established on 6th November 2018 with a capital of 2 Million Baht and raised to 4 Million Baht allocated for 40,000 shares at the par value of 100 Baht/share. The Company invested in RTN accounting for 100% of total paid-up capital (including direct and indirect shareholding.)

Capital

- 2002** The Company raised funds to support business expansion. By issuing and offering new ordinary shares in amount of 40 Million Baht to the existing shareholders of the company, the Company's registered capital increased from 168 Million Baht to 208 Million Baht. The Extra Ordinary General Meeting of Shareholders no. 3/2002 on 28th July 2002 had a resolution that the Company changed its status to Public Company Limited and changed its name to "Ratchthani Leasing Public Company Limited." The resolution also had the Company's registered capital increased from 208 Million Baht to 300 Million Baht by issuing 18,400,000 new common shares with the par value of 5.00 Baht/share. New common shares were allocated to general public for 16,800,000 shares at the par value of 8.00 Baht/share and to the Company's employees for 1,600,000 shares at the par value of 6.40 Baht/share.
- 2003** The Company issued and offered warrants to purchase ordinary shares to existing shareholders for 200 million units at the exercise ratio of 1 unit per 1 new share at the exercise price of 1.00 Baht per share. After the offering of such warrants, the Company's registered capital increased from 300 million Baht to 500 million Baht.



- 2005** The Company issued and offered new ordinary shares and warrants to purchase ordinary shares of the Company in total of 486 million shares at the par value of 1.00 Baht per share to offer to existing shareholders, private placement, and institutional investors, resulting in the increase in registered capital from 500 million Baht to the new registered capital of 986 million Baht.
- 2006** Siam City Bank (Public) Company Limited entered to purchase 265,000,000 shares of the Company by paying 304,750,000 Baht for shares. As a result, the Siam City Bank (Public) Company Limited became the major shareholder of the Company and appointed 4 representatives to be company directors after the acquisition of such securities.
- 2010** After Thanachart Bank Public Company Limited purchased Siam City Bank Public Company Limited's common shares from Financial Institutions Development Fund, Thanachart Bank Public Company Limited became the Company's major shareholder, replacing Siam City Bank Public Company Limited.
- 2011** The Annual General Meeting of Shareholders held in April, 2011 had a resolution for the Company to increase its registered capital from 822,593,906 Baht to 904,853,296 Baht by issuing 82,259,390 ordinary shares at the par value of 1.00 Baht per share to support the payment of dividends into ordinary shares of the company. After such dividend payment, the Company's paid-up registered capital was 904,853,296 Baht.
- Later in November, the Extraordinary General Meeting of Shareholders no. 1/2011 had a resolution for the Company to issue and offer new ordinary shares to existing shareholders by increasing registered capital from 904,853,296 Baht to 1,342,349,708 Baht. After such rights offering for capital increase, Thanachart Bank (Public) Company Limited became the major shareholder of the Company, holding 874,973,000 shares which was accounted for 65.18% of paid-up capital.
- 2013** The 2013 Annual General Meeting Shareholders held on 2nd April 2013 had a resolution to increase the registered capital of the Company from 1,342,349,708 Baht to 1,610,819,649 Baht by issuing 268,469,941 common shares at par value of 1.00 Baht/share in order to certify the Company's dividend payment as common shares. After such dividend payment, the Company's paid-up registered capital was 1,610,819,597 Baht.
- 2014** The 2014 Annual General Meeting Shareholders held on 2nd April 2014 had a resolution to increase the registered capital of the Company from 1,610,819,597 Baht to 2,013,524,496 Baht by issuing 402,704,899 common shares at par value of 1.00 Baht/share in order to certify the Company's dividend payment as common shares. After such dividend payment, the Company's paid-up registered capital was 2,013,522,778 Baht.
- 2015** The 2015 Annual General Meeting Shareholders held on 8th April 2015 had a resolution to increase the registered capital of the Company from 2,013,522,778 Baht to 2,416,227,333 Baht by issuing 402,704,555 common shares at par value of 1.00 Baht/share in order to certify the Company's dividend payment as common shares. After such dividend payment, the Company's paid-up registered capital was 2,416,227,209 Baht.
- 2018** The 2018 Annual General Meeting Shareholders held on 3rd April 2018 had a resolution to increase the registered capital of the Company from 2,416,227,209 Baht to 3,020,284,011 Baht by issuing



604,056,802 common shares at par value of 1.00 Baht/share in order to certify the Company's dividend payment as common shares. After such dividend payment, the Company's paid-up registered capital was 3,020,283,681 Baht.

- 2019** The 2019 Annual General Meeting Shareholders held on 2nd April 2019 had a resolution to increase the registered capital of the Company from 3,020,283,681 Baht to 3,775,354,601 Baht by issuing 755,070,920 common shares at par value of 1.00 Baht/share in order to certify the Company's dividend payment as common shares. After such dividend payment, the Company's paid-up registered capital was 3,775,353,450 Baht.

In December, after the business restructuring of Thanachart Bank (Public) Limited, Thanachart Group became the major shareholder of the Company by holding 2,094,329,833 shares of SPV1 Company Limited, accounted for 55.47% of paid-up capital.

- 2020** The 2020 Annual General Meeting of Shareholders held on 10th July 2020 had a resolution to increase the registered capital of the Company from 3,775,353,450 Baht to 5,663,030,175 Baht by issuing 1,887,676,725 ordinary shares at the par value of 1.00 Baht/share for the rights offering. After that, the Company's paid-up registered capital was 5,663,028,199 Baht.

Key Events in the past period

- 2014** The Company announced of intent and was certified for membership of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), together with Thanachart Group.

- 2015** The Company was evaluated by the Anti-Corruption Progress Indicator and got "Grade 4 - Certified" from Thaipat Institute, supported by the Office of the Securities and Exchange Commission. This showed that the Company's Anti-Corruption process was complete and sufficient, examined by the Audit Committee and certified by CAC.

- 2016** The Company was evaluated by the Anti-Corruption Progress Indicator and got "Grade 5 – Extended" from Thaipat Institute, supported by the Office of the Securities and Exchange Commission. This showed that the Company's policy also pushed its business partners, consultants, middlemen or business representatives to have policy and practice of anti-corruption.

The Company received **the Best Company Performance Award 2016** and was considered to be a candidate for the Further Best Company Performance Award in "SET Award 2016" organized by SET and Money and Banking Magazine.

- 2017** The Company was selected to be an index of **MSCI Global Small Cap** by Morgan Stanley Capital International, the benchmark that institutional investors which invest in all regions over the world use as the return on investment indication standard.

The Company received re-certification for membership of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), together with Thanachart Group.



2020

- May The Company was selected for the outstanding performance in the Environmental, Social and Governance: ESG by Thaipat Institute and was in the Universe of ESG 100 Securities Group in 2020 for the sixth consecutive year.
- September The Company received re-certification for membership of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), together with Thanachart Group.
- November The Company received the assessment "Excellent" score for the third consecutive year from the Corporate Governance Report of Thai Listed Company: CGR for the year 2020 held by the Thai Institute of Directors.



Nature of Business Operation

Income Structure

The income structure of the Company according to the financial statements for the year ended 31st December 2018, 2019 and 2020 is shown as follows:

Income	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Income from hire-purchase account receivables						
- Personal cars	1,012.18	23.74	946.05	22.32	799.48	20.89
- Commercial car	2,454.75	57.59	2,552.08	60.22	2,367.26	61.85
Total income from hire-purchase account receivables	3,466.93	81.33	3,498.13	82.54	3,166.74	82.74
2. Income from financial lease account receivables	48.82	1.15	40.52	0.96	35.53	0.93
3. Other income						
- Fee and service charge	161.94	3.80	175.33	4.14	154.31	4.03
- Loan default penalty	159.12	3.73	133.78	3.16	127.74	3.34
- Bad debts recovered	37.62	0.88	28.86	0.68	11.93	0.31
- Commission on insurance Premium	154.23	3.62	152.83	3.61	187.85	4.91
- Other income*	234.07	5.49	208.70	4.92	143.27	3.74
Total other income	746.98	17.52	699.50	16.51	625.10	16.33
Total income	4,262.73	100.00	4,238.15	100.00	3,827.37	100.00

Note : (*) Most of other income came from compensation from debtors, miscellaneous income, interest receivable from banks and dividend.

Nature of Products and Services

The Company has operated business on hire-purchase and financial lease for cars. The Company has emphasized on vehicle market segments on which it has expertise, such as new and used commercial cars, such as pickup vehicle, taxi, trailer, and truck, etc., and used personal cars (second hand cars). On 31st December 2020, the Company provided the hire purchase loans services for new cars for about 70% and for used car for about 30% of total loans. In addition, 2020 business still focused on the new and used commercial car segment. The commercial car segment was accounted for 65% while other car segment was accounted for 35%. Ownership of cars was transferred after all installments were fully paid.

Risk of used car hire purchase is fairly high, compared to new car hire purchase. There also is a risk from major customer group of commercial cars, which are sensitive to the overall domestic economy. The Company therefore considers several factors when considering credit approval, such as physical conditions of cars, market price, car registration checking, etc. The Company has the experienced teams to inspect used car conditions and prices.

In addition to the mentioned hire-purchase services, the Company provides several after-sales services, such as car registration renewal, insurance renewal, car inspection before annual tax payment. These services not only serve customers but also are other sources of income for the Company and bring benefits in protecting customers' assets and preventing the Company's damage.



In 2018, the Company invested in RTN Insurances Brokers Co., Ltd. ("RTN Insurances Broker") which conducts non-life insurance, life insurance, and related business, accounting for 100% of total paid-up capital (including direct and indirect shareholding.) The objective was to provide services to hire purchase customers and financial leasing customers of the Company to satisfy their needs and sustain customer service efficiency. This would support the Company to provide the full services in hire purchase and financial leasing services business, leading to the continuous and steady growth.

Market Overview and Competition

In 2020, the overview of the hire purchase and leasing industry has a slower growth rate from the previous year due to the economic impact of the 2019 coronavirus epidemic affecting the private investment; this caused the sales of vehicles for consumption and commercial to decline. In addition, credit business operators are cautious in their business operations with a focus on providing quality credit amidst the fierce competition in the leasing and leasing business. As the financial institutions Commercial bank, including the hire-purchase and leasing businesses of an auto manufacturers and dealers, it focuses on marketing passenger car loans for both new and used cars. As a result, some operators have adjusted and expanded more used car, but these operators are still not considered as direct competitors of the Company, since the main target market of the Company is commercial vehicles, both new and old cars. The competition in this segment is not fierce compared to the passenger car market.

However, in the next 3-5 years, the Company has planned to retain commercial car hire purchase ratio, accounted for 65-70% of total loans. This segment has been growing consistently, resulting in higher profitability with lower risks compared to personal car segment. (Normally, after seizing collaterals and auctions, the Company would sell them at the prices closed to debt amounts.) With this strategy, the Company will not compete with large financial institutions which have lower operating costs, and will have higher competitive competency.

In addition, with long experience and business expertise, the Company is able to create competitive advantage, build long-term relationship with and generate good return to car dealers. The Company provides the fast services for customer's satisfaction to keep its market shares and strengthen relationship with dealers in order to open for new business opportunities and channels.

Competitive Strategies

1.Emphasize on fast services, both pre and post sales, as well as efficiency in customer services. The Company has credit officers working at car dealers' offices and has officers working on car registration ready to coordinate with credit officers to facilitate the loan approval. The Company also realized the importance of the fast and punctual payment to dealers.

2.Emphasize on niche market where the Company has expertise, that is, hire purchase for used cars, new and used trucks segments. The Company has experiences in this business for more than 30 years. The Company's personnel have good market knowledge and understanding, including expertise in car price appraisal, which is the Company's advantage over new coming competitors.

3.Give priority to a full range of services, such as car registration renewal and car insurance renewal, to provide convenience to customers. It is also another source of revenue for the Company.

4.Create good relationship with customers and car dealers with quality, fast and convenient services. Good returns and consistent services are offered to car dealers. Credit lines are sufficiently and consistently offered to dealers' customers to create the confidence and trust for dealers and create the Company's opportunity to expand business in the future.

5.Emphasize on loans for car dealers who give importance to selecting quality cars and selling them at reasonable prices, including correct car registration and/ or have guarantee for customers. This helps reduce risks on the car quality. The



Company has recognized that the risks of hire purchase for second hand car business can come from both debtor quality and car condition, quality while the risk of hire purchase for new car business comes from the debtor quality only.

6. Give priority to the Company's existing personnel and recruit new staff with ability and experience in used car market to join the team. Develop the staff's knowledge and motivate them with remuneration and other benefits.

Nature of Customers and Key Target Customers

The Company's key target customers are individual persons and juristic persons recommended to the Company by car dealers. In 2020, the Company's total number of hire purchase loan services for individual customers was accounted for 55% of total loans. The Company was committed to provide efficient, fast, convenient, and friendly services to customers and car dealers. After-sales services and continuous development of after-sales services play the key role for the Company to sustain the existing customer base and expand more to new customer groups who were recommended by existing customers and dealers. From the past experiences, if existing customers repaying all or partial loans wished to buy new cars, they would come for the Company's hire purchase services again.

Price Policy

The Company has a policy of offering reasonable interest rates to customers and at the same time, the Company must be profitable and able to compete with other competitors. The Company will consider interest rate trends of other operators in the business of hire purchase and financial leasing, together with various factors in order for the Company to determine the deposit or down payment and the installment that the customer must pay the next installment. Such factors include:

1. Interest costs of the Company and other trends that will affect such costs as the national economy, trend of changes in market interest rates, measures of government agencies that affect the Company's business operations, etc.
2. Operating costs of the Company.
3. Qualifications of the vehicle that are used as collateral for hire purchase and financial leasing included the type and brand of the vehicle, condition and service life of the vehicle.
4. Qualifications of the hirer and the guarantor especially in the event that the hirer who is domiciled in other provinces which may have risks in debt collection. The Company will charge these customers an interest rate in addition from the normal rate.

Distribution Channels

The Company's Marketing Division with the experience in used car market is responsible for customer acquisition by creating good relationships with car dealers and rotating their working station to offices of car dealers who are the Company's partners. The dealers can be the Company's partners when they are approved by the Company according to the dealer consideration and process. In addition, the Company does not make any contract with those dealers.

Currently, the Company has over 1,000 car dealer partners. All of them are located in Bangkok, perimeter, and key provinces. Over 500 of them are regular partners. The Company does not grant credit to any customers for over 5% of their shares. Normally, the dealers do business with many service providers which provide hire purchase service and finance leasing service. The dealers' recommendation on which any service providers should be selected depend on the following factors:

- Relationships between car dealers and the Company.
- Quality and fast services to customers.
- Fast and on-time payment to car dealers.
- Consistent and sufficient credit lines for services.
- Collaboration and support to sales promotion occasionally held by car dealers.



However, with business experience and long-term relationships with car dealers, the Company has been a sole credit provider for some large used car dealers.

Competition

Service provider in hire purchase and financial leasing can be divided into 3 types:

- 1) Financial institution
- 2) Hire Purchase and Finance Service Provider
- 3) Captive Finance

As a result, this business has fierce competition so the expansion of the market base of the automobile manufacturers (Captive Finance) is often the establishment of a subsidiary of automobile leasing companies to provide hire purchase and financial leasing services to an auto buyer as a sales support and to gain market share in providing hire purchase and financial leasing services, there is a continuous marketing activity, especially in terms of price due to the low financial costs and compensation from the automakers. As a result, the overall cost is lower than that of other hire purchase and financial leasing service provider.

Service provider that are financial institutions and affiliates of car manufacturers and distributors tend to focus on hire purchase and financial leasing for new cars due to the low financial costs. Therefore, they are more competitive in the new car hire purchase market with lower interest rates rather than taking the risk of competition in the used car market. Even with a higher interest rate in the used car market, the risk is not limited to the quality of the debtor as it is in the hire purchase of a new car the quality of assets or cars can also have a significant effect on the risks of a business, which service provider must have knowledgeable personnel experience in marketing and accurately assessing the condition and price of used cars. However, due to competition conditions, interest rates on hire purchase loans have been reduced, especially for new cars. As a result, some service provider has adjusted and expanded their proportion to used car loans with higher interest rates. This is in order to maintain the margin of interest not to be so low.

Industry Trend

The hire purchase business has a direct relationship with the growth of the automobile industry, i.e., if there are more new car sales hire purchase will grow relative. In addition, the fierce competition in the system leads to the reduction of credit terms, such as reducing down payments and extending the installment period. As a result, car buyers have changed from buying with cash to paying more installments.

Statistics of domestic new car sales (unit: vehicles)

Car Types	2016	2017	2018	2019	2020
1) Passenger cars	279,827	346,250	399,657	398,386	274,789
2) Commercial vehicles	488,961	525,400	642,082	609,166	517,357
Total	768,788	871,650	1,041,739	1,007,552	792,146

Source: The Federation of Thai Industries

In 2020, domestic sales of new cars in total were 792,146 cars. The sales of commercial cars were 517,357 cars, decreasing from the previous year by 15.07%, which was a result of the economic contraction due to Corona Virus 2019 (COVID-19) pandemic. However, in the next 1-2 years, there will be investment projects and economic stimulation measures from government sector to help push the economic expansion and, as a result, this market is likely to expand as well.



The Company's Goal and Business Plan in the Next 5 Years

For the last year operation, the Company closely monitored the impact of several domestic and international factors, to create the competitive advantages and define credit strategies. The Company utilizes its skills and expertise to expand its leasing ports for the future. The business plans for the next 5 years are as follows:

- 1.To expand new branches to support vehicles hire purchase services to cover larger area. This is to ensure the efficiency of the fast and correct loan processing services to maximize customer satisfaction.
- 2.To retain existing customers and add fast and convenient services to maximize customer satisfaction.
- 3.To expand customer base to commercial vehicles segment across the country via the Company's branches.
- 4.To expand credit business to other vehicles and other assets to fulfill potential customers' needs in niche market.
- 5.To revamp the financial structure to reduce business costs and enhance the Company's competitive competency.
- 6.To maintain valuable personnel, develop and create credit officers with skills and expertise to support business expansion in the future.

Products and Services Provider

Source and Use of Funds

Sources of the Company's funds for business not only come from the capital but also from the loan from financial institutions. As of 31st December 2018, 2019 and 2020, the Company's sources of funds were summarized as follows.

Item	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Shareholders' equity	10,818.69	22.78	7,671.02	15.39	7,194.96	15.48
Loan						
Short-term loan*	10,991.23	23.14	29,085.49	58.34	21,981.88	47.29
Long-term bonds**	18,098.73	38.10	12,496.33	25.07	17,201.58	37.01
Long term loan	7,589.98	15.98	600.91	1.21	100.00	0.22
Total loans***	36,679.64	77.22	42,182.73	84.62	39,283.46	84.52
Total	47,498.63	100.00	49,853.75	100.00	46,478.42	100.00

Note : (*) Short-term loans, overdraft, and long-term loans to be paid within 1 year.

(**) Long-term bonds (net from the bond to be paid within 1 year) are the amount before expenses on bond issue to be written off.

(***) Other current liabilities are not counted as liabilities from normal business, such as transfer amount to be written off, creditor - Revenue Department, petty cash, creditor - insurance and others.

As of 31st December 2020, the amount of loans was 36,679.94 Million Baht. The repayment schedule is as follows:

Loan repayment schedule	Amount (Million Baht)
Within 1 year	10,991.23
1 - up to 2 years	13,345.55
2 - up to 3 years	6,166.63
Over 3 years	6,176.53
Total	36,679.94



Regarding the hire-purchase debtors excluding debtors with more than 4 month accrued balances and debtors under prosecution process, the Company has the debtor balances as follows :

Receivable payment	Hire-purchase (Million Baht)	Financial lease (Million Baht)	Total (Million Baht)
Within 1 year	19,329.53	276.52	19,606.05
1 - up to 2 years	15,238.54	233.27	15,471.81
2 - up to 3 years	10,103.08	163.30	10,266.38
Over 3 years	6,192.70	94.93	6,287.63
Total	50,863.85	768.02	51,631.87

As of 31st December 2020, the Company had loan debts that were repayable within 1 year (including overdrafts and short-term loans) of 10,991.23 million Baht and long-term debts that were due for over 1 year but not over 2 years of 13,345.55 million Baht. Comparing the debtor's installment payment due within 1 year of 19,606.05 million Baht with the installment payment due over 1 year but not over 2 years of 15,471.81 million Baht, the Company had enough sources of fund to pay the loan debt repayable within 1 year since some short-term debts shall be paid by long-term debts. This financial structure management strategy managed the loan debts that were repayable within 1 year to consist of overdrafts, loans in the form of promissory notes, money from institutions and third parties, and long-term debts due within 1 year.

Importance of liquidity has been recognized. The Company considered new sources of fund, that is, long-term loans with fixed interest rate being consistent with debtors' repayment. This reduces interest rate risk and mismatch fund risk, provided that the Company has closely monitored such risks.

Lending

The Company has a policy to provide credit with emphasis on the quality of the customers. Most of the Company's customers are individual customers. The Company considers approving hire purchase loans for individual customers. It is determined by the ability to repay the debt of the customer and the credit of the guarantor by the stability of income, occupation, including the place of residence or place of work of the customer, thorough review of the history of each customer and including staff to supervise each step carefully.

Giving consideration through persons related to management or major shareholders

Currently, the Company does not have any loans through the management, major shareholder and those related to the said person.

Investments

The Company has investments in mutual funds, to increase the profits, an objective for long-term investment with an investment in 1993 the investment value at the cost of 300,000 Baht. As of 31st December 2020, the said investment has a book value of 187,572 Baht. However, the Company has no policy in addition invests in such funds.



Assets Used in Business Operations

Hire-Purchase Account Receivable

Hire purchase receivables classified by type of receivables and repayment period after deducting deferred hire purchase interest. (Before deducting doubtful accounts) as of 31st December 2020, 2019 and 2018 as follows:

	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Hire-Purchase Account Receivable						
- Passenger cars	14,279.40	30.20	14,334.93	27.96	12,967.80	27.02
- Commercial vehicles	32,998.19	69.80	36,933.88	72.04	35,028.20	72.98
Total	47,277.59	100.00	51,268.81	100.00	47,996.00	100.00
Repayment Period						
- 12 month	85.96	0.18	126.05	0.25	124.28	0.26
- 18 month	276.15	0.58	146.61	0.29	95.88	0.20
- 24 month	1,033.33	2.19	877.50	1.71	895.69	1.87
- 30 month	799.95	1.69	303.04	0.59	357.56	0.74
- 36 month	3,362.97	7.11	3,092.75	6.03	3310.71	6.90
- 42 month	1,384.62	2.93	359.42	0.70	332.98	0.69
- 48 month	19,723.88	41.72	23,540.90	45.92	22,720.83	47.34
- 54 month	1,257.90	2.66	162.24	0.31	147.28	0.31
- 60 month	19,156.57	40.52	22,461.10	43.81	19,908.91	41.48
- 66 month	-	-	-	-	-	-
- 72 month	196.26	0.42	199.20	0.39	101.88	0.21
- 84 month	-	-	-	-	-	-
Total	47,277.59	100.00	51,268.81	100.00	47,996.00	100.00

Revenue recognition

Before 1st January 2020, Interest income under hire purchase and financial lease are recognised on an accrual basis by using the effective interest method. The Company ceases to accrue income for receivables which installment payment has been defaulted for more than three installments past the due date. Interest is then recognised as income on a cash basis until settlement of such overdue balance has been received.

Interest income received in advance, represents the discounts on interest granted to the debtors by dealers, is recognised as income based on the effective interest method in the same manner as interest income recognised on hire purchase receivable.

Since 1st January 2020, the Company has recognized interest income from hire purchase contract and financial lease on an accrual basis by the Effective interest method throughout the contract period by calculating from accounts receivable gross book value. The effective interest rate discounts the expected future cash inflows over the expected life of financial instruments by considering discounts or surpluses on acquisitions of assets and fees, as well as costs that are part of the effective interest rate.

As for hire purchase and financial lease receivables with subsequent credit impairment, the Company recognized interest income with the effective interest rate method by calculating from the net accounting debt amount of the receivable (Outstanding amount net of expected credit loss allowance.)



Direct incomes and expenses occurred in the beginning period of hire purchase and financial lease shall be recognized by allocated recognition using the effective interest rate method and show less from interest income from hire purchase contracts over the term of contracts to reflect the effective interest rate of contracts.

Policy of setting reserves for expected credit loss

Before 1st January 2020, The Company sets an allowance for doubtful accounts for the hire-purchase and finance leases based on the estimated losses from potential uncollectible accounts. Based on the current status of outstanding receivables, the debtors overdue for less than 3 periods are recorded to an allowance for doubtful accounts of the principal balance net of collaterals and for the debtors overdue for more than 3 periods are recorded to an allowance for doubtful accounts without collaterals and for the debtors under the compromise agreement by the law are recorded to an allowance for doubtful accounts without collateral. The criteria for setting allowance for doubtful accounts are as follows:

The table showing allowance for doubtful accounts (Before 1st January 2020)

Account receivable	Allowances for Doubtful Accounts Rate (%)
<ul style="list-style-type: none"> Hire-purchase account receivable 	
<u>deduct unearned financial income and collaterals</u>	
Normal receivables and 1 month overdue	1
2-3 month overdue	2
4-6 month overdue	20
<u>deduct unearned financial income</u>	
7-12 month overdue	50
Over 12 month overdue	100
<ul style="list-style-type: none"> Account receivables under negotiation agreement 	
<u>deduct unearned financial income</u>	
Normal receivables and 1 month overdue	1
2-3 month overdue	2
4-6 month overdue	20
7-12 month overdue	50
Over 12 month overdue	100

Since 1st January 2020, the Company applies the General Approach to calculate the expected credit losses on its financial assets, such as deposits at financial institutions and hire purchase receivables.

The Company classifies its financial assets into three stages (Three-stage approach) to measure the value of the expected credit losses, with the classification of the financial assets determined on the basis of the change in credit risk since initial recognition as follows:

Group 1: Financial assets with no significant increase in credit risk (Performing)

For financial assets which no significant increase in credit risk since initial recognition, the Company recognizes the expected credit loss at an amount equal to 12-month expected credit loss. For financial assets with maturity of less than 12 months, the Company will use the probability of fulfilling the contract in accordance with the remaining terms of the contract.



Group 2: Financial assets with significant increases in credit risk (Under-performing)

For financial assets with significant increases in credit risk since the initial recognition date but that are not credit-impaired, the Company recognizes the expected credit loss at an amount equal to expected credit loss over the expected lifetime of the financial instrument.

Group 3: Financial assets that are credit-impaired (Non-performing)

Financial assets are assessed as a credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset occur. The Company recognizes the expected credit loss over the expected lifetime of the financial assets.

At the end of the reporting period, the Company assesses whether the credit risk of financial assets has increased significantly since the initial recognition date, by comparing the risk of default on the financial assets as at reporting date with the risk of default as at the initial recognition date. The Company may use internal quantitative or qualitative basis and expected data for evaluate a decrease in credit quality such as debtors which are overdue for more than 30 days. In determining whether the credit risk has increased significantly since the initial recognition date, financial assets will be considered either by individual contract or group of financial assets.

Receivables are considered to be credit-impaired when one or more events occurs affecting the estimated future cash flows of the loan agreements. Evidences that financial assets are credit-impaired, includes overdue for more than 90 days or there are indicators that debtors are in significant trouble financial position, legal status, renegotiate terms of repayment or debt restructuring.

In subsequent periods, if the credit quality of financial assets improves and it is assessed that there is no longer the significant increase in credit risk from the initial recognition date that was assessed in the previous period, the Company will change from recognizing the lifetime expected credit loss to recognizing the 12-month expected credit loss.

Expected credit loss is the probability-weighted estimate of credit loss over the expected lifetime of the financial asset, consider the present value of all cash expected not to be recoverable. The Company consider historical loss experience on the basis of shared credit risk characteristics, taking into account type of loans, type of collateral, month on book, and other relevant factors, adjusts this for current observable data, as well as forward looking information that is supportable and reasonable provide. It can be shown as well as exercising appropriate of judgement, to estimate the amount of an expected credit loss based on macroeconomic data and determines both current and future economic scenario, and probability-weighted in each scenario (base scenario, best scenario and worst scenario) for calculating expected credit loss. Use of forward-looking data increases the degree of judgement required in evaluating how relevant current macroeconomic changes affect expected credit loss. However, the Company has established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis. Furthermore, expected credit loss was included management overlay.



Changes in the expected credit loss allowance as of 31st December 2020 is as follows:

(unit : Baht)

2020					
Hire purchase and financial lease account receivables ⁽¹⁾	12-month expected credit loss (Group 1)	Lifetime expected credit loss (Group 2)	Lifetime expected credit loss (Group 3)	Allowance for doubtful accounts	Total
Beginning balance				2,224,677	2,224,677
Changes from applying new accounting standards ⁽²⁾	196,067	699,874	1,328,736	2,224,677	
Beginning balance according to TFRS 9 principles	196,067	699,874	1,328,736	-	2,224,677
Changes from changing rating	146,419	(201,681)	55,262	-	-
Changes from reassessment of the loss allowance	(222,599)	49,785	355,031	-	182,217
New financial assets bought or acquired	63,361	94,751	30,995	-	189,107
Bad debt written-off	-	-	(438,256)	-	(438,256)
Balance at the end of period	183,248	642,729	1,331,768	-	2,157,745

Note : ⁽¹⁾ Hire purchase and financial lease account receivables include hire purchase receivables which the court ruled for the Company to win the case and were on the track for debt repayment and the legal proceedings, presented under other non-current assets.

⁽²⁾ The beginning balance of allowance for doubtful accounts, of which value is measured by the original accounting policy, is currently presented in 12-month ECL and Lifetime ECL according to TFRS 9 without restating the previous year's financial statements presented as comparative information.

Changes in the allowance for doubtful accounts as of 31st December 2019 and 2018 are as follows:

(unit : Baht)

	2019	2018
Beginning balance	2,133,723,759	1,842,748,806
<u>Add</u> Doubtful accounts	193,531,260	402,597,088
Bad debt recovery	-	-
<u>Less</u> Bad debt written-off	(102,577,372)	(111,622,135)
Balance at the end of period	2,224,677,647	2,133,723,759



Bad debt written-off policy

The Company has a policy to write off accounts receivable when the court rules that receivable and surety to repay debt to the Company but the Company cannot confiscate assets or enforce the case according to the judgment. When the Company cannot collect money from receivable, to write off the receivable will deduct the expected credit loss and the bad debt recovered will be recorded in other incomes section.

In 2020, 2019, and 2018, the Company considered writing off bad debts from hire purchase receivables and receivables under the legal compromise agreement for 438.26 million Baht, 102.58 million Baht, and 111.62 million Baht, respectively.

Property (seized vehicles) waiting for sale

Due to the close management regulations, the number of seized vehicles of the Company increased in line with the Company's credit growth. In 2020, 2019 and 2018, the Company has seized vehicles waiting for sale, 780 vehicles for sale, 823 vehicles and 524 vehicles, respectively, worth 89.78 million Baht, 208.24 million Baht and 105.06 million Baht, respectively, with details as follows:

The table showing the number of seized vehicles compare to the total contract

Years	Number of seized car (vehicles)	Property value * (million baht)	Number of debtor (contract)	Number of car seized against the total number of debtors (percentage)	Number of seized cars sold (vehicles)	Number of remaining seized car (vehicles)	Number of remaining vehicle per number seized car holder sold (percentage)
2020	780	89.78	63,303	1.23	899	120	13.35
2019	823	208.24	67,232	1.22	638	247	38.71
2018	524	105.06	62,292	0.84	443	112	25.28

Table showing details of assets confiscated and disposed

	Year 2020			
	Contract amount	Property value * (million baht)	Property value sold (million baht)	Profit (loss) from the sale of assets (million baht)
Confiscated property				
- Passenger cars	29	64.65	65.36	(4.29)
- Commercial vehicles	870	692.35	566.21	(159.21)
Total	899	757.00	631.57	(163.50)



	Year 2019			
	Contract amount	Property value * (million baht)	Property value sold (million baht)	Profit (loss) from the sale of assets (million baht)
Confiscated property				
- Passenger cars	14	9.98	8.87	(2.32)
- Commercial vehicles	624	517.07	448.08	(99.91)
Total	638	527.05	456.95	(102.23)

	Year 2018			
	Contract amount	Property value * (million baht)	Property value sold (million baht)	Profit (loss) from the sale of assets (million baht)
Confiscated property				
- Passenger cars	23	23.83	19.72	(5.71)
- Commercial vehicles	420	351.24	322.88	(49.49)
Total	443	375.07	342.61	(55.20)

Note: * property value = outstanding debt value - unrecognized interest + vehicle seizure cost

Investments

The Company has a long-term investment with a mutual fund with details as follows:

Mutual Profit Fund	Category	Investment value * (Baht)	
		Cost price	Book value
December 31, 2020	Mutual fund	300,000	187,572
December 31, 2019	Mutual fund	300,000	213,954
December 31, 2018	Mutual fund	300,000	210,585

Note: * The Company has not recorded any investment. By the equity method in the financial statements

Land foreclosed

The Company has land foreclosed with details as follows:

List	Net book value (Baht)		
	2020	2019	2018
Vacant land Khum Thong Subdistrict (Thap Yao), Lat Krabang District, Bangkok Area 17-2-25 rai *	19,326,498	19,326,498	19,326,498

Note: * Originally, the land foreclosed of that company had an area of 21-3-81 rai, but 372 square wah of land was expropriated to the government, the land area had the balance equal to 21-0-9 rai. In accounting, there was a loss from land expropriation. That was equal to 1,023,410 Baht in 2004.



Property, plant and equipment – net

The book value of the Company's property, plant and equipment - net as of the Company in 31st December 2020 is shown in the following table:

List	Net book value (Baht)
1. Land	
- Land of Sinn Sathorn Tower	
- Land built parking for seized, Ladkrabang District, Bangkok (3-1-84 rai)	3,807,526
- Land for improvement	2,082,460
2. Building under construction	202,012
3. Office Suites	
- Sinnsathorn Tower, 11UP, 77 / 35-36, Khlong Ton Sai Subdistrict, Khlong San district, Bangkok, area 561.74 square meters	1,155,630
- Sinnsathorn Tower, 14 th Floor, 77 / 48-49, Khlong Ton Sai Subdistrict, Khlong San district, Bangkok, area 592.78 square meters	8,730,683
- Sinnsathorn Tower, 2 nd Floor, 77/20 Klong Ton Sai Subdistrict, Khlong San district, Bangkok, area 191.94 square meters	7,192,492
- Sinnsathorn Tower, 2 nd Floor, 77/26 Khlong Ton Sai Subdistrict, Khlong San district, Bangkok, area 176.31 square meters	6,606,795
- Sinnsathorn Tower, 2 nd Floor, 77/27 Khlong Ton Sai Subdistrict, Khlong San district, Bangkok, area 296.99 square meters	11,090,339
- Sinnsathorn Tower, 11 th Floor, 77/31, Khlong Ton Sai Subdistrict, Khlong San district, Bangkok, area 295.15 square meters	11,576,164
- Sinnsathorn Tower, 2 nd Floor, 77/21 and 77/22, Khlong Ton Sai Subdistrict, Khlong San district, Bangkok, area 254.68 square meters	9,599,209
4. Improvement and installation of the unit	4,496,025
5. Office decorations	385,597
6. Office equipment and office equipment	13,165,292
7. Vehicles	100,915
Total	80,191,139

Note : All property, plant and equipment - net belong to Ratchthani Leasing Public Company Limited and RTN Insurance Broker have no mortgage or any obligation.

Intangible assets - net

As of 31st December 2020, the Company has intangible assets - net with details as follows:

List	Net book value (Baht)
Software during development	17,097,300
Computer program	5,887,397
Total	22,984,697

Legal Dispute

The company has no legal disputes that may cause a negative impact to the Company or subsidiary more than 5% of shareholders' equity. And there are no legal disputes that may cause affect the business operations of the Company or subsidiaries significantly.



Risk Management

Risk Management Policy and Plan

The Company is aware of the risk in business operation and, hence, cultivates the corporate culture that takes risk into consideration by defining the risk management policy to support business growth and give back return to all stakeholders sustainably. The risk management structure was set up to define duties and responsibilities of relevant persons. The Board of Directors performs the duty of defining a policy and supervises the Company to have the framework of good risk governance. The Executive Committee performs the duty of defining the risk management direction and managing risk to the acceptable level. The Risk Management Committee performs the duty of assessing factors that may cause significant impact on business operation and defining risk measurement and assessment tools. The Audit Committee performs the duty of assessing the sufficiency of the internal control system and the efficiency of the risk management system.

Moreover, the Company defined the Company's direction and plan of key risk management to be the framework for relevant persons in implementing risk management efficiently. The risk management policy was publicized on the Company's website (www.ratchthani.com)

Risk Factors for the Company's Business Operation

Risks of Market and Competition

The automobile industry and the car sales have been growing consistently and have attracted several new players to start their auto leasing and hire-purchase business. Many of them are businesses owned by financial institutions or commercial banks after the Bank of Thailand announced the Financial Sector Master Plan, allowing the commercial banks to freely conduct automobile financing business in Thailand. Automobile manufacturers and dealers, with a large amount of foreign fund and low financial costs, are able to conduct hire-purchase and leasing business, resulting in severe competition in leasing and hire-purchase business, especially the price competition to promote sales.

For the year 2020, the Company has maintained the hire-purchase for commercial vehicles at 65-70% of total loans. The Company believed that this segment continued to grow and gave a higher profit margin with lower risk than the personal car segment, because commercial vehicles can be auctioned off at a price that is closer to debt than passenger cars. Therefore, the Company can avoid direct competition with large financial institutions having lower operating costs and can increase the Company's competitive competency.

Risk from Hire Purchase for Used Cars

The Company may face the risks of mistakes on vehicle inspection, used car pricing evaluation, including selling impounded car under the balanced values of such hire purchase but having to sell according to its present condition, which greatly depends on mileage, condition and brand popularity of such vehicles. As of 31st December 2020, the Company had the used car loans about 30% of total loan receivables.

The Company implements a measure to minimize such risks with car quality inspection by experienced and expertise staffs together with the strict credit approval. Also, the Company selects credible used car dealers, offer good quality cars at reasonable price and provide after-sales quality assurance. The Company also analyzes payment behaviors of the customers whom a dealer submits in for the hire purchase application.



Risk from Operation of Non-Performing Loans (NPL)

The risk from operation of NPLs of the leasing business is unavoidable since customers may not be able to repay loans due to their internal problems, such as the need to pay for healthcare, the maintenance cost of the car under installing payment and the external factors, such as economic problems, higher oil prices, job termination, natural disasters. These factors cause customers unable to repay on time and generate NPLs. Hence, the Company has focused and emphasized on credit quality control, efficient debt monitoring, good internal control system and strict credit approval policy, in order to minimize risk from NPLs to a certain level that does not affect the overall operation of the Company. The Company has the risk management process to control the risk caused by the NPL operation as the follows :

1) The Company controls the credit approval quality by checking the customer's payment behaviors with National Credit Bureau Co., Ltd. in order to intercept the loans granted to persons with no ability to pay off. The credit scoring system is applied to assess the customer's quality and the ability to pay off debt as well.

2) The Company controls the efficiency of the debt collection based on the number of deferred customers; and the strict debt collection policy to ensure the fastest recovery of overdue debts.

Furthermore, the company also collects debtor behavior data. To analyze and develop credit risk management guidelines further.

Risk from Sales of Impounded Vehicles

When there are outstanding receivables due from 4 installments or more, the Company will collect debts from debtors by having them return the cars, then sell the returned cars at auction and pay off the remaining debt. If the money received from the auction was not enough to pay off the debt, the Company will demand for the remaining amount from the debtor or guarantor. However, if the Company cannot get the demanded remaining amount, the Company shall get loss from such car selling. The auction price depends on the quality, age and popularity of the car, market situation and the demand at that moment. Regarding the risk of loss from selling returned cars, in general, the used car loan give lower loss than the new car loan because the depreciation rate of car price is high in the early years and lower down when the car gets older.

The Company has the Risk Management Policy to manage the risk of returned car sales by monitoring on debts closely and continuously to prevent the overdue payment that can lead to the car returning process. The returned cars shall be sold as soon as possible to reduce the loss from depreciated price. The Company shall also file a lawsuit to enforce debtors and guarantors to pay the missing amount in order to minimize the loss. The sales of returned cars in 2018, 2019 and 2020 were 443, 638, and 899 cars respectively. The loss from selling cars in 2018, 2019 and 2020 were 55.20 million Baht, 102.23 million Baht and 163.50 million Baht respectively.

Risk from Interest Rate Fluctuation

The Company's main source of income comes from interests earning on leasing calculated at fixed rate while some parts of funding costs are from financial institutions charging loan interest at floating rate. In the situation that the loan interest rate increases while the earning interest rate cannot catch it up, the result is the decrease in Interest spread rate. The Company manages risks by expanding business in hire purchase for various vehicles that yield higher returns and managing the financing management to get low financial costs. This aims to maintain the interest spread at the appropriate level.

Risk from Mismatch Lending and Borrowing Periods, and Financial Liquidity

Most of leasing companies face the risk from the mismatch of lending and borrowing periods, and financial liquidity. The credit periods granted to customers are for 1-5 years while the Company's main long-term loans from financial institutions and others debt installment are about 1-7 years. So the risk occurs from a duration gap and may cause mismatch funds which



results in the lack of operational liquidity. The Company acknowledges this risk and manages the risk by classifying the new hire purchase customers into short-term and long-term debtors. The Company also adjusts lending periods in consistent to borrowing periods. The proportion of new sources of funds that gives better matching between borrowing period and lending period is increased to help reduce the period mismatch. Then the Company is able to manage costs of fund more efficiently. The risk on lack of liquidity is lower to the appropriate level in order for the Company to continually and securely conduct its business operation.

Risk of Potential Debts in the Future

In the past 3 years, the Company continued to expand its credit business. In 2018, 2019 and 2020, the Company had net hire purchase and financial leasing debtors of 46,411.63 million Baht, 49,708.61 million Baht and 46,747.96 million Baht respectively. According to the continuously expand, it is necessary for the Company to find source of funds or increase lending in the future for the business expansion, which may generate risks in potential future debts.

However, to manage such risks, the Company has been sourcing for funds from various sources, to prevent the risk of potential debt from capital market, money market, bond market, financial institutions and related companies. Hence, the Company has adequate funds for business expansion as planned. To support business operation, the Company has searched for sources of funds with low financial costs under its financial structures and liquidity risks, provided that the benefit of the shareholders and stakeholders is priority.

Risk from Depending on the Specialists

The Company's business relies on skilled and experienced employees specializing in second-hand vehicle inspection and pricing estimate. This provides the Company with advantages over competitors since the Company's staffs are the experts having experience in marketing and customer services. They build good relationships with car dealers continuously by rotating their station to the dealer's offices who are the Company's business partners. A car dealer which is the Company's partner is selected and approved according to the consideration procedures and investigation process specified by the Company. In addition, the Company also emphasized the importance on payments to the dealers fast and on time.

Moreover, the Company encourages the staff to provide convenience in credit approval services to customers and dealers, including paying attention and continuously improving after sales services. Thus, the Company can manage to secure the existing customers and also expand its customer base to the new customer groups who usually get recommendations from both existing customers and dealers. Most existing customers, who have completed their installment payments and who are currently in contract but wish to switch to another car, usually come to use the Company's services again.

Losing such employees will most likely affect the short-term operation. Therefore, the Company sets a policy to retain such expert employees on working at the Company for long-term with various incentives and continuously organize the appropriate training and development programs to those employees.

Risk from Rules and Regulations

In conducting business, the Company needs to comply with the law, rules, and regulations of government, such as Anti-Money Laundering Act, Civil and Commercial Codes, Announcements of the Committee on Contract, Announcements of the Debt Collection Committee, etc. If there is any practice not complying with the government rules and regulations, the Company's reputation or business operation may significantly be affected.

Hence, the Company set up the Compliance department to study, follow up and publicize knowledge about rules and regulations of government relevant to the Company's operation to assure the compliance of all departments within the Company.



In addition, this department also supervises and audits the compliance with rules and regulations by regularly reporting the result of such supervision and relevant information to the Board of Directors, sub-committees, and relevant executives.

Emerging Risk

Risks from Environmental and Climate Changes

The environmental and climate change problems have continuously been getting more severe. Human being is a part of what causes such changes, i.e., industrial pollution, fuel consumption, etc. The environmental and climate problems may have impact on the company business operation in the future. All stakeholders also have expectation for the private sector to operate the business that takes the environmental sustainability into account.

Thus, the Company defined the guideline for environmental management for sustainability in terms of energy management, water management, waste and pollution management, and greenhouse gas management. The Company's corporate culture promotes the environmental consciousness and provides knowledge and understanding to support employees to help reduce the impact of global warming and climate changing. Moreover, the Company aims to use the environment issue to be part of product and service development in the future.

Risk from Technological Change

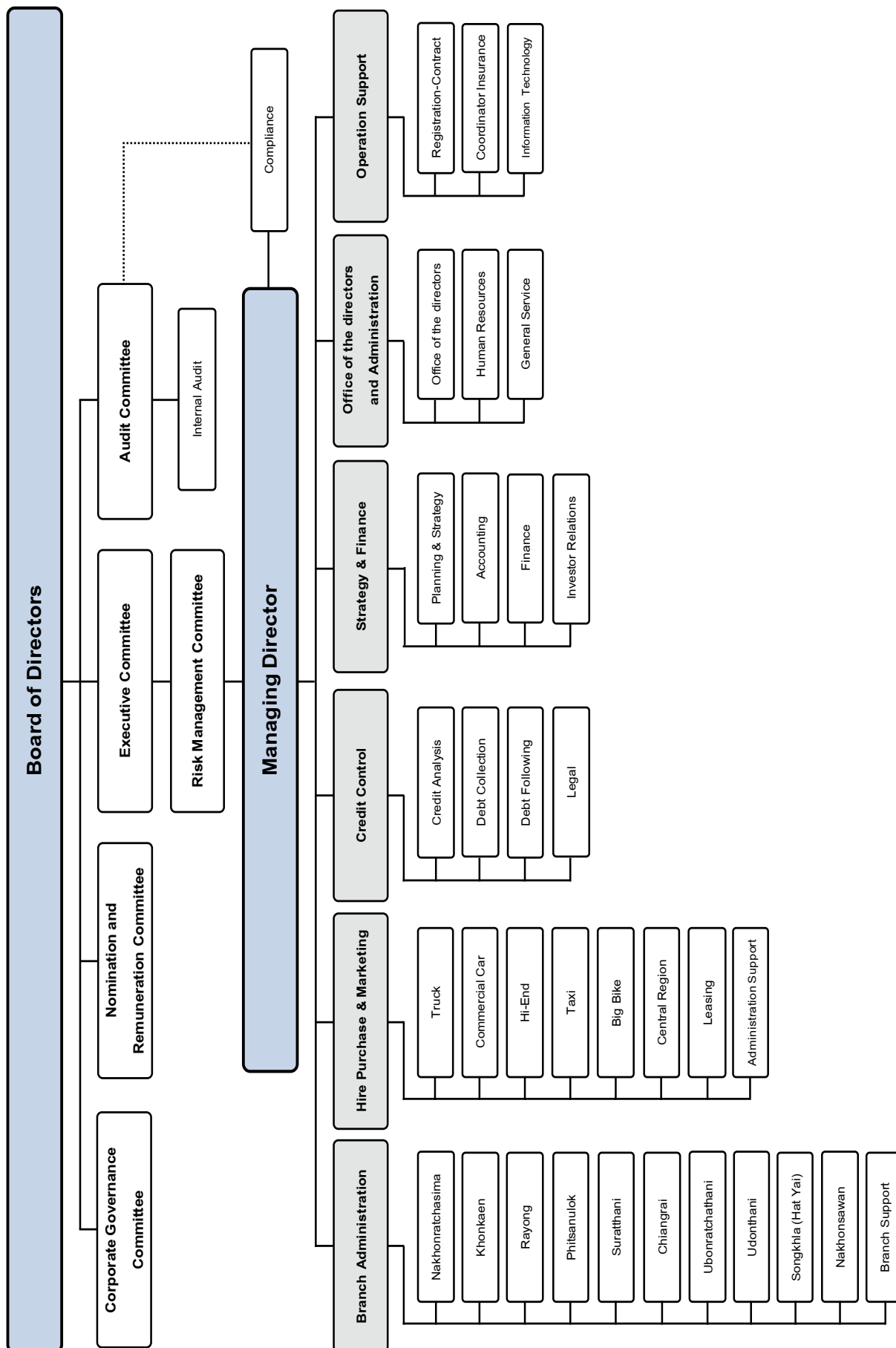
The change and development of technology have supported the efficiency of business operation in terms of cost management and product and service development to meet customer's demand. In the meantime, the cybersecurity risk has also increased. The cyber attack can cause the interruption of service and the sensitive information can be stolen, which affect the Company image and the confidence of stakeholders to the Company.

Thus, the Company defined the measures of information system security to protect information from being accessed, changed, or destroyed without permission. Such measures include the management of unusual incidents and the business continuity management in accordance with the laws, regulations, and guidelines of government. Moreover, the Company encourages personnel to have knowledge, understanding, and awareness of secure usage of technological equipment to avoid virus infection, malware, or other types of attack.

Shareholder Risk

The investment in Company's stocks may cause risk to shareholders since the return on investment may not be as expected as it varies by operating performance, price, and securities liquidity. Hence, shareholders may receive return more or less than expected. The Company explained the risk factors for business operation and potential new risk factors including the risk management method in the above topic. However, the Company may not be able to prevent all potential risks. There are other environmental factors that could impact on the Company's operation, such as economic condition, political situation, etc. Shareholders should study risks and use judgment concisely before making decision in the investment.

In addition, the Company has Thanachart Group as the major shareholder holding 58.86% of registered paid-up capital. The major shareholder has authority in management and control of voting in significant resolutions, except for the issue that the law or company's regulations require the votes from the shareholders' meeting for not less than 3 out of 4 of attended shareholders with voting rights. Thus, other shareholders may not be able to collect the votes for objection or balance to the issue proposed by major shareholders.



Board of



**Mr. Thakol
Nunthirapakorn, Ph.D.**

Independent Director
Chairman of Audit Committee



Mr. Suvit Arunanondchai

Independent Director
Audit Committee
Chairman of Nomination &
Remuneration Committee



**Mr. Kovit
Rongwattanasophon**

Director, Managing Director
Chairman of the Executive
Committee, Chairman of the
Risk Management Committee,
Authorized Director



Mr. Somjate Moosirilert

Director, Executive Committee
Risk Management Committee
Nomination & Remuneration
Committee, Authorized Director



Mr. Kamtorn Tansirivat

Director, Executive Committee
Risk Management Committee
Authorized Director

Directors



Mr. Virat Chinprapinporn

Chairman, Executive Committee
Risk Management Committee
Authorized Director



Mr. Varavudh Varaporn

Independent Director
Audit Committee
Nomination & Remuneration
Committee



**Mrs. Naree
Boontherawara, Ph.D.**

Independent Director
Audit Committee



**Mr. Surapon
Satimanont**

Independent Director
Audit Committee



**Mr. Charoensook
Kititti**

Director
Authorized Director



**Ms. Suvarnapa
Suvarnaprathip**

Director
Authorized Director



**Mr. Sorasak
Chayarak**

Director
Authorized Director



Board of Directors

As of 31st December 2020, the Company's Board of Directors consists of 12 members as follows:

Name			Position
1.	Mr. Virat	Chinprapinporn	Chairman (Executive Director)
2.	Mr. Kovit	Rongwattanasophon	Director (Executive Director)
3.	Mr. Charoensook	Kititti	Director (Non-Executive Director)
4.	Mr. Somjate	Moosirilert	Director (Non-Executive Director)
5.	Ms. Suvarnapha	Suvarnaprathip	Director (Non-Executive Director)
6.	Mr. Kamtorn	Tantisirivat	Director (Non-Executive Director)
7.	Mr. Sorasak	Chayarak	Director (Non-Executive Director)
8.	Mr. Thakol	Nanthirapakorn, Ph.D.	Director (Independent Director)
9.	Mr. Suvit	Arunanondchai	Director (Independent Director)
10.	Mr. Varavudh	Varaporn	Director (Independent Director)
11.	Mrs. Naree	Boontharawara, Ph.D.	Director (Independent Director)
12.	Mr. Surapon	Satimanont	Director (Independent Director)

Mr. Ponlaphe Sakkayapapwicharnon is the Board of Directors Secretary.

- Note : (1) Mr. Somjate Moosirilert was appointed as a Director, in place of Mr. Nakarin Anantachina, effective from 14th January 2020 onwards. Mr. Nakarin Anantachina resigned from the Company's Director, effective from 1st July 2019 onwards.
- (2) Ms. Suvarnapha Suvarnaprathip was appointed as a Director, in place of Mr. William George Said, effective from 18th February 2020 onwards. Mr. William George Said resigned from the Company's Director, effective from 18th February 2020 onwards.
- (3) Mr. Kamtorn Tantisirivat was appointed as a Director, in place of Mr. Anuwat Luengtaweekul, effective from 13th August 2020 onwards. Mr. Anuwat Luengtaweekul resigned from the Company's Director, effective from 13th August 2020 onwards.
- (4) Mr. Sorasak Chayarak was appointed as a Director, in place of Mr. Pompert Rasanon, effective from 13th August 2020 onwards. Mr. Pompert Rasanon resigned from the Company's Director, effective from 13th August 2020 onwards.

Authorized Directors on behalf of the Company

The authorized directors on behalf of the Company as specified in the Company certificates were Mr. Virat Chinprapinporn, Mr. Kovit Rongwattanasophon, Mr. Charoensook Kititti, Mr. Somjate Moosirilert, Ms. Suvarnapha Suvarnaprathip, Mr. Kamtorn Tantisirivat and Mr. Sorasak Chayarak 2 out of 7 of these Directors to co-sign and the Company's seal.

Duties, Responsibilities and Approval Authority of the Board of Directors

1. Perform the duty according to the laws, regulations of the Company, and shareholders' meeting resolutions with responsibility, honesty, conciseness, for the best interests and fairness of all stakeholders.

2. Approve the objectives, goals, policies, business plans and significant resource allocation and supervise the corporate governance practice for sustainability and to be suitable for corporate structure and business nature for the best interests of business and all stakeholder.

3. Regulate the company business operations to be in accordance with the laws, company regulations, shareholders' meeting resolutions and the defined objectives, goals, and policies, within the framework of legal requirements and business ethics and evaluate result to improve operational efficiency.

4. Supervise to assure there are good Risk Governance Framework, auditing process, internal control system, sufficient and appropriate risk management and cultivate the corporate Risk Culture.

5. Supervise to assure the financial reporting and significant information disclosure are correct, sufficient, and complied with relevant rules and practices. Support the participation of and communication with shareholders and all stakeholders as appropriate and equitable.



6. Define and review the structure of committees in terms of size, composition, proportion of independent directors and ensure that the committees are composed of directors with various qualifications in terms of knowledge, skill, experience, competency, specific characteristics, gender, and age, which are necessary to achieve the corporate main goals.

7. Supervise the director recruitment and selection process to ensure its transparency and clarity to get directors whose qualifications are in accordance with the defined composition and to ensure that the composition and operation of the Board of Directors support the judgment in independent decision making.

8. Supervise to ensure that each director has knowledge and understanding of his role and duty, business nature, and relevant business law, and to support every director to strengthen his skill and knowledge of duty performing as a director regularly.

9. Supervise to ensure that the committees conduct their duties properly and be able to access necessary information that will be beneficial to their performance, with the support from the company secretary who has knowledge and experience as needed.

10. Supervise to ensure that every director be responsible for his duty and time management.

11. Consider the compensation rate and structure to suit the responsibility and to motivate the committee to lead the corporate to achieve success according to the short-term and long-term goals.

12. Appoint sub-committees as deemed appropriate to help study, screen, and control various aspects of work.

13. Supervise the human resource development and management in accordance with the direction and strategy of business to ensure that employees of every level have knowledge, competency, skill, and experience as appropriate and receive fair labor treatment with the suitable compensation structure and evaluation.

14. Supervise the sufficiency of financial liquidity and ability to repay debt.

15. Supervise subsidiary for the interests of the Company's investment.

16. Supervise the business to have mechanism for receiving complaints, information review process and proper complaint management.

17. Support the innovation and technology development that create value added and benefits to all stakeholders.

18. Evaluate performance regularly every year to develop performance of director further.

19. Approve credit limit of customer group which is approved by the credit analysis department when such credit is over the limit of Executive Committee's authority.

20. Authorize sub-committees, management, executives, or any other persons to perform on their behalf within the scope of duty and authority of the Board of Directors.

21. All businesses of the Company shall be under the authority of the Board unless they are against the laws, company regulations or shareholders' meeting resolutions.



Executive Committee

The Board of Directors appointed the Executive Committee to perform the duty of controlling the company operations to be in accordance with objective, goals, policies, and business plans defined by the Company and implementing other tasks assigned by the Board of Directors.

As of 31st December 2020, the Company has 4 Executive Directors as follows:

Name			Position
1.	Mr. Virat	Chinprapinporn	Chairman of the Executive Committee
2.	Mr. Kovit	Rongwattanasophon	Member of the Executive Committee
3.	Mr. Somjate	Moosirilert	Member of the Executive Committee
4.	Mr. Kamtorn	Tantisirivat	Member of the Executive Committee

Ms. Waraporn Tanrin is the Executive Committee Secretary.

- Note : (1) Mr. Somjate Moosirilert was appointed as Member of the Executive Committee, in place of Mr. Nakarin Anantachina, effective from 14th January 2020 onwards. Mr. Nakarin Anantachina resigned from Member of the Executive Committee, effective from 1st July 2019 onwards.
- (2) Mr. Kamtorn Tantisirivat was appointed as Member of the Executive Committee, in place of Mr. Pompert Rasanon, effective from 13th August 2020 onwards. Mr. Pompert Rasanon resigned from Member of the Executive Committee, effective from 13th August 2020 onwards

Scope of Authority of Executive Committee

1. Manage the Company's operations to comply with the policies, goals, and plans as approved by the Board under the laws, rules, and regulations of relevant government agencies.

2. Manage the Company's transactions, such as investment, credit application, asset management, etc.

3. Manage the organizational matters, such as organization structure, human resource management, etc.

4. Manage liquidity and interest rates.

5. Assigned, command, or delegate administrative powers under the authority of the Executive Committee.

6. Consider and screen policies, strategies, business plans, annual budget, including any issues that cause significant change to the Company after implementation, any issues that the Executive Committee deems appropriate to propose for approval on a per-item basis or according to the defined criteria.

7. Perform any duties authorized by the Board of Directors. Such authorization to Executive Committee must be under the rules of law, regulations of the Company and related law. Any transaction, in which an Executive Director or an individual may have conflict of interest with the Company or its subsidiaries and which is not a normal business transaction nor according to trade conditions, shall not be approved by such Executive Director. Such transaction must be reported to the Board of Directors for acknowledgement in accordance with the rules and regulations of the Stock Exchange of Thailand.



Audit Committee

The Board of Directors appointed the Audit Committee on 5th September 2002 to supervise the management to perform up to the correct and transparent standard in accordance with the government regulations and to have the good internal control, credible reporting system, for the interests of all involved parties. The Audit Committee consisted of not less than 3 independent directors who had complete qualification according to the criteria that government agencies required, had independence in performing their duties, and reported directly to the Board of Directors.

As of 31st December 2020, the Company's Audit committee has 5 Directors as follows:

Name			Position
1.	Mr. Thakol	Nanthirapakorn, Ph.D.	Chairman of the Audit Committee
2.	Mr. Suvit	Arunanondchai	Member of the Audit Committee
3.	Mr. Varavudh	Varaporn	Member of the Audit Committee
4.	Mrs. Naree	Boontherawara, Ph.D	Member of the Audit Committee
5.	Mr. Surapon	Satimanont	Member of the Audit Committee

Ms. Waraporn Tanrin is the Executive Committee Secretary.

Qualification of Audit Director

1.The Audit Committee consists of Independent Directors appointed by the Board of Directors or shareholders' meeting. One Audit Director shall be appointed as the Chairman of Audit Committee.

2.Audit Director shall not be assigned by the Board of Directors to make decision in business operation of the Company, subsidiary company, associated company, same-level subsidiary company, and shall not be a major shareholder or authorized person of the Company.

3.Audit Director must not be the Director of the parent companies, subsidiaries, or subsidiaries of the same level that are listed companies.

4.Audit Committee must consist of at least 3 directors and must have at least one director graduated from Accounting and/or Finance with sufficient knowledge and experiences to review the reliability of financial statements.

5.Audit Committee must also have other qualifications defined by the Securities and Exchange Commission. In addition to the qualifications and specific elements of audit committee, the Audit Committee shall have qualifications and elements as Independent Directors.

Scope of Authority of Audit Committee

1.Financial Statement

- Review the Company's financial statement to ensure accurate financial reporting and disclose information sufficiently, reliably, in accordance with financial reporting standards and relates laws.
- Review the significant issues of accounting and financial statement including the complex or unusual transactions and the transactions that need judgment.
- Inquire Management and auditor about the audit result, the significant risks about financial report and the plan to reduce such risks.
- Review the efficiency of the internal control on financial statement preparation process.

2.Internal Control

- Review if the management has defined the internal control of the information technology properly and the guideline to communicate the significance of internal control and the risk management to the entire company, including the Anti-Corruption Measure.



- Review to assure that the recommendation on the internal control by internal auditors and auditors has been implemented by the management

3.Internal Audit

- Review and approve the Internal Audit Charter, year plan, human resource and resource necessary for operations.
- Review activities and performance of Internal Audit to be assured that internal auditors can work independently.
- Review the effectiveness of Internal Audit performance to see if they comply with the Internal Audit Standards.
- Consider and approve the nomination, appointment, dismissal, transfer or termination of internal auditors.

4.Auditor

- Consider the nomination and dismissal of the Company's auditors, propose the remuneration of auditors to the Board of Directors in order to ask for the appointment from the Annual General Meeting of Shareholders, and evaluate the auditor's performance every year.
- Meet with auditors without management for at least once a year

5.Compliance with Regulations

- Consider business conduct of the Company to be in accordance with the law and relevant regulations and regularly review the changes proposed by management department.
- Consider business conduct of the Company to be in accordance with the law and regulations related to Anti-Corruption regularly.
- Review the findings or notices of the regulatory unit by internal auditors, monitor the results and report to the Board of Directors.
- Review the effectiveness of the monitoring system on the compliance with law and regulation and on the results of incompliance case via internal auditors.

6.Risk Management

- Review the sufficiency of the policy and duty regulation concerning risk management of the Company.
- Review the efficiency of the Company's risk management and the risk management from Anti-Corruption.

7.Compliance with the Code of Conduct for Executives and Employees

- Review to ensure that business ethics, code of conduct for executives and employees and the policy to prevent conflicts of interest has been written. Also, all executives and employees acknowledge and comply.
- Review to ensure that Anti-Corruption policy and measure has been written. Also, all executives and employees acknowledge and comply.
- Promote compliance with ethical principles, codes of conduct, and policies for the prevention of conflicts of interest.

8.Other Responsibilities

- Perform other duties as assigned by the Board of Directors.



Nomination and Remuneration Committee

The Board of Directors appointed the Nomination and Remuneration Committee to perform the duty of proposing the policy, format, and criteria of nomination and remuneration of directors, directors in sub-committees, and managing director to ensure the nomination and remuneration comply with the good corporate governance and in accordance with the vision, mission, and corporate values.

As of 31st December 2020, the Company's Nomination and Remuneration Committee has 3 Directors as follows:

Name			Position
1.	Mr. Suvit	Arunanondchai	Chairman of the Nomination and Remuneration Committee (Independent Director)
2.	Mr. Varavudh	Varaporn	Member of the Nomination and Remuneration Committee (Independent Director)
3.	Mr. Somjate	Moosirilert	Member of the Nomination and Remuneration Committee (Non-Executive Director)

Ms. Rungtip Chaipatanapruk is the Nomination and Remuneration Committee Secretary.

Note : (1) Mr. Somjate Moosirilert was appointed as Member of the Nomination and Remuneration Committee, in place of Mr. Anuwat Luengtaweekul, effective from 13th August 2020 onwards. Mr. Anuwat Luengtaweekul resigned from Member of the Nomination and Remuneration Committee, effective from 13th August 2020 onwards.

Scope of Authority of Nomination and Remuneration Committee

1.Nomination

- Define policy, criteria and method of nomination for the Board of Directors consideration.
- Select and propose the qualified candidates for various positions to the Board of Directors for consideration.
- Supervise the committees to ensure that their size and components are suitable to the corporate and should there be any change needed, it shall be in accordance with the changing environment. The Board of Directors and Committees must consist of knowledgeable and talented individuals who have right skills for their positions.
- Prepare the succession plan for Managing Director and Senior Executives for the Company's business continuity.
- Consider and review the Board Skill Matrix to review the structure, components, and expertise of the Board of Directors and Committees and to be used for consideration of the Director nomination and to see the necessity of the absent components to the committees.

2.Remuneration

- Define the policy and criteria for the determination of remuneration and other benefits of the Company's Directors, Committee's Directors and Managing Director to propose to the Board of Directors for consideration.
- Supervise to ensure that the Company's Directors, Committee's Directors and Managing Director receive the remuneration that justifies their duty, responsibility and performance.
- Define the performance evaluation indicators of Managing Director for consideration on annual adjustment of compensation (salary increase, bonus, other compensation) and propose to the Board of Directors for approval.
- Review the remuneration and other benefits structure of the Company's Directors, Committee's Directors and Managing Director to justify their duty and responsibility and in line with market situation.

3. Others

- Consider other issues as assigned by the Board of Directors.



Corporate Governance Committee

The Board of Directors realizes the importance of the corporate governance. In order to have the good governance system according to the good practices of the listed companies and to disclose the information of corporate governance practices in the annual report, the Company deemed it appropriate to appoint the entire Board to be the Corporate Governance Committee. In every Board of Directors meeting, the corporate governance issue shall be included in the agenda.

As of 31st December 2020, the Company's Corporate Governance Committee has 12 Directors as follows:

Name			Position
1.	Mr. Virat	Chinprapinorn	Chairman of the Corporate Governance Committee
2.	Mr. Kovit	Rongwattanasophon	Member of the Corporate Governance Committee
3.	Mr. Charoensook	Kititti	Member of the Corporate Governance Committee
4.	Mr. Somjate	Moosirilert	Member of the Corporate Governance Committee
5.	Ms. Suvarnapha	Suvarnaprathip	Member of the Corporate Governance Committee
6.	Mr. Kamtorn	Tantisirivat	Member of the Corporate Governance Committee
7.	Mr. Sorasak	Chayarak	Member of the Corporate Governance Committee
8.	Mr. Thakol	Nanthirapakorn,Ph.D.	Member of the Corporate Governance Committee
9.	Mr. Suvit	Arunanondchai	Member of the Corporate Governance Committee
10.	Mr. Varavudh	Varaporn	Member of the Corporate Governance Committee
11.	Mrs.Naree	Boontherawara,Ph.D.	Member of the Corporate Governance Committee
12.	Mr. Surapon	Satimanont	Member of the Corporate Governance Committee

Mr. Ponlaphe Sakkayapapwicharnon is the Corporate Governance Committee Secretary.

- Note : (1) Mr. Somjate Moosirilert was appointed as Member of the Corporate Governance Committee, in place of Mr. Nakarin Anantachina, effective from 14th January 2020 onwards. Mr. Nakarin Anantachina resigned from Member of the Corporate Governance Committee, effective from 1st July 2019 onwards.
- (2) Ms. Suvarnapha Suvarnaprathip was appointed as Member of the Corporate Governance Committee, in place of Mr. William George Said, effective from 18th February 2020 onwards. Mr. William George Said resigned from Member of the Corporate Governance Committee, effective from 18th February 2020 onwards.
- (3) Mr. Kamtorn Tantisirivat was appointed as Member of the Corporate Governance Committee, in place of Mr. Anuwat Luengtaweekul, effective from 13th August 2020 onwards. Mr. Anuwat Luengtaweekul resigned from Member of the Corporate Governance Committee, effective from 13th August 2020 onwards.
- (4) Mr. Sorasak Chayarak was appointed as Member of the Corporate Governance Committee, in place of Mr. Pompert Rasanon, effective from 13th August 2020 onwards. Mr. Pompert Rasanon resigned from Member of the Corporate Governance Committee, effective from 13th August 2020 onwards.

Scope of Authority of Corporate Governance Committee

1. Define policy and practices of the Company's Corporate Governance.
2. Examine and suggest the Company's Corporate Governance Code to the Board of Directors to encourage the implementation of Corporate Governance according to the Stock Exchange of Thailand.
3. Consider and screen the Corporate Governance Policy, Company's Code of Conduct and regularly update the significant issues in the policy to be modern and international. Define the practice guideline in accordance with the defined code of conduct to propose to the Board of Directors for approval.
4. Appoint working team to facilitate the operations as deemed appropriate.
5. Perform other duties as assigned by the Board of Directors.



Risk Management Committee

The Board of Directors appointed the Risk Management Committee to perform the duty of managing risks for the whole organization and supervising the management to strictly comply with the policy and direction of risk management. Since the Executive Committee had the duty of controlling the company operations which include the consideration of variety of risks, the Board of Directors, thus, assigned the Executive Committee to perform another duty of the Risk Management Committee.

As of 31st December 2020, the Company's Risk Management Committee has 4 Directors as follows:

Name			Position
1.	Mr. Virat	Chinprapinporn	Chairman of the Risk Management Committee
2.	Mr. Kovit	Rongwattanasophon	Member of the Risk Management Committee
3.	Mr. Somjate	Moosirilert	Member of the Risk Management Committee
4.	Mr. Kamtorn	Tantisirivat	Member of the Risk Management Committee

Mr. Kunjanart Siva is the Risk Management Committee Secretary.

Note : (1) Mr. Somjate Moosirilert was appointed as Member of the Risk Management Committee, in place of Mr. Nakarin Anantachina, effective from 14th January 2020 onwards. Mr. Nakarin Anantachina resigned from Member of the Risk Management Committee, effective from 1st July 2019 onwards.

(2) Mr. Kamtorn Tantisirivat was appointed as Member of the Risk Management Committee, in place of Mr. Pompert Rasanon, effective from 13th August 2020 onwards. Mr. Pompert Rasanon resigned from Member of the Risk Management Committee, effective from 13th August 2020 onwards

Scope of Authority of Risk Management Committee

1. Consider the Company's Risk Management Policy and the acceptable level of risks before proposing to the Executive Committee and Board of Directors for approval.

2. Assess internal and external factors that could have significant impact on business operations which can be used to improve the risk management direction.

3. Define the measures to manage risks properly in internal and external situations to prevent damages that could happen in the future.

4. Consider the overall risk to assess whether various measures used in risk management are sufficient and can be implemented efficiently.

5. Consider various tools or directions to be used in risk measurement and assessment properly.

Executive Management

As of 31st December 2020, the Company has 6 executives according to definition of the Office of the Securities and Exchange Commission as follows:

Name			Position
1.	Mr. Virat	Chinprapinporn	Chairman
2.	Mr. Kovit	Rongwattanasophon	Managing Director
3.	Mr. Khomsan	Boonyoiyad	Deputy Managing Director, Hire Purchase & Marketing and Branch Administration
4.	Mr. Ponlaphe	Sakkayapapwicharnon	Senior Assistant Managing Director, Credit Control
5.	Mr. Jaturaput	Nudaeng	Assistant Managing Director, Commercial loans
6.	Ms. Unchan	Srisom	Senior Vice President of Accounting and Planning & Strategy (CFO)



Compensation for Executives

The Company has a policy to pay compensation to executives according to their knowledge, competency, duty and responsibility, and performance evaluation result. In 2020, the Company paid compensation in terms of salary, annual bonus, and social security contribution to 6 executives in the total amount of 47,561,900 Baht.

Other Compensations of Executives

The Company set up the provident fund for executives and employees. The executives and employees who work with the Company are entitled to apply for membership of the provident fund. The Company defined the contribution rates as follows:

- The executives can allocate for their savings to the provident fund between 5 - 15% of wages.
- The Company's saving contribution will be paid to the provident fund at the rate of 5% of wages.

For the year 2020, the saving contribution for executives that the Company paid to provident fund in total 1,187,400 Baht.

The Secretary of the Company

The Board of Directors Meeting no. 4/2013 held on 13th November 2013 had resolution to appoint Mr. Ponlaphe Sakkayapapwicharnon as the Secretary of the Company. Since he was qualified with appropriate maturity, qualification and experience. To be complied with the Good Corporate Governance of the Company and for the efficient administration.

The Secretary of the Company shall perform the duties as stated in section 89/15 and section 89/16 of the Securities and Exchange Act (No. 4) BE 2008 effective on 31st August 2008 and the Corporate Governance Policy of the Company with responsibility, caution, and honesty. He must be in compliance with the law, the Company's objectives and regulations, Committee Meeting Resolutions and the shareholders meeting resolution. Role and Responsibility of the Secretary of the Company as follows:

1. Manage and be responsible for the activities of Board of Directors.
2. Provide the primary recommendation to the Directors regarding legal issues, rules and regulations, including the good corporate governance principles and the ethics which the Directors should practice, and monitor to ensure they were applied correctly and regularly. Any significant changes must be reported to the Directors.
3. Prepare documents and useful information for the new Directors and introduce the business nature and business direction to new Directors.
4. Arrange the shareholders meetings and Board of Directors meetings in compliance with the law, the Company's regulations and other practices.
5. Take minutes of shareholders meeting and Board of Directors meetings and follow up on the actions taken according to the meeting resolutions.
6. Arrange and keep Board of Directors registration documents, invitation letters to Board of Directors meetings, Board of Directors meeting minutes, the Company annual reports, invitation letters to shareholders' meetings, shareholders meeting minutes and reports of conflict of interest transactions reported by directors or executives.
7. Manage to have the information and information report under responsibility revealed to Corporate Governance Department according to the official regulations.
8. Contact and communicate to general shareholders for their awareness of shareholder rights and the Company's news.
9. Continuously get training and development on legal, accounting or Company Secretary's duty.
10. Operate other activities required by Capital Marketing Supervisory Board.
11. Perform other duties assigned by Board of Directors.



Employee

As of 31st December 2020, the Company has 489 person of employees as follows:

Number of Employees by Level

Permanent Employees by Level	Gender	Number (person)		
		2020	2019	2018
Executive ¹	Male	5	6	6
	Female	1	1	-
Total		6	7	6
Manager / Vice President ²	Male	22	19	19
	Female	16	14	10
Total		38	33	29
Staff ³	Male	191	199	194
	Female	246	241	256
Total		437	440	450
Grand Total		487	480	489

Note : ¹ From Senior Vice President to Managing Director

² From Manager to Vice President

³ From Officer to Assistant Manager

Number of Employees by Division

Division	Number (person)		
	2020	2019	2018
Branch Administration	171	167	172
Hire Purchase and Marketing	95	96	91
Credit Control	115	117	113
Strategy and Finance	38	36	37
Office of the directors and Administration	20	20	20
Operation Support	36	37	50
Grand Total	475	473	483

Compensation for Employees

The Company defined the policy to pay compensation to employees according to their knowledge, competency, responsibility and performance evaluation result with equality and equity, and in consistent with compensation rates in the industry. In 2020, the Company paid compensation in terms of salary, annual bonus, and social security contribution for employees in total amount of 164,838,180.43 Baht.

Other Compensations of Employees

The Company set up the provident fund for executives and employees. The executives and employees who work with the Company are entitled to apply for membership of the provident fund. The Company defined the contribution rates as follows:

- The employees can allocate for their savings to the provident fund between 5 - 15% of wages.
- The Company's saving contribution will be paid to the provident fund at the rate of 5% of wages.

For the year 2020, the saving contribution for employees that the Company paid to provident fund in total 6,096,943 Baht.



Corporate Governance

Corporate Governance Policy and Code of Conduct

The Board of Directors sees the importance of being in compliance with the Corporate Governance Code of the Stock Exchange of Thailand in order to have the Good Corporate Governance and thus assigned the entire Board of Directors to be the Corporate Governance Committee. The agenda of Board of Directors meeting must include the corporate governance issue. The Board of Directors initiated and participated in setting up and approving the Corporate Governance Policy and the Company's Code of Conduct by applying Corporate Governance Code for Listed Companies 2017 (CG Code) of the Securities and Exchange Commission, the criteria of risk regulation of financial business group, and the good governance of financial institutes announced by Bank of Thailand, with commitment to moral, honesty, and compliance with related laws. Such policy and code of conduct were reviewed continuously every year to be updated with the changes.

Moreover, the Company published the corporate governance policy and code of conduct on the Company's website (www.ratchthani.com/investor-relations/corporate-governance) to communicate to directors, executives and employees at all levels for their awareness of further details and for use as operational guidelines. The communication was also made for all stakeholders, trade partners, employees, society and regulatory agencies, to build the confidence of fair and equal treatment, to reflect the Company's good image and to increase the Company's competency within the ethical framework and social responsibility in order for the Company and society to grow with sustainability together.

In the past year, the Company monitored to ensure the implementation of the good corporate governance on the following issues: 1) Employee treatment with equality, 2) Anti-unfair competition, 3) Environment, hygiene, and safety in the organization, 4) Information security, 5) Conflict of interest prevention, 6) Use of inside information to seek benefits, 7) Anti-corruption, and 8) Whistleblowing. The result of the monitoring found that the Company and its subsidiaries have complied with the direction of each issue completely. Moreover, in 2020 the Company implemented the corporate governance development as follows:

1) The Company reviewed the good corporate governance policy to ensure its compliance with the Corporate Governance Code for Listed Companies 2017 (CG Code) of the Securities and Exchange Commission and to apply the practice guidelines in consistent with the environment and the company's business conduct. The guidelines that have not yet been practiced are as follows:

Not Applied Issues	Reasons/ Necessity
Independent Director can be in position consecutively for no longer than 9 years starting from the date of the first appointment or as specified by other official agencies.	The Board thought that each director joining the Company was considered as an individual of high potential, expertise, capability and judgment in decision making. His/her experiences from working with the Company gave him/her better understanding of business and be able to plan business strategy that shall bring continuous growth to the Company. Every Independent Director had complete qualification according to the independent director qualification defined by the Securities and Exchange Commission.
The number of Independent Directors was not higher than 50% of the Board of Directors.	The Board of Directors thought that the number of Independent Directors depended on the responsibility and efficiency of the operation which was in compliance with the SEC criteria. Although the number of Independent Directors was not higher than 50% of the Board of Directors members, the Independent Directors were



Not Applied Issues	Reasons/ Necessity
	able to balance the executive authority, performed their duties independently from the Management and gave their opinions in all matters independently. Thus, the Board agreed to maintain the number of Independent Directors as such.

2) The Company requires every employee to do the tests for knowledge and understanding of the practice in compliance with the good corporate governance and anti-corruption principles. 100% of executives and employees of the Company and subsidiaries have done the tests. The result of the tests showed 90.35% of employees having knowledge and understanding of the practice in compliance with the good corporate governance and anti-corruption principles, which was higher than the expected target of 85.00%.

3) The Company received the assessment “Excellent” score for the third consecutive year from the Corporate Governance Report of Thai Listed Company (CGR) for the year 2020 held by the Thai Institute of Directors.

4) The Company was selected for the outstanding performance in the Environmental, Social and Governance (ESG) by Thaipat Institute and was in the Universe of ESG 100 Securities Group in 2020 for the sixth consecutive year.

Compliance with the Corporate Governance

1. Rights of Shareholders

1.1 Supervise of Basic Shareholder Rights

The Board of Directors realized the ownership rights and the rights to make decision on significant changes of the Company. Thus, the Board of Directors encouraged shareholders to use their basic shareholder rights, such as buying, selling or transferring shares, taking profits sharing, receiving sufficient information of the Company. By disclosing the information in a correct, complete and timely through the information system of the Stock Exchange of Thailand and the Company's website.

1.2 The Shareholder Meeting

The Board of Directors realized that the shareholders have equal rights to participate in meetings and has the policy to support or encourage all groups of shareholders including institutional shareholders, to participate in the meeting of shareholders. The Board of Directors has established a policy to organize shareholders' meetings regarding rights and equality in attending meetings, voting, proposing additional agenda items, nominating person, the completeness of a notice of the meeting and disclosure of information, as well as the venue and appropriate date and time of the meeting. It is clearly defined in the good corporate governance policy. In addition, there is a unit responsible for arranging meeting in accordance with the aforementioned policy and guidelines of related agencies.

The 2020 Annual General Meeting of Shareholders was held on 10th July 2020 in the meeting hall of Sinsathorn Tower, on 11th floor, Krungthonburi Road, Klongtonsai sub-district, Klongsan district, Bangkok. The Annual General Meeting of Shareholders was held in compliance with the laws, company regulations, and the good corporate governance practices as follows:

Before the Shareholders' Meeting

1) Opened the chances for shareholders to propose the meeting agenda and nominate candidates for consideration and appointment of director position in the 2020 Annual General Meeting of Shareholders from 1st October 2019 to 31st December 2019. It appeared that no one proposed the meeting agenda or candidates for consideration of director position for this meeting.



2) Publicized the meeting invitation letter and supporting documents in both Thai and English versions at least 30 days before the meeting date on the Company's website on 10th June 2020 including the following topics: (1) Date, time, place of the meeting, (2) Meeting agenda identifying objectives, reasons, opinions of committees and complete supporting documents for consideration, (3) Process, proof of identity and registration for the meeting, (4) Company's rules relevant to shareholders' meeting, (5) Proxy form A, B, C, (6) Information of the independent directors proposed by the Company as a proxy for shareholders, and (7) Map of the shareholders' meeting place.

In this regard, the meeting invitation letter and supporting documents were sent to shareholders by mail in advance for at least 14 days before the meeting day. The meeting invitation letter was also publicized in the daily newspaper for 3 consecutive days and at least 3 days before the meeting day.

Shareholders' Meeting Day

The Company set the date, time and place for the shareholder's meeting at the head office of the Company which has convenient transportation. The registration point is convenient and has enough space. Shareholders can register 2 hours before the meeting starts. Postage stamps are provided for shareholders who attend the meeting by themselves and for proxies of shareholders. In this meeting, the Company assigned Chairman of the Board to explain the details of quorum and Company Secretary to explain the voting method, the vote counting practice, ballots use and reveal the voting results for each agenda. The meeting provided opportunities for shareholders to question or share opinions appropriately and sufficiently.

In the 2020 Annual General Meeting of Shareholders, 6 directors attended the meeting. However, the Chairman of the Board of Directors, the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee were present the meeting, and then introduced the Chief Finance Officer (CFO) and auditors were attending the meeting. In addition, introduce the independent legal counsel appointed by the Company as the meeting observer to monitor the voting and counting of votes in the meeting. To ensure the meeting in accordance with the law and the Company's Articles and Association.

After the Shareholders' Meeting Day

The Company publicized the shareholders' meeting resolutions on the SET community portal after the meeting date on the same day. The minute of meeting included the list of attended directors, the voting method and scores, the meeting resolutions, and the votes for agreeing, disagreeing, and abstaining, including the questions and explanations during the meeting. In this regard, the Company sent the meeting minute and publicized the minute on the Company's website within 14 days after the meeting day. The publicizing day was 20th July 2020.

Assessment of Shareholders' Meeting Quality

The Company received the full 100 scores with an "Excellent and Good Example" level from the Annual General Meeting of Shareholders (AGM) Assessment Project organized by the Thai Investors Association for 5 consecutive years (2015-2019).

In 2020, the quality assessment scores of the Company's Annual General Meeting of Shareholders were 98 points since the ratio of meeting attended directors to total directors were less than 90%. On the meeting day, there were 6 attended directors out of total 12 directors (accounted for 50%). The other 6 directors did not attend the meeting due to the compliance with the government social distancing policy that required the congestion reduction of the meeting place to reduce the risk of coronavirus disease 2019 (COVID -19) transmission.



2. Equitable Treatment to Shareholders

2.1 Inside Information Usage Protection

The Company has managed the usage of internal information in compliance with the laws and the good corporate governance by defining in written the good corporate governance policy, the information disclosure and inside information usage policy, and the code of conduct manual, which require directors, executives, and employees to keep secrets and refrain from using inside information or confidential information to seek benefits in a way that is wrong for themselves or others.

In addition, the Company designated that its directors and executives must report about stock trading at least 1 day to the committee or the person assigned by the committee, including to the Office of Securities and Exchanges Commission. Section 59 of the Securities and Exchange Act BE 1992. Moreover, the Company establish policy on information disclosure and the use of inside information which prohibits any person who having inside information to disclose such information to external persons who are not related to the duty in the Company and to sell or buy the Company's securities or enter into derivatives contracts related to the Company's securities during 15 days before the end of each quarter until the following 2 day of the information disclosure day when the Company discloses its financial statement and status to the Stock Exchange of Thailand.

In 2020, there was no fault of directors, executives, and employees relating to inside information usage in any way.

2.2 Conflict of Interest Prevention

The Company set the principles to prevent directors, executives, employees, and relevant persons from seeking benefits for themselves or others. In case there is any person who is a stakeholder or relating to any issue consideration, such person must not participate in such transaction consideration to let that consideration process go independently and to prevent any conflict of interest. In this regard, the Company defined measures to manage conflict of interest in the good corporate governance policy and code of conduct manual.

In addition, in case that the Company and subsidiaries have any connecting transactions or acquire or release the Company's significant securities as per SET criteria, the Company must follow the SET principles. In case that the Company needs agreement from shareholders to do connection transactions or acquire or release the Company's significant securities, the Company must receive not less than one third of total votes of attending shareholders or proxies of shareholders who are entitled to vote while the vote of shareholders who are stakeholders are not counted.

3. Roles of Stakeholders

The Company recognizes the importance of the rights of all stakeholder groups, both the internal stakeholders, such as the Company's executives and employees, and the external stakeholders, such as shareholders, customers, partners, creditors, competitors, government sector, and other related regulatory agencies, no matter where those rights originate from, either by legal designation or by mutual agreement in the society, community and environment. The Company has realized that the good relationship and cooperation from these stakeholders can enhance its competitiveness and add values to the Company which lead to its long-term success. The significant details are as follows:

3.1 Equitable Treatment to Stakeholders

1) Shareholders The Company is committed to conduct business for the good performance and generate profits to sustainable growth. Thus, the Company realizes the importance of the risk management, the good internal control system, and the competency creation for the consistent and appropriate return to shareholders and the long-term added value of the Company. Including, the information disclosure which is correct, complete, timely and transparent. The Company also provides convenience to shareholders in fully exercising their rights and treats shareholders equally under the corporate governance code continuously.



2) Customers The Company is committed to willingly provide services to customers, to meet customers' demand with equitable, fair and attentive services which have high quality, meet standards, are fast and punctual and can keep customers' secrets unless required for disclosure by law or permitted in written by customers. The information technology is used as support to creating highest customers' satisfaction.

3) Partners The Company clearly set the policy and principles of the fair treatment to trade partners, especially for the trade partner selection. The selection criteria were based on the comparison of conditions, prices, qualities and services, which were transparent and could be examined. The Company shall follow the agreement to develop and maintain long term partnership while keeping the value of products and services up to the requirement. The ultimate objective is to build the efficient long term business partnership.

4) Employees are valuable and are the key drivers to business. The Company realizes that and supports the training and development programs to all employees continuously and regularly. Moreover, the Company provides equitable treatment, appropriate and fair remuneration and welfare to employees. The Company provides the annual health checkup, provident funds to promote employee's saving for their insurance after retirement, and the good workplace with regard to employee's safety and efficiency.

5) Debtors The Company strictly complies with agreements and obligations with debtors, including purpose of using money, payout debts, and other agreements done with debtors. The Company shall disclose the information and report the financial status to debtors accurately, completely and sufficiently. The Company also defines the capital management strategy to prevent the Company from the lack of liquidity and to get ready to pay back to debtors within the due date consistently.

6) Competitors The Company focuses on conducting business with ethics and fairness under the rules, regulations and legal framework. The Company shall not blame or destroy trade competitors, shall not seek for confidential information of trade competitors with dishonest or inappropriate methods and shall not do any action that violate human rights or intellectual property of any person.

7) Society, Community, Environment The Company conducts business with the care for society, community and environment by being in compliance with the law and regulations in various aspects in order to avoid taking advantages of the social community. The Company concerns on the responsibility of and recognizes the value of social benefits and environment preservation. CSR activities have been conducted with employee participation to support the society and community development.

8) Government Sector and Related Regulatory Agencies The Company conducts business in compliance with the rules and regulations of official requirements and related regulatory agencies and cooperates with the practices of government sector's policy. The Company is not involved with or conducting business with any company or any person violating the law and shall not do any action in any case that can cause the corruption both directly and indirectly.

3.2 Non-Infringement of Intellectual Property

The Company conducts business by complying with the intellectual property law and has a policy of not supporting any action that has characteristics of intellectual property infringement, such as any usage of software in the company system must be legally permitted and copyrighted only. Employees are prohibited to install illegal copyright software in the company's computer.

3.3 Compliance with Human Rights

The Company gives importance to the equality of individuals by not taking any action that violates human rights or is unfair to an individual due to the difference in origin, nationality, gender, age, education, disability, economic status, social status, and political opinion.



3.4 Anti-Corruption

Anti-Corruption Policy

The Company realizes that the corruption can give the bad effect and be the obstacle to social and economic development of the country. It significantly is the wrong doing that leads to the unfair business and can affect the Company's reputation in the aspects of business code of conduct, core competency and international acceptance. It will make shareholders, investors and all stakeholders lose confidence in the organization. Thus, the Company takes as the key principles that the Company's business conduct must not support any business, group or individual involving in the pursuit of unreasonable benefits, both directly and indirectly, from the misuse of authority. The Company is willing to cooperate with the government sector, civil social sector, public media and international organizations to reflect its commitment to all forms of anti-corruption.

The Company's Board of Directors had the resolution to approve the Anti-Corruption Policy and Measure by applying the official guidelines of "The Private Sector Collective Action Coalition Against Corruption Project" as the clear guidelines for business conduct and must be strictly complied with by the Company's Directors, Executives and all employees. The Anti-Corruption Policy and Measure were publicized in the Company's website (www.ratchthani.com).

Corruption Risk Assessment Process

The company set up the process of corruption risk assessment, in accordance with the Anti-Corruption Policy, to be the guideline. The objective was to build ethics and practices of anti-corruption to the whole organization where they were practiced until becoming the corporate culture.

Principles of Control and Prevent the Risk of Corruption

The Company set up the process of corruption risk assessment, including the corruption risk management process which started from the risk identification on the key process, risk assessment, risk control, risk monitoring and risk review. The corruption risks included 4 forms as follows:

1. Giving or accepting bribes.
2. Giving or accepting gifts, entertainment and other benefits.
3. Political support.
4. Donation for charity, public interest and financial support.

Guideline to follow up and evaluate the Anti-Corruption Policy and Measure's Compliance

1. Board of Directors have duty and responsibility to determine and approve the Anti-Corruption Policy and Measure and to provide the efficient system supporting the anti-corruption to be assured that the management realizes its importance and takes into practice until becoming the corporate culture.

2. The Audit Committee has duty and responsibility to review the internal control to ensure its sufficiency, efficiency and compliance with the Anti-Corruption Policy and Measure.

3. The Management has duty and responsibility to promote, support and control employees and related parties to follow the Anti-Corruption Policy and Measure and to review the appropriateness of various regulations and measures to ensure its compliance with the changing business, regulations and legal requirements.

4. Internal Audit Department has duty and responsibility to review and examine the practices to ensure that they are correct and in compliance with the policy, principles, regulation and related law. The internal control system must be assured to be proper and sufficient to handle any potential corruption risks. The Internal Audit Department reports directly to the Audit Committee.

5.The Company's committee, high level executives, management and staff have duty to follow the Anti-Corruption Policy and Measure by not getting involved with any corruptions directly or indirectly .

6.Subsidiaries, business agents, or the Company's employees under the Company's control must accept to follow the Company's Anti-Corruption Policy and Measure.

Anti-Corruption Training

The Company promoted the staff training to Directors, Executives and employees at all levels to provide knowledge, understanding and practices according to the required policy of "Anti-Corruption Program" as follows:

1.The committee and high level executives of the Company and Thanachart Group participated in the Anti-Corruption for Executives Course of Thailand. The training course was lectured by Dr. Bandid Nijathaworn, President and CEO of Thai Institute of Directors (IOD).

2.Staff at managerial level participated in the Anti-Corruption for Managers Course.

3.Every employee at operational level has studied the practice guideline from the Anti-Corruption handbook and the Company's public relations. Employees are required to do self-assessment about Anti-Corruption annually.

"Thailand's Private Sector Collective Action Coalition Against Corruption"

The Company signed up to the declaration of intention in joining the Thailand's Private Sector Collective Action Coalition Against Corruption on 18th April 2014 and did the self- evaluation tool for countering corruption in order to enter the process of membership certification from the Thailand's Private Sector Collective Action Coalition Against Corruption Council.

On 3rd October 2014, the Thailand's Private Sector Collective Action Coalition Against Corruption Council meeting had a resolution of approval for Ratchthani Leasing Public Company Limited to be a member of Collective Action Against Corruption (CAC), together with Thanachart Capital Public Company Limited and another 10 companies of Thanachart Group. The certificate is valid for 3 years, effective from the date of approval .



In 2017, the Company requested for the re-certification following the process and procedures required by CAC . On 18th August 2017, the CAC Quarterly Meeting 2/2017 had a resolution of approval for the re-certification of Ratchthani Leasing Public Company Limited to be a member of Collective Action Against Corruption (CAC), together with Thanachart Capital Public Company Limited and another 14 companies of Thanachart Group .

On 21st November 2017, Mr. Kovit Rongwattanasophon, Chairman and Managing Director of Ratchthani Leasing Public Company Limited received the certificate of member of Thailand's Private Sector Collective Action Coalition Against Corruption in the international conference, Thailand's 8th National Conference on Collective Action Against Corruption "Bright spot: Lighting the way to a corruption free society", at Napalai Ballroom, Dusit Thani Hotel. The conference was organized by Thai Institute of Directors (IOD).



In 2020, the Company submitted for the Re-certification according to the procedure and process of CAC. The CAC committee meeting in Quarter 3/2020 had a resolution to support the Company to re-certify its membership of the Thai Private Sector Collective Action Against Corruption effective from 30th September 2020 to 30th September 2023.

In addition, the RTN Insurances Brokers Company Limited which is a subsidiary company of the Company signed to join the announcement of intent of the Thai Private Sector Collective Action Against Corruption and did arrange the self-assessment of anti-corruption measures to enter the process of obtaining the certificate of membership. The meeting of Thai Private Sector Collective Action Against Corruption (CAC) had a resolution to certify the RTN Insurances Brokers Company Limited to be a member of CAC effective from 31st December 2020 to 31st December 2023.

The Company has announced and campaigned the No Gift Policy for general awareness and sent the letter of cooperation for complying with the Anti-Corruption Policy in no gift giving or receiving to trade partners, customers and business agents in order to reflect the Company's commitment in business ethics, transparency and anti-corruption in all forms both directly and indirectly.



3.5 Information, Whistleblowing, and Complaints

The Company set the practice guidelines to receive information, whistleblowing, and complaints from customers and stakeholders in the case that they witness, are violated, or get affected from illegal or unethical actions of directors, executives of employees of the Company through the following channels:

- E-mail: callcenter@thani.co.th
- Website: www.ratchthani.com (Anti-corruption issue/ The Channel for Whistleblower to Report)
- Notify Supervisors directly
- Notify Chief Executive of Internal Audit department directly
- Notify Managing Director directly
- Notify Chairman of the board directly
- Notify Chairman of the Audit Committee directly



The responsible department will follow up with the complaints, feedback to customers or complainants on the solutions, and take the complaints to improve the company operations to prevent such cases from reoccurring.

Moreover, the Company defined the mechanisms to protect whistleblowers or informants to ensure that such action will not expose the informants to troubles and damages as follows:

1) The Company shall keep information and informant/ whistleblower/ complainant confidential with limited access to only persons with duty and responsibility to such case.

2) The Company will not create any negative effect to informants although such action will cause business opportunity loss.

3) In the case that informant finds himself insecure or may be damaged, he can request for the appropriate protection measures from the Company.

4) In the case it is found that employees or executives treat other persons unfairly or cause damages to other persons when their motive is that other persons give information, whistleblowing, complaint or deny corruption, the employees or executives shall be regarded as indiscipline.

In 2020, the Company received information, whistleblowing, and complaints from stakeholders in various issues and have solved the problems, defined prevention measures for repeated occurrence, and reported to the relevant committees and executives as follows:

Issues	Received	On Investigation Process	Closed
1.Violation of the law	-	-	-
2.Violation of human rights	-	-	-
3.Violation of code of conduct	1	-	1
4.Corruption	-	-	-
5.Services	11	-	11

4.Information Disclosure and Transparency

The Company realizes that the information disclosure, which can or may have an effect on the changes in the Company's security prices or on the investment decision or on the shareholders' rights and benefits, is important for shareholders, general investors and institutional investors to receive the significant news quickly, equally and sufficiently for decision making. However, the Company also realizes the need to keep the confidentiality of business details and key operational strategy and shall not disclose any information that could have effect on the Company's competitiveness.

4.1 Information Disclosure

The Company gives importance to the information disclosure which is correct, complete, reliable, consistent and timely, such as the significant information about business performance and financial statement, according to the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition to the information disclosure in the annual registration statement (Form 56-1) and annual report (Form 56-2), the Company provides many channels to access to the information. Most information is published on the Company website (www.ratchthani.com) in both Thai and English languages to help interested shareholders or interested investors access to information easily, conveniently, thoroughly and equally. The Management Discussion and Analysis: MD&A is also published for disclosure of quarterly and annual financial statements on the news section of the Stock Exchange of Thailand.

As for the 2020 financial statement, the Company appointed EY Office Co., Ltd. to be its auditor. This auditor appointment and audit fees were approved by the 2020 Annual General Meeting of Shareholders. The appointed company



is an independent company certified by the Office of the Security and Exchange Commission. The auditor certified the financial statements of the Company with no condition.

4.2 Investor Relations

The Company assigned the Office of the directors and Administration and the Planning and Strategy Department to be responsible for the Investor Relations which is the contact point of information, questions and answers about the Company. Another channel to publish the Company's information, financial information and general information to shareholders, analysts, general interested investors, credit rating agencies, and relevant regulatory agencies, is by phone number 02-431-9000 or by e-mail: irthani@thani.co.th.

Investor Relations Activities in 2020

1) 4 Analyst Meeting were held, with 40-60 participants per meeting, to inform the quarterly performance to analysts, institutional investors, and general investors, by the Company's top executives.

2) 3 Company Visits were held. Most of them were contacted by securities companies which took domestic and international analysts to meet top executives of the Company to ask for information details for better understanding of business.

3) 1 Conference Call was made to provide further details to domestic and international investors and analysts after releasing information to the public.

5.Responsibilities of the Board of Directors

5.1 Board of Directors Structure

The Board of directors consists of experts with knowledge, skills, experiences, competencies, and special qualifications that are necessary to achieve the goals of the organization and beneficial to company business conduct. The number of directors shall be in accordance with the laws and good corporate governance.

The Company appointed Company Directors for efficient administration and creating a counterbalance mechanism, not letting any sole individual or group take the sole decision-making authority. The structure of management is clearly shown in Management Structure chapter which includes the chain of command of each division, the decentralization of administration and decision making power into each division in the Company as deemed appropriate in order to avoid centralizing power on Managing Director only.

As of 31st December 2020, the Company had 12 directors as follows:

- 2 Executive Directors, representing 16.66% of the board.
- 5 Non-Executive Directors, representing 41.66% of the board.
- 5 Independent Directors, representing 41.66% of the board.

Thus, the Company had total of 10 Non-Executive Directors, representing 83.33% of the board.

Directors who are Executives

Directors who holds an executive position or take roles in the management of the Company or participate in any action like executive.

Independent Director

The Company defines the definition and qualification of independent directors in line with the announcement of the Securities and Exchange Commission and the good corporate governance principles as follows:



1) Independent Director shall hold no more than 0.5% of total shares with voting rights of the Company, parent company, subsidiary company, associated company, major shareholders, or regulator of the Company, including the shareholding of a person related to such Independent Director.

2) Independent Director neither is nor was a director involved in administration, employee, regularly paid consultant or regulator of the Company, parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or regulator of the Company, unless he/she is free from such position for at least 2 years before the appointment date.

3) Independent Director does not have relationship by blood or by legal registration as a parent, spouse, brother / sister, child and spouse, of any executive, major shareholder, regulator or individual being proposed to be executive or regulator of the Company or subsidiary company.

4) Independent Director neither has nor had business relationship with the Company, parent company, subsidiary company, associated company, major shareholder or regulator of the Company and is not or was not significant shareholder or regulator of an individual who has business relationship with the Company, parent company, subsidiary company, associated company, major shareholder or regulator of the Company, unless he/she is free from such position for at least 2 years before the appointment date.

5) Independent Director neither is nor was an auditor of the Company, parent company, subsidiary company, associated company, major shareholder or regulator of the Company and is not a significant shareholder, regulator or partner of the audit company of which auditor of the Company, parent company, subsidiary company, associated company, major shareholder or regulator of the Company is affiliated with unless he/she is free from such position for at least 2 years before the appointment date.

6) Independent Director neither is nor was a service provider of any profession, including legal counselor or financial consultant which receives service fees for over two million Baht per year from the Company, parent company, subsidiary company, associated company, major shareholder or regulator of the Company and is not a significant shareholder, regulator or partner of such professional service provider unless he/she is free from such position for at least 2 years before the appointment date.

7) Independent Director is not a director appointed as a representative of the Company's Director, major shareholder, or any shareholder related to major shareholder.

8) Independent Director shall not conduct business of the same characteristics as and significantly competitive to the business of the Company or subsidiary company. Independent Director shall not be a significant partner in the partnership or director involved in administration, employee, staff, consult receiving a regular salary or shareholder with over 1% of total shares with voting rights of any company in the same business industry and significantly competitive to the Company and its subsidiary company.

9) Independent Director does not have any aspects that prevent him/her from giving opinion independently on the Company's business.

Independent Director not only has a role and duty like other directors in the Board of Directors but also has a role and duty in maintaining independence in providing opinion or advice in order to keep the interest of all stakeholders without being influenced by any party.

Independent Director shall hold the meetings among themselves, without the presence of Executives or any other individuals who may relate to the Company or may not maintain their neutrality in the meeting, before the Board of Directors meeting. The objective is to study the meeting agenda and to define the recommendations before proposing to the Board in order to improve the administrative management and business operation to bring development and efficiency to corporate and benefits to all stakeholders.



5.2 Nomination, Appointment, and Term of office of director position

The Board of Directors appointed the Nomination and Remuneration Committee to perform the duty of selection and nomination of the qualified persons to hold the position of company director by considering the following criteria :

- 1) Have complete qualification and do not have any prohibited characteristics as required by law and regulations prescribed by a regulatory agency.
- 2) Have knowledge, skills, experiences, competencies, and special characteristics as necessary to achieve the corporate goals and beneficial to the business (Board Skill Matrix.)
- 3) Have responsibility, honesty, carefulness, and morality.
- 4) Able to perform duty and express opinion with independent judgment.
- 5) Can dedicate sufficient time to perform duty as a director.

The appointment of Directors can occur in 2 cases:

- 1) Appoint Director to replace Director who retires by rotation and must be approved by shareholders' meeting resolution.
- 2) Appoint Director during the term due to the vacant position. The approval shall be considered based on the proposal of the Nomination and Remuneration Committee.

In appointing the directors by the shareholders' meeting, one shareholder has votes equals to the number of holding shares. Each shareholder can use up the votes for an individual or many individuals for directors but cannot split the votes for anyone unequally. The individuals who receive the highest votes in descending order shall be elected to be directors, depending on the number of directors to be elected at that time. In the case that the individuals elected in the next order receive equal votes and they exceed the number of directors to be elected at that time, the Chairman of the meeting shall be the arbitrator.

In every Annual General Meeting of Shareholders, 1 out of 3, or the closest number, of directors holding a position for the longest period shall retire from office but can be re-selected to hold the position. Independent director's term of office is no longer than consecutive 9 years from the first appointment unless the board has opinion for that director to further continue his position.

In 2020, the Board of Directors considered to approve the appointment of new directors, due to the vacancy, in accordance with the consideration of the Nomination and Remuneration Committee as deemed appropriate with the structure and overall composition of the board. The consideration included the qualifications required by the law and relevant government announcements, knowledge, skills, experiences, competencies, and special characteristics as necessary to achieve the corporate goals and be beneficial to the business (Board Skill Matrix).

1) Mr. Somjate Moosirilert was appointed as a Director, in place of Mr. Nakarin Anantachina, effective from 14th January 2020 onwards. Mr. Nakarin Anantachina resigned from the Company's Director, effective from 1st July 2019 onwards.

2) Ms. Suvarnapha Suvarnaprathip was appointed as a Director, in place of Mr. William George Said, effective from 18th February 2020 onwards. Mr. William George Said resigned from the Company's Director, effective from 18th February 2020 onwards.

3) Mr. Kamtorn Tantisirivat was appointed as a Director, in place of Mr. Anuwat Luengtaweekul, effective from 13th August 2020 onwards. Mr. Anuwat Luengtaweekul resigned from the Company's Director, effective from 13th August 2020 onwards.

4) Mr. Sorasak Chayarak was appointed as a Director, in place of Mr. Pompet Rasanon, effective from 13th August 2020 onwards. Mr. Pompet Rasanon resigned from the Company's Director, effective from 13th August 2020 onwards.



In the 2020 Annual General Meeting of Shareholders held on 10th July 2020, the Board of Directors, excluding directors with conflict of interest, agreed to the proposition of the Nomination and Remuneration Committee to reappoint the Directors retire by rotation back to the Director position and the positions in the sub-committee for another term. The summary of Directors retire by rotation is as follows:

- 1) Mr. Virat Chinprapinporn was appointed as Chairman of the board.
- 2) Mr. Charoensook Kititti was appointed as Director.
- 3) Mr. Somjate Moosirilert was appointed as Director.
- 4) Ms. Suvarnapha Suvarnaprathip was appointed as Director.

5.3 The Divided Roles & Responsibilities of Board of Directors and Management

The Company has the roles and responsibilities of Board of Directors and Management divided clearly as follows:

Conducted by Board of Directors	Conducted by Board of Directors and Management	Board of Directors assigned Management to take responsibility
1.Set objectives, policy, goal and key concept for corporate business conduct. 2.Supervise directors and executives to perform their duty of care and duty of loyalty to the corporate for the Company's benefits. 3.Supervise the business conduct to ensure its compliance with the law, objectives, regulations, shareholders meeting resolutions and good corporate governance principles.	1.Set strategy, measure and annual business plan. 2.Manage the sufficient appropriateness of the internal control system and the risk management. 3.Manage the sufficient appropriateness of the internal control system and the risk management.	1.Execute the strategy and policy set by Board of Directors. 2. Make decision on the procurement, personnel recruitment, etc. according to the policy framework. 3. Manage all areas to be in accordance with the law, rules, and related regulations within the authority and budget assigned by Board of Directors.

The separated roles and duties of Chairman of the Board of Directors and Managing Directors

Chairman of the Board of Directors is not the same person as the Chief Executive Officer and Managing Director in order to separate the duties of the policy designation, supervision and management of the routine administration work .

Roles and duty of Chairman of the Board

Chairman of the board's role as a leader of the board is to conduct business according to the corporate governance principles and supervise the board meeting to be efficient for the best interests of the Company and all stakeholders. In addition, his role also includes the support of good relationship between the board and the management.

Role and duty of Managing Director

Managing Director has a role in overall management to ensure the compliance with the policies, strategies, and goals defined by the board, such as establishing the regulations, approving loans according to the authorized credit limit, hiring and appointing personnel, procurement, and general management of the Company, etc .



5.4 Board of Directors Meeting

The Company requires at least 6 Board of Directors meetings per year and extraordinary meeting as necessary. The Company Secretary shall prepare the invitation letter, meeting agenda and relevant documents and send them to Directors at least 7 working days before the meeting date so that the Board shall have enough time to study before attending the meeting. The schedule of Board of Directors meetings and Committee meetings is set in advance each year and shall be informed to each Director for his/her acknowledgement and time management to attend the meetings. The meeting attendance of each Director of each Committee in 2020 is as follows:

List of Directors	Board of Directors	Board of Directors without Executive Directors	Audit Committee	Nomination & Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee
	(Total 8 times)	(Total 1 times)	(Total 4 times)	(Total 4 times)	(Total 12 times)	(Total 12 times)	(Total 8 times)
Mr. Virat Chinprapinporn	8 / 8	-	-	-	12 / 12	12 / 12	8 / 8
Mr. Kovit Rongwattanasophon	8 / 8	-	-	-	12 / 12	12 / 12	8 / 8
Mr. Charoensook Kititti	8 / 8	1 / 1	-	-	-	-	8 / 8
Mr. Somjate Moosirilert	7 / 7	1 / 1	-	1 / 1	12 / 12	12 / 12	7 / 7
Ms. Suvarnapha Suvarnaprathip	6 / 6	1 / 1	-	-	-	-	6 / 6
Mr. Kamtorn Tantisirivat	2 / 2	1 / 1	-	-	4 / 4	4 / 4	2 / 2
Mr. Sorasak Chayarak	2 / 2	1 / 1	-	-	-	-	2 / 2
Mr. Thakol Nanthirapakorn,Ph.D.	8 / 8	1 / 1	4 / 4	-	-	-	8 / 8
Mr. Suvit Arunanondchai	8 / 8	1 / 1	4 / 4	4 / 4	-	-	8 / 8
Mr. Varavudh Varaporn	8 / 8	1 / 1	4 / 4	4 / 4	-	-	8 / 8
Mrs.Naree Boontharawara,Ph.D.	7 / 8	1 / 1	4 / 4	-	-	-	7 / 8
Mr. Surapon Satimanont	7 / 8	1 / 1	4 / 4	-	-	-	7 / 8
Directors retired from position in 2020							
Mr. William George Said	0 / 1	-	-	-	-	-	0 / 1
Mr. Anuwat Luengtaweekul	3 / 6	-	-	1 / 3	-	-	3 / 6
Mr. Pompet Rasanon	5 / 6	-	-	-	8 / 8	8 / 8	5 / 6
Average attendance	87%	100%	100%	83%	100%	100%	87%

Note : (1) Mr. Somjate Moosirilert was appointed as a Director, in place of Mr. Nakarin Anantachina, effective from 14th January 2020 onwards. Mr. Nakarin Anantachina resigned from the Company's Director, effective from 1st July 2019 onwards.

(2) Ms. Suvarnapha Suvarnaprathip was appointed as a Director, in place of Mr. William George Said, effective from 18th February 2020 onwards. Mr. William George Said resigned from the Company's Director, effective from 18th February 2020 onwards.

(3) Mr. Kamtorn Tantisirivat was appointed as a Director, in place of Mr. Anuwat Luengtaweekul, effective from 13th August 2020 onwards. Mr. Anuwat Luengtaweekul resigned from the Company's Director, effective from 13th August 2020 onwards.

(4) Mr. Sorasak Chayarak was appointed as a Director, in place of Mr. Pompet Rasanon, effective from 13th August 2020 onwards. Mr. Pompet Rasanon resigned from the Company's Director, effective from 13th August 2020 onwards.



5.5 Remuneration of Directors

The Nomination and Remuneration Committee considered the compensation for director according to the appropriateness and the comparison with other companies in the same industry, reflecting the duty and responsibility of the position, and proposed to Board of Directors and shareholders' meeting for approval. The 2020 Annual General Meeting of Shareholders approved the compensation composition of director in 2020 as follows :

1) Monthly compensation and meeting allowance are not over than 5,000,000 Baht in total.

Committee	Position	Monthly Compensation (per month/ per person)	Meeting Allowance (per meeting/ per person)
Board of Directors	Chairman	12,000	30,000
	Director	10,000	25,000
Audit Committee	Chairman	12,000	30,000
	Director	-	25,000
Nomination and Remuneration Committee	Chairman	-	30,000
	Director	-	25,000
Executive Committee ⁽¹⁾	Chairman	-	-
	Director	-	10,000
Risk Management Committee	Chairman	-	-
	Director	-	-
Other benefits		- none -	

Note : ⁽¹⁾ The remuneration of Executive Committee included the meeting allowance to Directors who are not Executives only .

2) The remuneration in pension for Directors was 0.5% of dividend paid in cash to shareholders. Net profits of 2019 were 6,040,565.52 Baht in total.

In 2020, the Company paid remuneration to 4 groups of directors, that is, Board of Directors, Audit Committee, Nomination and Remuneration Committee, and Executive Committee, in total of 10,483,565.52 Baht The remuneration payment was in the form of meeting allowance, monthly compensation, and premium for directors (accounting for 0.5% of dividend paid to shareholders from 2019 net profits) as follows:



List of Directors		Meeting allowance (Baht)					Monthly compensation (Baht)	Premium for directors (Baht)	Total of remuneration payment (Baht)
		Directors	Audit Committee	Nomination & Remuneration Committee	Executive Committee	Total of meeting allowance (Baht)			
						(1)	(2)	(3)	(1) + (2) + (3)
Mr. Virat	Chinprapinporn	210,000	-	-	-	210,000	144,000	710,654.76	1,064,654.76
Mr. Kovit	Rongwattanasophon	175,000	-	-	-	175,000	120,000	592,212.31	887,212.31
Mr. Charoensook	Kititti	175,000	-	-	-	175,000	120,000	592,212.31	887,212.31
Mr. Somjate	Moosirilert	150,000	-	25,000	120,000	295,000	120,000	-	415,000.00
Ms. Suvarnapha	Suvarnaprathip	125,000	-	-	-	125,000	110,000	-	235,000.00
Mr. Kamtorn	Tantisirivat	50,000	-	-	40,000	90,000	46,129	-	136,129.03
Mr. Sorasak	Chayarak	50,000	-	-	-	50,000	46,129	-	96,129.03
Mr. Thakol	Nanthirapakorn, Ph.D.	175,000	120,000	-	-	295,000	144,000	493,510.25	932,510.25
Mr. Suvit	Arunanondchai	175,000	100,000	120,000	-	395,000	120,000	592,212.31	1,107,212.31
Mr. Varavudh	Varaporn	175,000	100,000	100,000	-	375,000	120,000	493,510.25	988,510.25
Mrs. Naree	Boontherawara, Ph.D.	150,000	100,000	-	-	250,000	120,000	592,212.31	962,212.31
Mr. Surapon	Satimanont	150,000	100,000	-	-	250,000	120,000	592,212.31	962,212.31
Directors retired from position in 2020									
Mr. William	George Said	-	-	-	-	-	-	-	-
Mr. Anuwat	Luengtaweekul	75,000	-	25,000	-	100,000	73,871	592,212.31	766,083.28
Mr. Pompert	Rasanon	100,000	-	-	80,000	180,000	73,871	394,808.20	648,679.17
Directors retired from position in 2019									
Mr. Nakarin	Anantachina	-	-	-	-	-	-	197,404.10	197,404.10
Mr. Ekasith	Saktanakorn	-	-	-	-	-	-	197,404.10	197,404.10
Total		1,935,000	520,000	270,000	240,000	2,965,000	1,478,000	6,040,565.52	10,483,565.52

- Note : (1) Mr. Somjate Moosirilert was appointed as a Director, in place of Mr. Nakarin Anantachina, effective from 14th January 2020 onwards. Mr. Nakarin Anantachina resigned from the Company's Director, effective from 1st July 2019 onwards.
- (2) Ms. Suvarnapha Suvarnaprathip was appointed as a Director, in place of Mr. William George Said, effective from 18th February 2020 onwards. Mr. William George Said resigned from the Company's Director, effective from 18th February 2020 onwards.
- (3) Mr. Kamtorn Tantisirivat was appointed as a Director, in place of Mr. Anuwat Luengtaweekul, effective from 13th August 2020 onwards. Mr. Anuwat Luengtaweekul resigned from the Company's Director, effective from 13th August 2020 onwards.
- (4) Mr. Sorasak Chayarak was appointed as a Director, in place of Mr. Pompert Rasanon, effective from 13th August 2020 onwards. Mr. Pompert Rasanon resigned from the Company's Director, effective from 13th August 2020 onwards.
- (5) Mr. Ekasith Saktanakorn resigned from the Company's Director, effective on 7th May 2019 onwards.
- (6) Mr. Nakarin Anantachina resigned from the Company's Director, effective on 1st July 2019 onwards.
- (7) Mr. William George Said declared his intention not to receive meeting fee, monthly compensation and Directors' remuneration.

5.6 Development of Directors and Executives

The Board of Directors has a policy to promote and support the Directors, Executives, Company Secretary and persons relating to the Company's corporate governance to participate in the training and seminar about the role, duty and responsibility according to the corporate governance guidelines, conducted by IOD: Thai Institute of Directors, the Stock Exchange of Thailand or independent organizations, in order to strengthen their skills and knowledge to further improve the efficiency of their performance. Every member of the Board of Directors has passed the training program relevant to Duties of Directors, conducted by IOD: Thai Institute of Directors.



In 2020, Directors, Executives, Company Secretary and the person supervising accounting participated in the training programs or seminars to enhance their operational knowledge and to continuously develop knowledge as follows:

Directors

	Name	Position	Training/ seminar program	Institution/ Agencies
1	Mr. Virat Chinprapinporn	Chairman / Executive Committee / Risk Management Committee	Top Executive Program for Energy Science, Class 15/2020	Thailand Energy Academy (TEA)
2	Mr. Kovit Rongwattanasophon	Director / Managing Director / Chairman of the Executive Committee / Chairman of the Risk Management Committee	The Personal Data Protection Act B.E.2019 : Laws and Practices	Ratchthani Leasing Public Company Limited
3	Mr. Kamtorn Tantisirivat	Director / Executive Committee / Risk Management Committee	Directors Accreditation Program (DAP), Class 176/2020	Thai Institute of Directors (IOD)
4	Mr. Sorasak Chayarak	Director	Directors Accreditation Program (DAP), Class 176/2020	Thai Institute of Directors (IOD)
5	Mr. Thakol Nunthirapakorn, Ph.D.	Independent Director/ Chairman of the Audit Committee	Preliminary to Corporate Sustainability Corporate Sustainability Strategy, Class 2/2020 Sustainability Risk and Materiality Analysis, Class 2/2020 Sustainability Evaluation & Data Management, Class 2/2020	The Stock Exchange of Thailand (SET)



Executives

No.	Name	Position	Training/ seminar program	Institution/ Agencies
1	Mr. Khomsan Boonyoiyad	Deputy Managing Director	Guideline for The Anti-Money Laundering Act and Related Regulatory	Thai Hire-Purchase Association
			The Personal Data Protection Act B.E.2019 : Laws and Practices	Ratchthani Leasing Public Company Limited
2	Mr. Ponlaphe Sakkayapapwicharnon	Senior Assistant Managing Director/ Company Secretary	Guideline for The Anti-Money Laundering Act and Related Regulatory	Thai Hire-Purchase Association
			The Personal Data Protection Act B.E.2019 : Laws and Practices	Ratchthani Leasing Public Company Limited
3	Mr.Jaturapat Nudaeng	Assistant Managing Director	The Personal Data Protection Act B.E.2019 : Laws and Practices	Ratchthani Leasing Public Company Limited
4	Ms. Unchan Srisom	Senior Vice President of Accounting and Planning & Strategy	Tax for Accountants : Systematic Taxation	Federation of Accounting Professions
			Key Matter Accounting Issues Related to Income, Expenses and Financial Reporting Standards	
			Budget for Planning and Profit, Class 1/2020	
			Major Accounting Item Adjustment	
			Guideline for The Anti-Money Laundering Act and Related Regulatory	Thai Hire-Purchase Association
			The Personal Data Protection Act B.E.2019 : Laws and Practices	Ratchthani Leasing Public Company Limited



The Person Supervising Accounting

No.	Name	Position	Training/ seminar program	Institution/ Agencies
1	Ms. Kanatip Surpayake	Accounting Manager	Land and Building Tax Planning and Preparing Before Implementing in 2020	Federation of Accounting Professions
			Transformative Accounting	Dharmniti Seminar and Training Company Limited
			Summary of tax issues	
			Guideline for The Anti-Money Laundering Act and Related Regulatory	Thai Hire-Purchase Association
			The Personal Data Protection Act B.E.2019 : Laws and Practices	Ratchthani Leasing Public Company Limited

5.7 Performance Evaluation

Performance Evaluation of Board of Directors

The Company arranged self-evaluation for the Board of Directors and Committees every year in order to reflect the efficiency of their working performance according to the Corporate Governance Code. In 2020, there were 4 groups of evaluation: performance evaluation of the entire Board, performance evaluation of sub-committee, performance evaluation of the board by individual (self-evaluation), and performance evaluation of the board by individual (cross-evaluation). The Board shall consider, review and further improve such evaluations with the performance evaluation process of entire Board, individual and entire committee as follows:

1) The Company Secretary prepares the self-evaluation form by adapting the guidelines of the Thai Institute of Directors Association and the Stock Exchange of Thailand to fit the Company which shall cover the role, duty and responsibility of the Board of Directors in every aspect. And propose to the Board for self-evaluation.

2) The Company Secretary summarizes the evaluation results of entire board, entire committees, individual (self-evaluation), and individual (cross-evaluation).

3) The Company Secretary reports the performance evaluation results of entire board, entire committees, individual (self-evaluation), and individual (cross-evaluation) to the Board of Directors in order to improve the operations to be more efficient.

Criteria for performance evaluation of Board of Directors are as follows:

1) Performance evaluation of entire board of directors includes 6 topic:

- (1) Structure and qualification of the board
- (2) Role, duty and responsibility of the board
- (3) Meetings of the board
- (4) Duty performance of Directors
- (5) Relationship with management
- (6) Self-development of Directors and development of Executives

2) Performance evaluation of entire committees includes 3 main topics:

- (1) Structure and qualification of committees



(2) Meetings of committee

(3) Role, duty and responsibility of committees

3) Performance evaluation of the board by individual (self-evaluation and cross-evaluation) includes 3 main topics:

(1) Structure and qualification of the board

(2) Meetings of the board

(3) Role, duty and responsibility of the board

The scores range is 0-4 from Strongly disagree or No action on that topic to Strongly agree or Excellent action on that topic. In 2020, the result of each performance evaluation is as follows:

Evaluation	Average Score (4 Full Score)	%
Performance evaluation form of the Board of Directors (Entire)	3.92	98.00
Performance evaluation form of the Audit Committee (Entire)	4.00	100.00
Performance evaluation form of the Executive Committee (Entire)	3.76	94.00
Performance evaluation form of the Risk Management Committee (Entire)	3.75	93.75
Performance evaluation form of the Nomination and Remuneration Committee (Entire)	3.98	99.50
Performance evaluation form of Directors by self-evaluation	3.93	98.25
Performance evaluation form of Directors by cross-evaluation	3.94	98.50

Performance evaluation of Managing Director

The Company requires the performance evaluation of Managing Director to be conducted every year. The Nomination and Remuneration Committee defines the criteria and evaluates performance against the Key Performance Indicator (KPI) which are set in consistent with short-term and long-term strategies and goals in the economic and social dimensions, and the ability of management. However, the conclusion of performance evaluation of Managing Director is deemed confidential and cannot be disclosed.

Performance evaluation of Executives

The Company requires the performance evaluation of Executives to be conducted every year. The Managing Director defines the criteria and evaluates performance against the Key Performance Indicator (KPI) which are set in consistent with short-term and long-term strategies and goals, and the ability of management. However, the conclusion of performance evaluation of Executives is deemed confidential and cannot be disclosed.

5.8 Succession plan for Managing Director

The Board of Directors assigned the Nomination and Remuneration Committee to prepare the succession plan for the Chief Executive Officer and Managing Director and top executive positions in order to be ready and to develop the potential persons for the top executive positions in the future for the continuous growth of the Company.

5.9 Subsidiary Governance

The Company has management and governance over its subsidiaries in terms of strategy, policy, and goal, by appointing a person to hold the position of Director or Executive in the subsidiary to maintain the interests of Company's investments. Moreover, the Company requires subsidiaries to comply with the regulations and policies of the Company, such as financial reporting, connected transaction, compliance with the good corporate governance policy, etc. The Company manages to have the performance review and audit of subsidiaries every year to ensure that subsidiary companies have proper, concise, and sufficient internal control system.



Business Sustainability Management

Policy and Goal of Sustainability Management

The Company is aware of the good corporate governance and efficient risk management together with the responsibility to stakeholders along the Value Chain in the dimensions of Environment, Social & Governance (ESG). The Board of Directors, thus, considered to set up the policy of sustainability management consisting of key policies, such as management of impacts to stakeholders in the business value chain, management of sustainability in environmental dimension, management of sustainability in social dimension, and management of sustainability in corporate governance dimension. The Company is committed to improving the level of quality of operations and continuously developing the competitiveness to create confidence to all stakeholders leading to sustainable added value and business value.

Management of Impact on Stakeholders in Business Value Chain

The Company set to have the analysis and management of impact on stakeholders in the business value chain which represents the relationship of stakeholders in business operation from upstream to downstream, aiming to create value to products and services to meet expectation of key stakeholders, both internal and external, of the corporate.

In this regard, to know both positive and negative impacts and connecting issues between the Company and stakeholder, the Company requires the assessment and review of stakeholder's expectation at least once a year. When the stakeholder's expectation is known, the Company shall identify the guideline to respond to each stakeholder's expectation. This reflects the cooperation and mutual value creation between the Company and stakeholders to reduce risks and create added value to business sustainably.

Business Value Chain

Ratchthani Leasing Public Company Limited operates hire purchase loan and financial lease for commercial vehicles and other assets business, including other one-stop related services. Thus, the Company's business operations include the following primary activities:

- (1) Production factor management (Inbound logistics) by designing and developing financial products suitable for customer's objectives, financial ability, and ability to understand.
- (2) Operations by providing fast and convenient financial services including development of secure financial system and technology.
- (3) Product and service distribution (Outbound logistics) by providing services to customers at branch offices and dealer service centers where customers apply for credit.
- (4) Marketing and Sales by providing services and product information that is complete, clear, and sufficient for customer's decision making.
- (5) Customer services by providing services and receiving opinions or suggestions about financial services and promoting good experiences to customer during and after sales services.

Support activities that help the above activities achieve their objectives consist of corporate infrastructure of accounting, finance, legal, information system and human resource management in recruiting, selecting, developing, and providing fair compensation to employees of all levels. Moreover, the Technology development and Procurement of facilities for business operation also support the operation of key activities to achieve their objectives efficiently.



Analysis of Stakeholders in Business Value Chain

With the variety of stakeholder groups, the Company has strategies to supervise and improve the operation and to respond to the expectation of all groups of stakeholders properly and continuously to enable the Company to grow sustainably. The analysis of internal and external stakeholders concluded the expectation of stakeholders to the company business and the responding to such expectation as follows :

Stakeholders	Participation Process	Expectation of Stakeholders	Responding to Expectation of Stakeholders
Shareholders	<ul style="list-style-type: none"> - Shareholders' meeting - Analyst meeting - Information disclosure - Investor relations - Information, whistleblowing, and complaints. 	Business conduct with transparency and efficiency.	<ul style="list-style-type: none"> - Management of administration structure according to the good corporate governance. - Conduct business concisely and carefully for sustainable growth. - Concrete risk management and anti-corruption in all forms.
Customers	<ul style="list-style-type: none"> - Providing credit services by marketing and branch officers - Customer visit - Information, whistleblowing, and complaints 	Fair and responsible service providing.	<ul style="list-style-type: none"> - Supervision development of fair and transparent services to customer. - Product and service development with responsibility to suit customer. - Protection of personal data and cyber security.
Partners	<ul style="list-style-type: none"> - Providing services by marketing and branch officers. - Trade partner visit - Agreement signing - Information, whistleblowing, and complaints. 	Maintaining good relationship and fair return on business.	<ul style="list-style-type: none"> - Building confidence and relationship for long-term business cooperation. - Supply chain management considering the effect on all stakeholders.
Employees	<ul style="list-style-type: none"> - Meeting of employees of all levels - Internal communication - Survey of employee's satisfaction and engagement to organization. - Information, whistleblowing, and complaints. 	Fair labor management.	<ul style="list-style-type: none"> - Training to develop working skill and knowledge. - Appropriate and fair compensation and welfare. - Safety and hygiene in the workplace.
Creditors	<ul style="list-style-type: none"> - Meeting creditors - Agreement signing - Information, whistleblowing, and complaints 	Compliance with conditions and contracts.	<ul style="list-style-type: none"> - Treating creditors fairly and transparently according to the conditions and contracts. - Financial liquidity management.



Stakeholders	Participation Process	Expectation of Stakeholders	Responding to Expectation of Stakeholders
Competitors	<ul style="list-style-type: none"> - Participation in Thai Hire Purchase Business Association meetings. - Information, whistleblowing, and complaints 	Business operation with code of conduct.	<ul style="list-style-type: none"> - Conducting business and competition with transparency, fairness, and no slander or bully on trade competitors. - Creating cooperation for industrial development.
Society, Community, and Environment	<ul style="list-style-type: none"> - Activities for society, community, and environment. - Information, whistleblowing, and complaints. 	Contribution to social and community development.	<ul style="list-style-type: none"> - Promotion of the access to financial services for every group of users in society. - Providing financial knowledge and supporting activities to develop community and society. - Participation in the reduction and control of impacts on environment.
Government	<ul style="list-style-type: none"> - Attending meetings to listen and to give opinions on draft laws. - Attending the Thai Hire Purchase Business Association meetings - Information, whistleblowing, and complaints. 	Business conduct with responsibility.	<ul style="list-style-type: none"> - Conducting business under the laws and regulations of government. - Cooperation to develop economy, society, community, and environment.

Management of Sustainability in Environmental Dimension

Environmental Policy and Practices

The Company identifies the environmental performance as one of the Company's goals by providing environmental practices in accordance with the laws, regulations, and government requirements relevant to company's business operations along the value chain to reflect that the Company commits to reduce and control the impacts on environment. The environmental practices are as follows:

Energy Management

- 1) Promote the corporate culture to have consciousness in energy conservation, to appreciate energy value and to manage energy for the highest efficiency, such as using electrical equipment that saves energy and reduces energy waste, energy recovery, etc.
- 2) Choose to use the clean energy or renewable energy, such as solar energy, water energy, wind energy, biomass energy, etc.

Water Management

- 1) Promote the corporate culture to have consciousness in water conservation, to appreciate value of water and to manage water for the highest efficiency, such as using equipment that saves water, reuse water, or reuse treated water, etc.



- 2) Treat water efficiently to prevent contamination in the water resources.
- 3) Conserve and develop upstream sources to restore fertility of water sources and develop water quality.

Management of Garbage, Waste, and Pollution

- 1) Reduce amount of garbage or waste, such as avoiding making waste, reusing water sources, recycling waste, etc.
- 2) Promote the corporate culture to have environmental consciousness and to be aware of the impacts from making garbage, waste, and pollution, such as a campaign of Think Before Use to reduce waste, waste sorting for reuse or recycle, etc.
- 3) Control dust at source of origin, that is, air pollution control, engine maintenance, improving fuel combustion efficiency of engines and vehicles, etc.

Greenhouse Gas Management

- 1) Promote the corporate culture of environmental consciousness.
- 2) Create understanding and support employees to reduce the effects of global warming and climate change problems.

Environmental Performance

Efficient Use of Resources

The Company, giving importance to management and conservation of environment, assigned the safety, occupational health, and working environment committee to perform the duties of promoting, managing, and supervising the efficient resource usage, and encouraged employees to appreciate the importance of the environmental management by defining the goals and relevant operating plans as follows:

Environmental Management	Goals		Operating Plans
	Short term (1-2 years)	Long term (3-5 years)	
Energy management	Reduce electricity consumption by 1-3% compared to the base year.	Reduce electricity consumption by 3-5% compared to the base year.	<ul style="list-style-type: none"> - Purchase power saving equipment to replace damaged electric equipment. - Campaign to use electricity as necessary only and turn off devices after use. - Assign employees to directly be in charge for electric equipment. - Set regular maintenance and checking on the electric equipment working system. - Publicize knowledge of power saving and efficient resource consumption.
Water management	Reduce water consumption by 1-3% compared to the base year.	Reduce water consumption by 3-5% compared to the base year	<ul style="list-style-type: none"> - Campaign to consume water as necessary only and turn off equipment after use. - Campaign not to throw food, tissue, or other things into toilet bowl. - Publicize knowledge of water saving and efficient resource consumption.



Environmental Management	Goals		Operating Plans
	Short term (1-2 years)	Long term (3-5 years)	
Waste and pollution management	Reduce waste by 1-3% compared to the base year.	Reduce waste by 3-5% compared to the base year	<ul style="list-style-type: none"> - Campaign to recycle used paper. - Choose to use printer or copy-machine that can print or make copy of a 2-page document. - Develop systems especially for electronic transactions. - Publicize knowledge of paper saving and efficient resource consumption.
Greenhouse gas management	Reduce greenhouse gas discharge by 1-3% compared to the base year.	Reduce greenhouse gas discharge by 3-5% compared to the base year.	<ul style="list-style-type: none"> - Purchase power saving equipment to replace damaged equipment. - Campaign to use electric devices as necessary only and turn off devices after use. - Assign employees to directly be in charge for electric equipment. - Set regular maintenance and checking on the electric equipment working condition. - Publicize knowledge of power saving and efficient resource consumption.

Note : The Company is in the process of collecting data of resource consumption and shall disclose such information in the 2021 annual report.

Training and Cultivation of Environmental Consciousness

The Company is aware of environmental problems which result in large impact worldwide. To ensure that the Company's employees have knowledge, understanding, and contribute to such problem solving solutions, the Company requires employees to attend the training course about the environment every year. In 2020, the employee representatives attended the electronic training course "Green Office" of the Department of Environmental Quality, Ministry of Natural Resources and Environment, with intention to apply such knowledge to their work and transfer knowledge in the organization.

Campaign to Reduce Plastic Bag Usage for Environmental Conservation

The Company gives importance to the environmental conservation for the sustainability of the ecosystem. With the popular campaign of no plastic bag in daily life in society these days, the Company decided to join the campaign by encouraging every employee to use no plastic bag in daily life and giving away fabric bags to employees.

Contribution to Climate Change Solution

Climate change has had impact on the lives of people in the society as a result of pollutions from industrial factories, transportation, and deforestation. To make employees aware of such problems, the Company launched a campaign for employees to plant trees and put small trees on their working desks under the "RATCHTHANI TREE DAY IN THE COMPANY" program. This program aimed to stimulate the contribution to climate change management and to improve the working environment.

Moreover, the Company gives importance to the health care of employees. The problems of climate change, PM2.5 dust, and COVID-19 pandemic caused the risk of having diseases of the respiratory system. Thus, the Company bought 13 Atmosphere Sky air purifiers to be installed in the office to reduce the spread and accumulation of various pathogens.



Sustainability Management in Social Dimension

Social Policy and Practice

The Company defined social practices in compliance with the laws, regulations, and requirements of social management relevant to the company business, including human rights respect along the business value chain. To reflect the Company's commitment to manage such matter, the Company defined the social practice as follows :

Treatment to Employee

- 1) Define the practice guidelines of human rights and labor with equitability from hiring process, compensation payment, training and development, engagement development, employee satisfaction, to safety, occupational health, and working environment management.
- 2) Respect human rights considering equitability and varieties without discrimination on differences in gender, color, nationality, region, or social status.
- 3) Develop skills and attend training for the equal opportunities in career path. The Company encourages at least 50% of total employees to attend the training courses each year and has the training reports submitted according to the requirements of Department of Skill Development.
- 4) Gives importance to the healthcare system and work safety of employees. The Company has a policy and safety plan at workplace to prevent and reduce accidents and dangers with the regular assessment, monitoring, and improvement.
- 5) Supervise and give importance to employee's personal life and work-life balance. The Company, realizing that every employee is valuable and is a key driver for business operation, provides equal treatment, appropriate compensation and welfare, and good working environment to employees.

Treatment to Customer

- 1) Develop customer satisfaction continuously with understanding, responding to customer's needs, and building relationship and good experience between the Company and customer before, during, and after services to create business engagement which shall generate income in the long term.
- 2) Aim to provide information to support customer to make decision correctly, completely, transparently, and fairly, to reflect business ethics and integrity.
- 3) Manage personal data of customer with safety and respect personal rights which will lead to confidence and reliability of customer in the long term.

Treatment to Partner

- 1) Give importance to trade partner selection to ensure that its partners have appropriate operational guidelines and take into consideration the social and environmental issues, such as human rights respect and fair treatment to labor. Their operations must be conducted in consideration of appropriate social and environmental impacts.
- 2) Define the criteria of clear and fair procurement process and trade partner tracking process to ensure that the execution is in accordance with trade terms and agreements.
- 3) Consider the green procurement to reduce impact on environment from various activities, such as the selection of products and services that are environmentally friendly, etc.
- 4) Consider the green procurement to reduce impact on environment from various activities, such as the selection of products and services that are environmentally friendly, etc.
- 5) Support the Company's trade partners to be aware of the anti-corruption and to join the anti-corruption network.



Treatment to Community and Society

- 1) Conduct business with responsibility to community and society to build good relationship for sustainable coexistence and to prevent conflicts between each other which is obstacle for long-term success of business.
- 2) Encourage every group of people in society to have knowledge and more opportunities to access to financial services.
- 3) Support the economic growth with local employment to help develop skills and potential of labors. It is considered as a support to human, economic, and social development at the same time. The activities are also conducted to support lives and living of people in society by utilizing the company's existing resources, such as experienced employees and budget to strengthen community and to create good social changes which will lead to sustainable value creation to business and society.

Social Performance

Employment

Number of New and Discharged Employees

Type of Employees	Gender	Number (person)		
		2020	2019	2018
New employees	Male	6	13	13
	Female	14	20	15
Total		20	33	28
Discharged Employees	Male	12	13	6
	Female	7	29	9
Total		19	42	15

Note : Employee discharged from resignation accounted for 100%

Number of Employees by Location

Type of Employees	Gender	Number (person)		
		2020	2019	2018
Head Office	Male	145	151	151
	Female	182	179	186
รวม		327	330	337
Branch office	Male	73	73	72
	Female	81	77	80
Total		154	150	152
Grand Total		481	480	489



Number and Rate of Employees coming back to work after maternity leaves

Type of Leaves	2020	2019	2018
1.Number of employees entitled for maternity leave (person)	263	256	266
2.Number of employees taking maternity leave (person)	12	16	16
3.Number of employees coming back to work after maternity leave (person)	12	16	16
4.Rate of employees coming back to work after maternity leave (%) (3 divided by 2)	100	100	100
5.Number of employees coming back to work after maternity leave and continue to work for 1 year (person)	12	16	16

Employees Development

Human resource development is the key factor of business success in 2020. The Company provided the training courses to develop working skills and potential of employees. There were employees attending the courses at the average of 6.17 hours per person per year as in following details:

Course	Number of Courses	Number of Classes	Number of Attending Employees
In-house Learning	2	4	317
Public Learning	20	33	224
Online Learning	3	10	134

Safety, occupational health, and working environment

The Company gives importance to safety, occupational health, and working environment. The Board of Directors defined the policy of safety, occupational health, and working environment which had the significant practices as follows :

- Promote and support the improvement of working environment including the safe operational practices in consideration of good health of every employee.

- Publicize and create awareness of safety, occupational health, and working environment to executives and employees continuously.

- Superior of every level must behave as a role model in safety to lead, to train, and to motivate employees to operate their work with the correct and safe method.

- Every employee must strictly comply with the safety, occupational health, and working environment standards and other relevant regulations.

In addition, the Company has set up the safety, occupational health, and working environment committee to take responsibility of the above tasks. The actions taken in 2020 were as follows:

1.Compliance with Ministry Regulation

- The Company set the meeting of safety, occupational health, and working environment committee every month to consider the operation of safety, occupational health, and working environment of the Company . Mr. Phongpun Poomchew was the secretary of the safety, occupational health, and working environment committee, performing the duty of making meeting appointment, taking meeting minutes, and doing the tasks assigned by the committee .



-The Company managed to have employees of managerial level attend the training course of a safety officer at work supervisor level to get knowledge and understanding of duty and responsibility of safety, occupational health, and working environment work.

-The Company installed 11 fire extinguishers to protect lives and assets from fire incidents in the head office area and 10 fire extinguishers at the branch offices.

2.Employee hygiene

- The safety, occupational health, and working environment committee coordinated with Samitivej Thonburi Hospital to provide vaccination against four different strains of influenza and the hepatitis B vaccine to interested employees at special prices to reduce the risk of such diseases in employees.

- Purchase a nursing room program to record information and statistics of nursing work and use such information to analyze and do various statistical reports, such as report of overall health information of employees, management of nursing work expenses, etc. The Company also bought patient wheelchairs to provide convenience to patients who are unable to move easily.

- Due to the COVID-19 pandemic, the safety, occupation health and working environment committee set up the knowledge transfer of how to wash hands correctly to employees under the "Ratchthani Wash your hands, Wash away diseases, Wash it correctly" program to explain the method, significance, and benefits of washing your hands and to promote the good habits to employees. Moreover, the committee also ordered to change the hand cloth towels in the rest rooms to paper towels to reduce the accumulation and spread of various pathogens. The employees were also encouraged to use paper towels as necessary only to limit the impact on environment.

- Waste sorting before throwing away campaign was conducted to make it easy to manage waste and to reduce environmental impact; for example, food waste which can be decomposed quickly may be used as fertilizer, plastic bottle can be reused or resold to generate additional income to cleaning staff, etc.

3.Safety and environment in workplace

- The Company sees the importance of safety and environment in the workplace. Since the head office is in Sinsathorn Tower building, the Company requires employees to get trained and practiced on the fire evacuation drill with the Sinsathorn Tower building's juristic person, which included both theory and practice in fire evacuation drill and fire escape routes in case of fire incident occurred.

- Aware of the safety at work whether in hygiene or environment of the workplace, the Company requires employees to get trained on the safety at work, such as avoiding working in the insufficient light, avoiding unsafe working environment, using mask to avoid dust touching to prevent long-term health problem, etc. In 2020, it was found that the statistics of employee's accident, sickness, or death caused by work was 0.00%.

Statistics	2020 (person)		
	Male	Female	Total
Work accident	-	-	-
Work sickness	-	-	-
Death from work	-	-	-
Total	-	-	-



Performance evaluation and Remuneration

The Company has the clear and transparency performance evaluation process which is standardized for every unit's performance result and the performance evaluation is taken place once a year. The Company considers the remuneration payment based on the different nature of work. It comes in the form of monthly basic salary and annual bonus, which will be considered as appropriate and consistent with the performance of the Company both in the short and long term. This creates the motivation for employees in every unit of the organization and making the Company become effectively competitive with other companies in the same industry.

Employees Welfare

The Company provides welfare for all employees equally. To promote good quality of life and create motivation for work, details as follows:

1. Group Life Insurance Welfare

The Company treasures the employee's quality of life. So the welfare named "Ratchthani Group Life Insurance" was set up for all employees to give them encouragement and to insure their working lives. Employees do not hold any cost to pay.

2. Annual Physical Check-Up Welfare

The Company provides the physical check-up every year with a checklist according to age range and the potential risk. In addition, employees' family can also get the physical check-up at special low rate of cost.

3. Provident Fund Welfare

The Company set up "Ratchthani Multiple Value Provident Fund" to promote savings for retirement period. Employees can allocate their portion at the rate not be higher than 15% of wages and the Company will contribute 5% of their wages to the fund. Moreover, the provident fund also offers additional benefits for medical expenses, in the event of an accident for 5,000 Baht per person.

4. Funeral Allowance Welfare

The Company set up the welfare of "Ratchthani Care for Every Life - Employee Funeral Allowance" aiming to support employees when their father, mother, spouse or child passes away. The funeral allowance will be provided to help support the cost of funeral according to the stated criteria.

5. Savings Cooperative Welfare

The Company encourages employees to join as member of "Thanachart Employee Savings Cooperative Limited" to promote saving for employees. Besides, the members will receive additional benefits such as group life insurance and family insurance welfare, special interest rate for savings, applying for a loan, etc.

Employee engagement to organization

The Company gives importance to employee care since employee is the important resource for the business success and, thus, sets the evaluation of employee satisfaction and engagement to the organization. The evaluation result is used for analysis and development for employee care and efficient human resource management. In 2020, it was found that the score of employee satisfaction with work and working environment was 86.49% and the average score of the engagement to organization was 92.18% which was higher than the company target of 80.00%.



Responsible Lending

The Company is committed to the continuous enhancement of operation quality and competitiveness development to create confidence to all stakeholders. As a business operator in financial service, the Company, aware of the responsible lending, considers lending approval in consideration of economic, social, and environmental factors. The process of risk analysis and assessment is defined. So is the concentration level of credit consideration in high-risk industries, such as mine business, service business, etc. The Company shall not consider credit for an individual, juristic person, or business of which actions are or are within the scope of illegal, immoral, or destroying national security.

Activities for Community and Society

Activities to Provide Financial Knowledge

The Company considering the promotion and support of knowledge and understanding of financial discipline to general people, the Company in cooperation with Thanachart Fund Management conducted activity to publicize the financial knowledge to general people under the topic of "Investments and Savings" giving advices to be applied for their daily lives. The content of the year 2020 included the fundamental financial management, benefits of investment, and how to increase saving by using tax benefits. This activity was conducted on 30th November 2020 at the meeting hall of Sinsathorn Tower Building, Bangkok.



Activities to Support Youth Potential Development

The Company realizing the importance of youth development in varieties of knowledge, skills, and making use of free time, the Company supported “Saturday School” program which was the development program for youth in communities through various learning activities. This program has continuously been supported by the Company. In 2020, the Company supported lunch and cash sponsorship to this program for 200,000 Baht.



Activities to Support Medical Care of People

The Company realizing the importance of health and quality of life of patients in hospitals, especially hospitals lacking funds and medical equipment, the Company supported medical care for people with the donation of 40,000 Baht for medical equipment purchase to Ramathibodi Chakri Naruebodindra Hospital, Faculty of Medicine, Ramathibodi Hospital, Mahidol University, to help provide sufficient and efficient medical services to patients.





Activities to Support Educational Readiness

The Company is aware of the importance of educational readiness and youth development in some fund lacking communities. The Company's Rayong branch donated school supplies and sport equipment to Ban Plang Krathin School, Hua Thanon subdistrict, Panasnikom district, Chonburi, on 28th November 2020.



Activities to support religion and culture

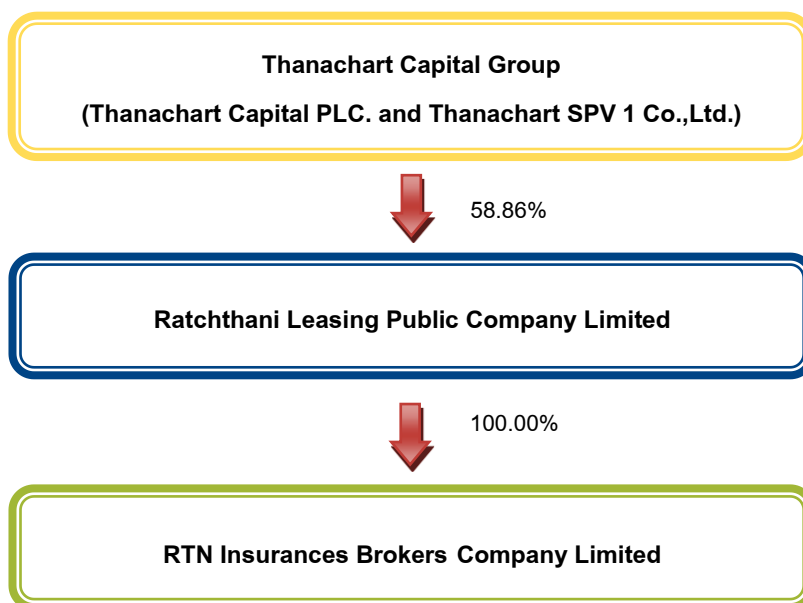
The Company giving importance to sustaining the religion, the Company, executives, and employees have contributed donation of chapel construction at Suan Luang temple, Ban Rai sub-district, Lad Yao district, Nokorn Sawan since 2017. In 2020, the executives and employees contributed donation for kathin merit to support the unfinished chapel construction at the amount of 163,200 Baht.





Shareholder Information and Securities Issuance

Shareholder structure of the Company as of 31st December 2020 as follows:



Top ten major shareholders of the Company as of 31st December 2020 as follows:

No.	Name	Number of Shares	%
1	Thanachart SPV 1 Company Limited	3,155,950,533	55.73
	Thanachart Capital Public Company Limited	176,985,388	3.13
2	Raffles Nominees (PTE) Limited	317,233,091	5.60
3	Thai NVDR Company Limited	190,710,639	3.37
4	Mr. Charoensook Kititti	154,821,837	2.73
5	SCB Dividend Stock 70/30 Long Term Equity Fund	89,736,087	1.58
6	Mrs. Naowanart Chamornmarn	75,000,000	1.32
7	South East Asia UK (Type C) Nominees Limited	64,429,600	1.14
8	SCB Stock Plus Long Term Equity Fund	36,684,100	0.65
9	Mrs. Wilawan Rongwatthanasophon	35,426,598	0.63
10	State Street Europe Limited	30,837,606	0.54
	Other shareholders	1,335,212,720	23.58
	Total	5,663,028,199	100.00
	Thai Shareholders	5,158,902,482	91.10
	Foreign Shareholders	504,125,717	8.90

Note : (1) The major shareholders No.1 Thanachart SPV 1 Company Limited is a subsidiary of Thanachart Capital Public Company Limited, which holds 100.00% of shares. Thanachart Capital Public Company Limited is a listed company on the Stock Exchange of Thailand, and operated as the holding company business.

(2) The major shareholders No.2 and 7 are Nominee Accounts that cannot be identified real shareholders.

(3) The major shareholders No.3 Thai NVDR Company Limited engages in the business of issuing non-voting depository receipts (NVDR) are sold to investors, the proceeds of which are invested in SET-listed Thai reference securities. Investors



in NVDRs are eligible for financial benefits as if they were shareholders of listed companies, but they are ineligible to vote at shareholder meetings, except for involve stock delisting from the SET.

- (4) Thanachart Capital Group, as the major shareholder of the Company, have significantly on the establishment of policy, management and operation of the Company.
- (5) The Company has no agreement between the major shareholders in matters affecting the issuance and offering of securities or management of the Company.

Dividend Policy

The Company has a dividend payment policy at least 50 percent of net profit in accordance with the Company's Article of Association unless there are any other crucial circumstances and the dividend payment shall not impact the Company's operation significantly. The 3-year historical dividend payment of the Company are as follows:

Details	2019	2018*	2017
Net Profits (Separate Financial Statements) (Baht)	1,849,703,703	1,640,754,904	1,125,812,903
Net Profits (Consolidated Financial Statements) (Baht)	1,963,564,460**	1,640,707,432**	-
Number of Paid-up Shares (Shares)	3,775,353,450	3,020,283,681	2,416,227,209
Stock Dividend (Baht per Shares)	-	0.25	0.25
Cash Dividend (Baht per Shares)	0.32	0.29	0.03
Total Dividend Payment (Baht per Shares)	0.32	0.54	0.28
Total Amount of Dividend Payment (Baht)	1,208,113,104	1,630,953,188	676,543,618
Dividend Payout Ratio per Net Profit (Separate Financial Statements) (Percent)	65.31	99.40	60.09
Dividend Payout Ratio per Net Profit (Consolidated Financial Statements) (Percent)	61.53	99.40	-

Note : (*) In the end of 2018, the Company invested in RTN Insurances Brokers Co., Ltd. for 100%. Since it has not yet been active, the 2018 and 2019 financial statement reflected only the overall financial performance.

(**) Attributable to equity holders of the Company

The subsidiary's dividend payment policy to the Company, subsidiary will pay when there is no any other crucial circumstances and such dividend payment shall not impact the subsidiary's operation significantly.



Issuance of Other Securities

Long Term Debentures

The long-term debentures of the Company as of 31st December 2020 have an outstanding value of 25,742.20 Million Baht, details as follows:

No.	THAIBMA SYMBOL	Name of Debentures	Outstanding (Million Baht)	Issue Date	Maturity Date	Interest Rate (%p.a.)
1	THANI212A	The Debentures of Ratchthani Leasing Public Company Limited No.1/2018 Due 2021	1,800.00	14/2/2018	14/2/2021	2.31%
2	THANI213A	The Debentures of Ratchthani Leasing Public Company Limited No.2/2018 Due 2021	500.00	20/3/2018	25/3/2021	2.30%
3	THANI217A	The Debentures of Ratchthani Leasing Public Company Limited No.4/2018 Due 2021	450.00	19/6/2018	12/7/2021	2.50%
4	THANI217B	The Debentures of Ratchthani Leasing Public Company Limited No.5/2018 Due 2021	160.00	6/7/2018	13/7/2021	2.50%
5	THANI218A	The Debentures of Ratchthani Leasing Public Company Limited No.6/2018 Due 2021	70.00	5/9/2018	17/8/2021	2.70%
6	THANI212B	The Debentures of Ratchthani Leasing Public Company Limited No.10/2018 Due 2021	100.00	14/12/2018	14/2/2021	2.70%
7	THANI212C	The Debentures of Ratchthani Leasing Public Company Limited No.1/2019 Due 2021	500.00	22/1/2019	8/2/2021	2.65%
8	THANI211A	The Debentures of Ratchthani Leasing Public Company Limited No.2/2019 Tranche 1 Due 2021	175.00	31/1/2019	31/1/2021	2.66%
9	THANI221A	The Debentures of Ratchthani Leasing Public Company Limited No.2/2019 Tranche 2 Due 2022	2,070.00	31/1/2019	31/1/2022	2.94%
10	THANI212D	The Debentures of Ratchthani Leasing Public Company Limited No.3/2019 Due 2021	720.00	1/2/2019	1/2/2021	2.67%
11	THANI213B	The Debentures of Ratchthani Leasing Public Company Limited No.4/2019 Due 2021	300.00	13/2/2019	22/3/2021	2.68%
12	THANI222A	The Debentures of Ratchthani Leasing Public Company Limited No.5/2019 Due 2022	155.00	13/2/2019	1/2/2022	2.96%
13	THANI225A	The Debentures of Ratchthani Leasing Public Company Limited No.6/2019 Due 2022	200.00	17/5/2019	17/5/2022	3.00%
14	THANI227A	The Debentures of Ratchthani Leasing Public Company Limited No.7/2019 Tranche 1 Due 2022	1,745.20	5/7/2019	5/7/2022	3.30%
15	THANI237A	The Debentures of Ratchthani Leasing Public Company Limited No.7/2019 Tranche 2 Due 2023	486.30	5/7/2019	5/7/2023	3.40%
16	THANI247A	The Debentures of Ratchthani Leasing Public Company Limited No.7/2019 Tranche 3 Due 2024	593.70	5/7/2019	5/7/2024	3.50%
17	THANI227B	The Debentures of Ratchthani Leasing Public Company Limited No.8/2019 Due 2022	190.00	5/7/2019	18/7/2022	3.10%
18	THANI217C	The Debentures of Ratchthani Leasing Public Company Limited No.9/2019 Due 2021	200.00	11/7/2019	23/7/2021	2.99%



No.	THAIBMA SYMBOL	Name of Debentures	Outstanding (Million Baht)	Issue Date	Maturity Date	Interest Rate (%p.a.)
19	THANI217D	The Debentures of Ratchthani Leasing Public Company Limited No.10/2019 Due 2021	500.00	24/7/2019	24/7/2021	2.99%
20	THANI228A	The Debentures of Ratchthani Leasing Public Company Limited No.11/2019 Due 2022	250.00	16/8/2019	16/8/2022	3.00%
21	THANI210A	The Debentures of Ratchthani Leasing Public Company Limited No.12/2019 Tranche 1 Due 2021	145.00	17/10/2019	17/10/2021	2.57%
22	THANI220A	The Debentures of Ratchthani Leasing Public Company Limited No.12/2019 Tranche 2 Due 2022	1,200.00	17/10/2019	17/10/2022	3.00%
23	THANI232A	The Debentures of Ratchthani Leasing Public Company Limited No.1/2020 Due 2023	1,000.00	25/2/2020	25/2/2023	2.65%
24	THANI242A	The Debentures of Ratchthani Leasing Public Company Limited No.2/2020 Due 2024	1,000.00	25/2/2020	27/2/2024	2.80%
25	THANI232B	The Debentures of Ratchthani Leasing Public Company Limited No.3/2020 Due 2023	200.00	6/3/2020	6/2/2023	2.65%
26	THANI245A	The Debentures of Ratchthani Leasing Public Company Limited No.4/2020 Due 2024	1,000.00	9/3/2020	16/5/2024	2.80%
27	THANI232C	The Debentures of Ratchthani Leasing Public Company Limited No.5/2020 Due 2023	1,000.00	12/3/2020	25/2/2023	2.65%
28	THANI225B	Long-Term Bill of Exchange of Ratchthani Leasing Public Company Limited Due 2022	2,000.00	13/3/2020	12/5/2022	2.30%
29	THANI254A	The Debentures of Ratchthani Leasing Public Company Limited No.6/2020 Tranche 1 Due 2025	1,000.00	30/4/2020	30/4/2025	3.40%
30	THANI264A	The Debentures of Ratchthani Leasing Public Company Limited No.6/2020 Tranche 2 Due 2026	700.00	30/4/2020	30/4/2026	3.50%
31	THANI274A	The Debentures of Ratchthani Leasing Public Company Limited No.6/2020 Tranche 3 Due 2027	1,300.00	30/4/2020	30/4/2027	3.70%
32	THANI23NA	The Debentures of Ratchthani Leasing Public Company Limited No.7/2020 Tranche 1 Due 2023	3,439.00	15/5/2020	15/11/2023	3.20%
33	THANI255A	The Debentures of Ratchthani Leasing Public Company Limited No.7/2020 Tranche 2 Due 2025	593.00	15/5/2020	15/5/2025	3.40%

Credit rating

Credit ratings from TRIS Rating Company Limited as of 31st December 2020 are as follows :

Company Rating	A-
Issue Rating	
THANI20DA : Unsubordinated and Unsecured Debentures worth 1,400 Million Baht Due 2020	A-
THANI20DB : Unsubordinated and Unsecured Debentures worth 600 Million Baht Due 2020	A-
THANI20DC : Unsubordinated and Unsecured Debentures worth 2,500 Million Baht Due 2020	A-
THANI211A : Unsubordinated and Unsecured Debentures worth 175 Million Baht Due 2021	A-
THANI212A : Unsubordinated and Unsecured Debentures worth 1,800 Million Baht Due 2021	A-
THANI212D : Unsubordinated and Unsecured Debentures worth 720 Million Baht Due 2021	A-



THANI210A : Unsubordinated and Unsecured Debentures worth 145 Million Baht Due 2021	A-
THANI221A : Unsubordinated and Unsecured Debentures worth 2,070 Million Baht Due 2022	A-
THANI227A: Unsubordinated and Unsecured Debentures worth 1,745.20 Million Baht Due 2022	A-
THANI220A : Unsubordinated and Unsecured Debentures worth 1,200 Million Baht Due 2022	A-
THANI232C : Unsubordinated and Unsecured Debentures worth 1,000 Million Baht Due 2023	A-
THANI237A : Unsubordinated and Unsecured Debentures worth 486.30 Million Baht Due 2023	A-
THANI23NA : Unsubordinated and Unsecured Debentures worth 3,439 Million Baht Due 2023	A-
THANI247A : Unsubordinated and Unsecured Debentures worth 593.70 Million Baht Due 2024	A-
THANI254A : Unsubordinated and Unsecured Debentures worth 1,000 Million Baht Due 2025	A-
THANI255A : Unsubordinated and Unsecured Debentures worth 593 Million Baht Due 2025	A-
THANI264A : Unsubordinated and Unsecured Debentures worth 700 Million Baht Due 2026	A-
THANI274A : Unsubordinated and Unsecured Debentures worth 1,300 Million Baht Due 2027	A-
Credit Rating Outlook	Stable

Bill of Exchange

Short-term bills of exchange offered to institutional investors as of 31st December 2020, have an outstanding value of 2,940 Million Baht, with the discount interest rate, which is in accordance with the market rate at the time of offering. (However, when the short-term bills of exchange have been redeemed, the Company can bring back the redeemed value to offer for sale. The total outstanding value must not exceed 20,000 Million Baht)

Promissory Note

Promissory note offered to private placement at any time does not more than 10 notes offered as of 31st December 2020 have an outstanding value of 201 Million Baht are as follows :

No.	Number of Promissory Note	Name of Promissory Note	Outstanding (Million Baht)	Issue Date	Maturity Date
1	1	The Promissory Note of Ratchthani Leasing Public Company Limited No.17/2019 Due 1 st July 2022	50.00	1/7/2019	1/7/2022
2	1	The Promissory Note of Ratchthani Leasing Public Company Limited No.18/2019 Due 26 th July 2022	21.00	26/7/2019	26/7/2022
3	1	The Promissory Note of Ratchthani Leasing Public Company Limited No.19/2019 Due 26 th July 2022	80.00	26/7/2019	26/7/2022
4	1	The Promissory Note of Ratchthani Leasing Public Company Limited No.7/2019 Due 18 th August 2023	50.00	18/8/2019	18/8/2023



General Information and Other Important Information

Company Information

Company Name	:	Ratchthani Leasing Public Company Limited
Stock Symbol	:	THANI
Type of Business	:	Hire purchase and finance leasing for commercial cars, vehicles, other assets and related services
Head Office Location	:	77/35-36, 11UP Floor Sinnsathorn Tower Building, Krungthonburi Road, Khlongtongsai Sub-district, Khlongsan District, Bangkok 10600
Registration Number	:	0107545000209
Tel.	:	0-2431-9000
Fax	:	0-2431-9099
Website	:	www.ratchthani.com
Registered Capital	:	5,663,030,175 Baht Divided into 5,663,030,175 ordinary shares with a par value of 1 Baht per share
Paid-up Capital	:	5,663,028,199 Baht Divided into 5,663,028,199 ordinary shares with a par value of 1 Baht per share

Subsidiary information

Company Name	:	RTN Insurances Brokers Company Limited
Type of Business	:	Non-life insurance broker, Life insurance broker, and related services
Office Location	:	77/20, 2 nd Floor Sinnsathorn Tower Building, Krungthonburi Road, Khlongtongsai Sub-district, Khlongsan District, Bangkok 10600
Registration Number	:	0105561189971
Tel.	:	0-2431-9500
Fax	:	0-2431-9567
Website	:	www.rtnbroker.com
Registered Capital	:	4,000,000 Baht Divided into 40,000 ordinary shares with a par value of 100 Baht per share
Paid-up Capital	:	4,000,000 Baht Divided into 40,000 ordinary shares with a par value of 100 Baht per share
The Company's Shareholding:	:	100% (including direct and indirect shareholding)



General Information

Securities Registrar

Thailand Securities Depository Company Limited
93, 14th Floor, The Stock Exchange of Thailand Building,
Ratchadaphisek Road, Dindaeng Sub-district,
Dindaeng District, Bangkok 10400
Tel. : 0-2009-9000
Fax : 0-2009-9992

Company Secretary

Mr. Ponlaphe Sakkayapapwicharnon
Ratchthani Leasing Public Company Limited
77/35-36, 11UP Floor Sinnsathorn Tower Building,
Krungthonburi Road, Khlongtonsai Sub-district,
Khlongsan District, Bangkok 10600
Tel. : 0-2431-9000 EXT 1666
Fax : 0-2431-9099

Head of Compliance

Mr. Vivat Kongyotkullaphat
Ratchthani Leasing Public Company Limited
77/35-36, 11UP Floor Sinnsathorn Tower Building,
Krungthonburi Road, Khlongtonsai Sub-district,
Khlongsan District, Bangkok 10600
Tel. : 0-2431-9000 EXT 1990
Fax : 0-2431-9099

The Person Supervising Accounting

Ms. Kanatip Surpayake
Ratchthani Leasing Public Company Limited
77/35-36, 11UP Floor Sinnsathorn Tower Building,
Krungthonburi Road, Khlongtonsai Sub-district,
Khlongsan District, Bangkok 10600
Tel. : 0-2431-9000 EXT 2157
Fax : 0-2431-9099

Debenture Registrar

Bank of Ayudhya Public Company Limited
1222, Rama III Road,
Bangphongphang Sub-district,
Yannawa District, Bangkok 10120
Tel. : 0-2296-2030

Head of Investor Relations

Ms. Rungtip Chaipatanapruk
Ratchthani Leasing Public Company Limited
77/35-36, 11UP Floor Sinnsathorn Tower Building,
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Khlongsan District, Bangkok 10600
Tel. : 0-2431-9000 EXT 2161
Fax : 0-2431-9099
E-Mail : irthani@thani.co.th

Head of Internal Audit

Ms. Thanawan Teekautamakorn
Thanachart Capital Public Company Limited
444, MBK Tower, 16th - 17th Floor,
Phayathai Road, Wangmai Sub-district, Pathumwan
District, Bangkok 10330
Tel. : 0-2613-6000 EXT 6267
Fax : 0-2217-8312

Auditor

Ms. Rattana Jala
Certified Public Accountant Registration No.3734
EY Office Limited
193/136-137, 33rd Floor Lake Ratchada Building
Ratchadapisek Road, Klongtoey Sub-district,
Klongtoey District, Bangkok 10110
Tel. : 0-2264-0777
Fax : 0-2264-0789-90



Legal Counselor

Weerawong, Chinnavat & Partners Company Limited

540, 22nd Floor, Mercury Tower,

Ploenchit Road, Lumpini Sub-district,

Pathumwan District, Bangkok 10330

Tel. : 0-2264-8000

Fax : 0-2657-2222

Frequently Contacted Financial Institutions

Thanachart Bank Public Company Limited

444, MBK Tower, Phayathai Road,

Wangmai Sub-district, Pathumwan District,

Bangkok 10330

Tel. : 0-2217-8000

Fax : 0-2217-8333

Kasikorn Bank Public Company Limited

400/22, Phaholyothin Road,

Samsen Nai Sub-district, Phayathai District,

Bangkok 10400

Tel. : 0-2470-2022

Bank of Ayudhya Public Company Limited

1222, Rama III Road, Bangphongphang Sub-district,

Yannawa District, Bangkok 10120

Tel. : 0-2296-3582

Fax : 0-2683-1298

Land and Houses Bank Public Company Limited

1, Q.HOUSE Lumpini Building,

G,1st,5th,6th,24th,32th Floor

South Sathon Road, Thungmahamek, Sathon

Bangkok 10120

Tel. : 0-2359-0000



Management Discussion and Analysis

Overview of the Past Performance

In 2018, the Company and its subsidiaries had the net profits of 1,640.71 million Baht, increasing from the previous year by 514.90 million Baht or 45.74%. The total revenue of 2018 was 3,827.37 million Baht, increasing from the previous year by 520.14 million Baht or 15.73%. This was the result of the market expansion and the current customer retention. The financial expenses of the Company and its subsidiaries were 869.80 million baht, decreasing from the previous year by 12.61 million Baht or 1.43%. It continued to be decreased as a result of the low funding cost to keep the gap of interest spread at the level that constantly kept the Company's profitability.

In the end of 2018, the Company invested in RTN Insurances Brokers Co., Ltd. ("RTN Insurances Broker") which conducts non-life insurance, life insurance, and related business, accounting for 100% of total paid-up capital (including direct and indirect shareholding.) The objective was to provide services to hire-purchase customers and financial leasing customers of the Company to satisfy their needs and sustain customer service efficiency. This would support the Company to provide the full services in hire-purchase and financial leasing services business, leading to the continuous and steady growth.

In 2019, the Company and its subsidiaries had net profits of 1,963.57 million Baht, increasing from the previous year by 322.87 million Baht or 19.68%. The total revenue of 2019 was 4,238.15 million Baht, increasing from the previous year by 410.78 million Baht or 10.73%. The increase came from the growing market shares and the sustained current customer base. The Company and its subsidiaries had financial expense of 1,011.35 million Baht, increasing from the previous year by 141.55 million Baht or 16.27%. The increase came from balancing the loan procurement and credit approval and maintaining the interest rate gap at the consistently profitable level.

In 2020, the Company and its subsidiaries had net profits of 1,860.21 million Baht, decreasing from the previous year by 103.36 million Baht or 5.26% from economic contraction due to the Coronavirus Disease 2019 (COVID-19) pandemic. The Company has carefully approved credit applications. The total revenue of 2020 was 4,262.73 million Baht, increasing from the previous year by 24.58 million Baht or 0.58%. The Company and its subsidiaries had financial expense of 1,063.47 million Baht, increasing from the previous year by 52.12 million Baht or 5.15%. The increase came from balancing the loan procurement and credit approval and maintaining the interest rate gap at the consistently profitable level.

Revenue

In 2018, the Company expanded the commercial car credits for the "Fleet" customer group along with continuously maintaining the current credit customer base of the Company in order to increase its market shares, resulted in total revenues of 3,827.37 million Baht, increasing from 2017 by 520.14 million Baht or equal to 15.73 % (from the increase in hire purchase and financial leasing debtors from the year 2017 at the amount of 7,813.40 million Baht or 20.24%).

The main components of revenues were consisted of the interest incomes from hire purchase and financial leasing at the amount of 3,202.27 million Baht or equal to 83.67% of total revenues and the revenues from fees and services fees of 342.15 million Baht and other incomes of 282.95 million Baht or equal to 8.94% and 7.39% respectively

In 2019, the Company expanded the commercial car credits for the "Fleet" customer group along with continuously maintaining the current credit customer base of the Company in order to increase its market shares, resulted in total revenues of 4,238.15 million Baht, increasing from 2018 by 410.78 million Baht or 10.73% (with the hire purchase debtors and financial debtors increasing from 2018 by 3,296.98 million Baht or 7.10%).

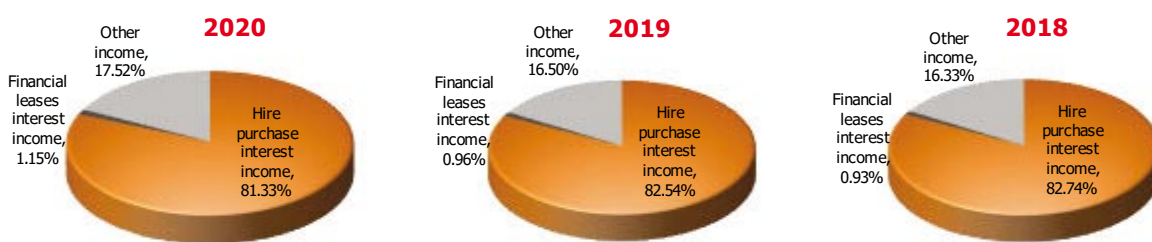
The main contribution of 2019 income of the Company and its subsidiaries consisted of the interest incomes from hire purchase agreements and finance lease agreements of 3,538.65 million Baht or 83.50% of total revenues, the fee and service income of 328.16 million Baht, and other incomes of 371.34 million Baht or 7.74% and 8.76% respectively



In 2020, the Company approved loans with special caution due to the economic contraction resulting from Coronavirus Disease 2019 (COVID-19) pandemic. The Company and its subsidiaries had total incomes of 4,262.73 million Baht, slightly increased from the year 2019 for 24.58 million Baht or 0.58% (while hire purchase and financial lease account receivables decreased from 2019 for 2,960.65 million Baht or 5.96%.)

The main contribution of 2020 income of the Company and its subsidiaries consisted of the interest incomes from hire purchase agreements and finance lease agreements of 3,515.77 million Baht or 82.48% of total revenues, the fee and service income of 316.17 million Baht, and other incomes of 430.82 million Baht or 7.42% and 10.11% respectively.

The proportion of interest incomes from hire purchase agreements and finance lease agreements to other incomes (hereby means fee and service incomes and other incomes) of the Company and its subsidiaries in 2020, 2019, and 2018 are as follows:



Expense

In 2018, the financial expenses of the Company and its subsidiaries were 869.80 million Baht, the selling and administrative expenses were 503.56 million Baht, bad debts and doubtful debts were 402.60 million Baht and income tax was 410.70 million Baht.

The finance costs in 2018 were 869.80 million Baht, decreasing by 12.61 million Baht or 1.43% compared to the year 2017, which came from sourcing loans with low finance costs to retain the difference of the interest spread at the level that kept the Company's constant profitability. As a result, the ratio of interest expenses in 2018 was decreased from the previous year to the level of 2.40%.

The sales and administrative expenses for the year 2018 were amounted to 503.56 million Baht, increasing from 2017 by 7.82 million Baht, or 1.58%, which came from the main expenses, that is, the increasing employee expenses approximately.

The Bad debts and doubtful debts for the year 2018 were amounted to 402.60 million Baht, increasing from previous year by 120.83 million Baht, representing 23.08 %. The normal reserve of the Company, compared from 2017 was decreased by 10.83 million Baht. However, the Company has considered increasing the general reserve from the previous year's same period at the amount of 170 million Baht was decreased from previous year by 110.00 million Baht (to prepare its reserve according to the accounting standard of IFRS 9 which will be effective in 2019. As a result, the overview of bad debts and doubtful debts was increasing compared to the same period of the previous year).

In 2019, the Company and its subsidiaries had financial expenses of 1,011.35 million Baht, sales and administrative expenses of 570.03 million Baht, bad debts and doubtful debts of 193.53 million Baht, and income tax of 499.67 million Baht.

The financial cost in 2019 was 1,011.35 million Baht, increasing by 141.55 million Baht or 16.27%, compared with 2018's. The increase came from the balance of loan procurement and credit approval and the debt structure management in order to maintain the interest rate gap at the consistently profitable level, resulted in the increase in the interest expense ratio in 2019 by 2.48%.



The sales and administrative expenses in 2019 were 570.03 million Baht, increasing from 2018 by 66.47 million Baht or 13.20%. The main contribution of the sales and administrative expenses were employee expenses, loss from the depreciated value of confiscated cars and office expenses.

The bad debts and doubtful debts in 2019 were 193.53 million Baht, decreased from the same period of the previous year by 209.07 million Baht or 51.93%. The normal reserve of the Company, compared with 2018's, increased by 50.93 million Baht. In addition, the Company considered preparing 90.00 million Baht of general reserve for the changing Accounting Standards and Thai Financial Reporting Standards no.9 (TFRS 9).

In 2020, the Company and its subsidiaries had financial expenses of 1,063.47 million Baht, sales and administrative expenses of 537.61 million Baht, expected credit losses of 337.91 million Baht, and income tax of 463.53 million Baht.

The financial cost in 2020 was 1,063.47 million Baht, increasing by 52.12 million Baht or 5.15%, compared with 2019's. The increase came from the balance of loan procurement and credit approval and the debt structure management in order to maintain the interest rate gap at the consistently profitable level, resulted in the interest expense ratio in 2020 at 2.70%.

The sales and administrative expenses in 2020 were 537.61 million Baht, decreasing from 2019 by 32.42 million Baht or 5.69%. The main contribution of the sales and administrative expenses were employee expenses, loss from the depreciated value of confiscated cars and office expenses.

Expected Credit Loss (ECL) of 2020 was 337.91 million Baht, which was increasing compared to the bad debt and doubtful account amount in 2019 which was 193.53 million Baht, representing 0.70% of the average amount of hire purchase receivables. This was resulted from the higher credit risk condition due to the slowdown economy caused by COVID-19 pandemic. The increasing reserves in 2020 reflected the ECL model that predicted future trend and Management Overlay to support the risk that may occur from the uncertainty of the pandemic situation under the Thai Financial Reporting Standards 9 (TFRS 9.)

Net Profit

	2020	2019	Increase (Decrease)	
	Million Baht	Million Baht	Million Baht	%
Net Profit (MB)	1,860.21	1,963.57	(103.36)	(5.26)
Net Profit Ratio (%)	43.64	46.33	(2.69)	(5.81)
Yield (%)	7.04	7.04	0.00	0.00
Cost of fund (%)	2.70	2.48	0.22	8.87
Interest Spread (%)	4.35	4.56	(0.21)	(4.61)

In 2020, the Company and its subsidiaries had net profit of 1,860.21 million Baht, decreased from the year 2019 for 103.36 million Baht or 5.26%. The Company had net profit margin of 43.64%, decreased from the previous year by 5.81% due to the economic contraction caused by COVID-19 pandemic. Thus, the Company's credit approval was considered carefully. The Company's interest income was 7.20% while the interest paid increased from the previous year by 2.70%, resulting in the interest spread of 4.35.



Financial Status

	2020	2019	Increase (Decrease)	
	Million Baht	Million Baht	Million Baht	%
Total assets	48,518.01	50,880.93	(2,362.92)	(4.64)
Hire-purchase account receivable, Net	46,058.42	49,048.86	(2,990.44)	(6.10)
Financial lease-account receivable, Net	689.54	659.75	29.79	4.52
Hire-purchase account receivable to total assets (%)	94.93	96.40	(1.47)	(1.52)
Foreclosed assets	67.31	156.18	(88.88)	(56.90)

The asset structure of the Company and its subsidiaries mainly consisted of hire purchase debtors. As of the end of 2019, the Company had hire-purchase accounts receivables of 49,048.86 million Baht (net after doubtful debt allowance) accounted for 96.40% of total assets of the Company.

In 2020, the Company and its subsidiaries had total assets of 48,518.01 million Baht, decreased by 4.64% compared to 2019. The hire-purchase accounts receivables (net of allowance for expected credit losses) were accounted for 94.93% of total assets, the decreasing was from economic contraction due to the Coronavirus Disease 2019 (COVID-19) pandemic, thus, the Company has carefully approved credit applications. However, the Company still focused on the hire purchase services which were the main business of the Company and also the relationship with current customer base in order to maintain market shares and its consistent competency in the competitive market.

Credit Quality and Allowance for Expected Credit Losses

Hire-Purchase Account Receivable

The hire-purchase accounts receivables as of 31st December 2020, 2019, and 2018 were recorded at 46,058.42 million Baht, 49,048.86 million Baht, and 45,865.59 million Baht, respectively as following details

Unit : Thousand Baht	2020	2019	2018
Hire-purchase account receivable	52,503,014	57,247,438	53,801,060
<u>Less</u> Unearned financial income	<u>(5,228,483)</u>	<u>(5,982,890)</u>	<u>(5,811,544)</u>
Present value of the minimum lease payment receivables	47,274,531	51,264,548	47,989,516
<u>Less</u> Allowances for doubtful accounts	-	<u>(2,215,685)</u>	<u>(2,123,924)</u>
<u>Less</u> Allowance for expected credit losses	<u>(1,216,108)</u>	-	-
Hire-purchase account receivable, Net	<u>46,058,423</u>	<u>49,048,863</u>	<u>45,865,592</u>



As of 31st December 2020, the balances of hire purchase receivables are classified by credit risk and allowance for expected credit loss as follows:

As of 31 st December 2020		
	Accounts receivable - net of unearned financial income	Allowance for expected credit loss
	(Unit : Thousand Baht)	(Unit : Thousand Baht)
Hire purchase receivables where there has not been a significant increase in credit risk (Performing)	39,976,003	180,370
Hire purchase receivables where there has been a significant increase in credit risk (Under-performing)	5,810,580	642,625
Hire purchase receivables that are credit impaired (Non-performing)	1,487,948	393,113
Total	47,274,531	1,216,108

As of 31st December 2019 and 2018, the classifications of hire-purchase account receivables less deferred interest incomes were shown in the following table.

As of 31 st December 2019					
Period of Overdue	Number of Customers	Allowances for Doubtful Accounts Rate (%)	Account Receivables Less Deferred Hire-purchase Interest	Net Account Receivables Less Deferred Hire-purchase Interest and Collateral	Allowances for Doubtful Accounts
			(Unit : Thousand Baht)	(Unit : Thousand Baht)	(Unit : Thousand Baht)
Normal receivables	47,306	1%	38,077,382	2,409,039	24,090
1 month overdue	7,816	1%	5,521,293	343,149	3,431
2-3 month overdue	8,019	2%	5,625,320	248,953	4,979
4-6 month overdue	1,136	20%	718,243	718,243	143,649
7-12 month overdue	443	50%	219,127	219,127	109,564
Over 12 month overdue	456	100%	182,939	182,939	182,939
Account receivables under court judgment	744	100%	503,171	503,171	503,171
Account receivables under negotiation agreement	174	100%	97,898	97,898	97,898
Receivables from sales of property foreclosed/damages	1,138	100%	319,175	319,175	319,175
Uncollected surplus allowance for doubtful accounts					826,789
Total	67,232		51,264,548	5,041,694	2,215,685



As of 31 st December 2020		
	Accounts receivable - net of unearned financial income	Allowance for expected credit loss
	(Unit : Thousand Baht)	(Unit : Thousand Baht)
Finance lease receivables where there has not been a significant increase in credit risk (Performing)	671,063	2,878
Finance lease receivables where there has been a significant increase in credit risk (Under - performing)	18,120	105
Finance lease receivables that are credit-impaired (Non - performing)	12,499	9,162
Total	701,682	12,145

As of 31st December 2019 and 2018, the classifications of financial lease accounts receivable less deferred interest incomes were shown in the following table.

As of 31 st December 2019					
Period of Overdue	Number of Customers	Allowances for Doubtful Accounts Rate (%)	Account Receivables Less Deferred Financial lease Interest	Account Receivables Less Deferred Financial lease Interest and Collateral	Allowances for Doubtful Accounts
			(Unit : Thousand Baht)	(Unit : Thousand Baht)	Unit : Thousand Baht)
Normal receivables	427	1%	613,295	39,521	395
1 month overdue	15	1%	30,621	3,087	31
2-3 month overdue	11	2%	16,268	462	9
4-6 month overdue	-	20%	-	-	-
7-12 month overdue	-	50%	-	-	-
Over 12 month overdue	-	100%	-	-	-
Account receivables under court judgment	4	100%	4,462	4,462	4,462
Account receivables under negotiation agreement	2	100%	4,095	4,095	4,095
Total	459		668,741	51,627	8,992



As of 31 st December 2020		
	Accounts receivable - net of unearned financial income	Allowance for expected credit loss
	(Unit : Thousand Baht)	(Unit : Thousand Baht)
Finance lease receivables where there has not been a significant increase in credit risk (Performing)	671,063	2,878
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Finance lease receivables that are credit-impaired (Non - performing)	12,499	9,162
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As of 31 st December 2019					
Period of Overdue	Number of Customers	Allowances for Doubtful Accounts Rate (%)	Account Receivables Less Deferred Financial lease Interest	Account Receivables Less Deferred Financial lease Interest and Collateral	Allowances for Doubtful Accounts
			(Unit : Thousand Baht)	(Unit : Thousand Baht)	Unit : Thousand Baht)
Normal receivables	427	1%	613,295	39,521	395
1 month overdue	15	1%	30,621	3,087	31
2-3 month overdue	11	2%	16,268	462	9
4-6 month overdue	-	20%	-	-	-
7-12 month overdue	-	50%	-	-	-
Over 12 month overdue	-	100%	-	-	-
Account receivables under court judgment	4	100%	4,462	4,462	4,462
Account receivables under negotiation agreement	2	100%	4,095	4,095	4,095
Total	459		668,741	51,627	8,992



As of 31 st December 2018					
Period of Overdue	Number of Customers	Allowances for Doubtful Accounts Rate (%)	Account Receivables Less Deferred Financial lease Interest	Account Receivables Less Deferred Financial lease Interest and Collateral	Allowances for Doubtful Accounts
			(Unit : Thousand Baht)	(Unit : Thousand Baht)	(Unit : Thousand Baht)
Normal receivables	380	1%	519,348	31,911	319
1 month overdue	13	1%	20,503	1,292	13
2-3 month overdue	4	2%	6,523	24	-
4-6 month overdue	-	20%	-	-	-
7-12 month overdue	-	50%	-	-	-
Over 12 month overdue	4	100%	7,787	7,787	7,787
Account receivables under court judgment	1	100%	915	915	915
Account receivables under negotiation agreement	1	100%	766	766	766
Total	403		555,842	42,695	9,800

As of 31st December 2018, the Company set aside an allowance for doubtful accounts and financial lease receivables of 2,133.72 million Baht, increasing by 290.97 million Baht, or 15.79 % compared to the year 2017. The Company's regular reserve compared to the one in the previous year was decreased by 10.83 million Baht. The Company considered increasing the general reserve at the amount of 170.00 million Baht, which was decreased from 110 million Baht in the previous year in order to prepare its reserve according to the IFRS9 accounting standards. As a result, the overview of the expenses of bad debts and doubtful debts were decreased compared to the same period of the previous year.

As of 31st December 2019, the Company had doubtful debt allowance, hire purchase debts, and finance lease debts of 2,224.68 million Baht, increased by 90.95 million Baht or 4.26%, compared with 2018. The normal reserve of the Company, compared with 2018, was increased by 50.93 million Baht. In addition, the Company prepared the general reserve of 90.00 million Baht for the changing Accounting Standard and Thai Financial Reporting Standard 9 (TFRS 9), resulted in the increase in overall bad debt and doubtful debt expenses compared with the previous year.

As of 31st December 2020, the Company's allowance for expected credit loss of hire purchase receivables and financial lease receivables was 2,157.75 million Baht, decreased for 66.93 million Baht or by 3.01% compared to the doubtful accounts in 2019. The reserve for credit loss compared to that of 2019 was increased for 144.38 million Baht which was the result of higher credit risk condition due to the slowdown economy caused by COVID-19 pandemic. The increasing reserves in 2020 reflected the ECL model that predicted future trend and Management Overlay to support the risk that may occur from the uncertainty of the pandemic situation under the Thai Financial Reporting Standards 9 (TFRS 9.)

The Company has the policy on amortization of loan debtors from the account when the court had judgment that debtors and guarantors pay their debts to the Company and the Company is unable to confiscate their properties or execute the judgment. Also, when the Company could not collect from the debtors. The amortization of loan debtors as bad debts will lead to the decrease in the allowance for doubtful accounts and bad debt recovery will be recorded in the other incomes. For the year 2020, 2019, and 2018, the Company cut off bad debts of 438.26 million Baht, 102.58 million Baht, and 111.62 million Baht respectively.



The above table shows that account receivables whose net of interest was not recognized as income in the year 2020, 2019, and 2018, most were normal receivables with not more than 3 installments over due, in total of 46,478.82 million Baht, 49,888.44 million Baht, and 46,754.69 million Baht, accounted for 96.87%, 96.05%, and 96.31% of the total hire-purchase and financial lease accounts receivable respectively. This reflected that most debtors of the Company were in the normal level.

Adequacy for Allowance for Expected Credit Losses

The Company sets an allowance for doubtful accounts for the hire-purchase and finance leases based on the estimated losses from potential uncollectible accounts. Based on the current status of outstanding receivables, the debtors overdue for less than 3 periods are recorded to an allowance for doubtful accounts of the principal balance net of collaterals and for the debtors overdue for more than 3 periods are recorded to an allowance for doubtful accounts without collaterals and for the debtors under the compromise agreement by the law are recorded to an allowance for doubtful accounts without collaterals as well.

Moreover, the Company cautiously set the amount of the doubtful debt allowance over the potentially in collectible debts and improved the efficiency of debt collection in order to be in line with the credit portfolio expansion. In 2020, 2019, and 2018, the Company had non-performing loans (NPL) from hire purchase and finance lease debts of 1,500.45 million Baht, 2,049.11 million Baht and 1,790.66 million Baht respectively, and the expected credit losses /doubtful debt allowance of 1,228.25 million Baht, 2,224.68 million Baht, and 2,133.72 million Baht respectively.

In 2020, 2019, and 2018, the Company had the expected credit losses/doubtful debt allowance ratio of 81.86%, 108.57%, and 119.18% of total non-performing loans respectively. If the credit approval was considered concisely and the debt collection was strictly followed up, the Company believed that such expected credit losses allowances were appropriate, sufficient, and efficient, under the normal operations of the Company.

Total Liabilities

	2020	2019	2018
	Million Baht	Million Baht	Million Baht
Total Liabilities	37,699.32	43,209.91	40,336.10
Short-term Loan and Overdraft	10,991.23	29,085.49	21,981.88
Long-term Loan	7,589.98	600.91	100.00
Long-term Bond	18,098.73	12,496.33	17,201.58
Other Liabilities	1,019.39	1,027.18	1,052.64

Note: Short-term Loan and overdraft amounts include a portion of the payment within 1 year.

The Company and its subsidiaries' total debts as of 31st December 2020, 31st December 2019, and the Company's total debts on 31st December 2018 were 37,699.32 million Baht, 43,209.91 million Baht, and 40,336.10 million Baht respectively. Total debts on 31st December 2020 decreased from the end of 2019's by 12.75%. Total debts in 2019 increased from 2018's by 7.12%. In the year 2020, the Company's overall debts decreased because the Company has issued and offered new common shares to support the Company's credit approval activities and strengthening the capital stability by managing the financial structure in an appropriate proportion in order to build confidence in the Company's strong financial status in the long-term to shareholders, investors, creditors, and all stakeholders.

As of 31st December 2019, the Company and its subsidiaries' loans mainly consisted of short-term loans of 29,085.49 million Baht, long-term loans of 600.91 million Baht and long-term debentures of 12,496.33 million Baht.



Other debts mainly included accrued corporate income tax, other creditors, accrued car insurance fees of returned cars, deferred transfers, and accrued interests. As of 31st December 2019, the Company had other debts of 1,027.18 million Baht, decreased from 2018's by 25.46 million Baht or 2.42%.

As of 31st December 2020, the Company and its subsidiaries' loans mainly consisted of short-term loans of 10,991.23 million Baht, long-term loans of 7,589.98 million Baht and long-term debentures of 18,098.73 million Baht.

Other debts mainly included accrued corporate income tax, other creditors, accrued car insurance fees of returned cars, deferred transfers, and accrued interests. As of 31st December 2020, the Company had other debts of 1,019.39 million Baht, decreased from 2019's by 7.78 million Baht or 0.76%.

Equity

On 3rd April, 2018, the Annual General Meeting of Shareholders had a resolution to approve the allocation of 2017 net profits at the amount of 14.00 million baht to the legal reserve and the reduction of registered capital from 2,416,227,333 baht to 2,416,227,209 Baht (at the par value of 1.00 baht/share.) The stock dividend payment on 29th April, 2015 left the Company with 124 remaining shares. The Company registered the decreasing number of shares with the Ministry of Commerce on 10th April, 2018 and approved the increase of registered capital from 2,416,227,209 Baht to new registered capital of 3,020,284,011 Baht by issuing 604,056,802 common shares (at the par value of 1.00 baht/share) in order to support the Company's dividend payment in common shares. The dividend payment was paid at the rate of 0.25 baht/share to the current shareholders at the ratio of 4 current shares to 1 stock dividend. In case that the common shares for dividend were calculated into the fractions of share, the Company would pay them in cash to the shareholders. The Company registered the new capital with the Ministry of Commerce on 11th April, 2018 and paid stock dividend in cash at the rate of 0.03 baht/share to the shareholders, in total of 676,543,618.52 Baht.

As of 31st December 2018, the Company held 7,194.96 million Baht as a shareholder, increasing from 2017 by 1,567.66 million Baht, accounting for 27.86%. This was the result of the 2018 net profits after the legal reserve and dividend payment.

On 2nd April 2019, the Annual General Meeting of Shareholders' resolution approved the allocation of 2018 net profits at the amount of 61.00 million Baht to be legal reserve and the decrease in registered capital from 3,020,284,011 Baht to 3,020,283,681 Baht (at the par value of 1.00 Baht per share). The dividend payment on 27th April 2018 resulted in 330 remaining shares. The Company has registered the decreasing capital with the Ministry of Commerce on 17th April 2019. The resolution also approved the increase in registered capital from 3,020,283,681 Baht to 3,775,354,601 Baht by issuing new 755,070,920 ordinary shares (at the par value of 1.00 Baht per share) for the dividend payment in Company's ordinary shares which gave 0.25 Baht per share to current shareholders at the ratio of 4 current shares to 1 dividend share. In the case that the ordinary shares occurred from cash dividend were calculated into odd lot, the Company will pay dividend for the odd lot in cash to shareholders. The Company registered the increase in capital with the Ministry of Commerce on 18th April 2019 and paid dividend in cash at the rate of 0.29 Baht per share to shareholders, in total of 1,630,953,187.74 Baht or 99.40% of 2018 net profits.

On 20th August 2019, the Extra Ordinary Meeting of Shareholders no. 1/2019 had resolution to approve the decrease in registered capital from 3,775,354,601 Baht to 3,775,353,450 Baht (at the par value of 1.00 Baht per share). The share dividend on 26th April 2019 resulted in 1,151 remaining shares. The Company registered such decrease with the Ministry of Commerce on 26th August 2019.

On 30th August 2019, the Board of Directors meeting no. 5/2019 held on 30th August 2019 had resolution to approve for the interim dividend payment of the first 6 month of 2019 performance in cash at the rate of 0.16 Baht per share to current shareholders, in total of 604,056,552 Baht or 59.97% of the net profits of the first 6 month of 2019.



As of 31st December 2019, the Company's shareholders were accounted for 7,671.03 million Baht, increased from end of 2018 by 476.07 million Baht or 6.62%. The increase came from 2018 net profits after legal reserve and paid dividend.

On 26th May 2020, the Board of Directors meeting no. 5/2020 had resolution to approve for the second interim dividend payment of the 2020 performance at the rate of 0.16 Baht per share, total dividends were paid twice at the rate of 0.32 Baht per share which is equivalent to 65.31 percent of the 2019 net profit based on the Company's separate financial statements or 61.53 percent of the 2019 net profit based on the Company's consolidated financial statements

On 10th July 2020, the Annual General Meeting of Shareholders' resolution approved the allocation of 2019 net profits at the amount of 75.00 million Baht to be legal reserve and the increase in registered capital from 3,775,353,450 Baht to 5,663,030,175 Baht by issuing 1,887,676,725 of ordinary shares (at the par value of 1.00 Baht per share) to existing shareholders in a proportion to their rights holding (Right Offering), allocation of 2 existing ordinary shares to 1 newly issued ordinary share.

As of 31st December 2020, the Company's shareholders were accounted for 10,818.69 million Baht, increased from end of 2019 by 3,147.66 million Baht or 41.03%. The increase came from 2020 net profits after legal reserve, dividend payment and right offering.

Liquidity

Cash flow	2020	2019	2018
	Million Baht	Million Baht	Million Baht
Cash flow from (for) operations	5,924.69	(213.94)	(5,225.21)
Cash flow from (for) investment activities	(16.31)	(11.71)	(6.82)
Cash flow from (for) funding activities	(5,293.72)	440.84	5,255.55
Net cash flow increase (decrease)	614.66	215.18	23.53
Cash & deposit	1,043.79	429.13	213.95

As of 31st December 2018, the Company and its subsidiaries had cash of 213.95 million Baht. The net cash flow was increased by 23.53 million Baht from the end of 2017 which had cash at the amount of 190.42 million Baht, resulted from the net cash flow gained from financing activities to support the Company's leasing business at the amount of 5,255.55 million Baht. The net cash flow spent on normal leasing operations was 5,225.21 million Baht. The net cash flow spent on the investment activities was 6.82 million Baht.

As of 31st December 2019, the Company and its subsidiaries had 429.13 million Baht of cash. The increased net cash flow was 215.18 million Baht, increased from 213.95 million Baht at the end of 2018, as a result of the net cash flow gained from the fund raising for the Company's credit approval activities of 440.84 million Baht deducting the net cash flow expenses for the normal credit approval operation of 213.94 million Baht and the net cash flow expenses for investment activities of 11.71 million Baht

As of 31st December 2020, the Company and its subsidiaries had 1,043.79 million Baht of cash. The increased net cash flow was 614.66 million Baht, increased from 429.13 million Baht at the end of 2019, as a result of the net cash flow gained from the fund raising for the Company's credit approval activities of 5,924.69 million Baht deducting the net cash flow expenses for the normal credit approval operation of 5,293.72 million Baht and the net cash flow expenses for investment activities of 16.31 million Baht.



Liquidity Ratio

As of 31st December 2019, the Company and its subsidiaries had the liquidity ratio of 0.62 with total current assets of 18,610.69 million Baht and total current liabilities of 30,059.03 million Baht. Total current assets were less than total current liabilities for 11,448.34 million Baht. However, the Company and its subsidiaries still had short-term financial liquidity because most of total current liabilities were from short-term loans from financial institutions (BE and PN) and the debentures due within 1 year. Most of both short-term loans could be renewed when they met their due dates. The Company also had reserved short-term credit limit from Thanachart Bank Public Company Limited, the related company ready to support additional short-term liquidity, and the short-term credit limits from other financial institutions. So the liquidity risk of the Company could be managed to the acceptable level and did not affect the main business operation of the Company.

The quick ratio was 0.61, not different from the current ratio since most of current assets of the Company and its subsidiaries had high liquidity ratio at 99.39% of total current assets.

As of 31st December 2020, the Company and its subsidiaries had the liquidity ratio of 1.61 with total current assets of 19,209.90 million Baht and total current liabilities of 11,957.54 million Baht. Total current assets were less than total current liabilities for 7,252.36 million Baht. However, the Company and its subsidiaries still had short-term financial liquidity because most of total current liabilities were from short-term loans from financial institutions (BE and PN) and the debentures due within 1 year. Most of both short-term loans could be renewed when they met their due dates. The Company also had reserved short-term credit limit from Thanachart Bank Public Company Limited, the related company ready to support additional short-term liquidity, and the short-term credit limits from other financial institutions. So the liquidity risk of the Company could be managed to the acceptable level and did not affect the main business operation of the Company

The quick ratio was 1.59, not different from the current ratio since most of current assets of the Company and its subsidiaries had high liquidity ratio at 99.29% of total current assets.

Factors or situations that may have significant impact on financial status or operation in the future

The Company conducted business in the past year under the COVID-19 pandemic situation during the year 2020 by applying various measures with the support from both the Company and the Bank of Thailand that help customers affected by the pandemic. Although Thai economy was going on the recovery path, the situation in the near future was still highly uncertain due to the new wave of COVID-19 pandemic which may affect the economy if the outbreak were in the large scale and could lead to the use of highly restrictive measures. The policy of opening the country to receive foreign tourists in 2021 depends on the effectiveness and speed in vaccination procurement and distribution. Thus, risk management is the important issue for the business sector. The overall economic recovery still has high uncertainty. The Company has been closely following up with the situation, continuously assessing the impact especially on the asset quality, and conducting business with carefulness.

Such situation became the factor or incident that could significantly affect financial status or operations in the future which can be summarized as follows:

1.The second wave of COVID-19 pandemic situation was controlled by the lockdown measure focusing on the more specific area and business sector. This did not create as large impact as the first lockdown. Factors that are expected to have an impact are what kind of lockdown measures are used and when will the new outbreak be controlled. The vaccine discovery in the end of 2020 is the big hope for tourism sector and is the key variable to define the direction of economic recovery in 2021. The vaccination distribution plan in Thailand is expected to be effective for approximately 20% of population in the second half of the year which will then enable Thailand to open the country for vaccinated tourists to enter without quarantine. As a result, the tourism sector and other business sector will gradually come back to business.

2.Economic factor is the most important factor that has impact on business conduct of the business group. The economic problem may have effects on a lot of other problems and cause psychological effects on spending and investment in



such businesses. The service sector relating to tourism sector is the one getting the deep wound which will take a long time to recover back to the original condition before the outbreak. The situation is also added up with the second wave of pandemic in the end of 2020 which is considered as the risk factor that puts pressure on the economic recovery for the next year.

3.The government's spending measure was the key driver that helps support the economy in 2020. The government accelerated the disbursement of 2020 budget after facing the problem of delayed budgeting for annual expenses, especially the acceleration of investment funds disbursement. The economic situation in 2020 faces challenges around the economic driving forces, i.e., export, tourism, consumption, and slow down domestic investment. Thus, the government sector must play important role in economic recovery to stimulate money into economic system and to support the economy in 2021.

Auditor and Audit Report Summary

The Company considered the selection and appointment of independent auditors, getting approval from the Securities and Exchange Commission, to be the Company's auditors. The auditor fee was proposed to the Annual General Meeting of Shareholders. In the year 2020, the Meeting passed a resolution approving the appointment of EY Office Limited as the auditors of the Company, details are as follows:

1. Ms. Ratana Jala as Certified Public Accountant no. 3734 and/or
2. Ms. Wanvilai Phetsang as Certified Public Accountant no. 5315

For the year 2020, the audit fee of the Company is 1,900,000 Baht and its subsidiary is 400,000 Baht, with no other service fee (Non-Audit Fee).

The list of auditors and a summary of audit report in the year 2018 – 2020, details are as follows:

Year	Name of Auditor	Audit Report Summary
2020	Ms. Ratana Jala Certified Public Accountant no. 3734 EY Office Limited	The auditor comment with no condition with the opinion that the financial statement of financial position as of 31 st December 2020, the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.
2019	Ms. Ratana Jala Certified Public Accountant no. 3734 EY Office Limited	The auditor comment with no condition with the opinion that the financial statement of financial position as of 31 st December 2019, the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.
2018	Ms. Ratana Jala Certified Public Accountant no. 3734 EY Office Limited	The auditor comment with no condition with the opinion that the financial statement of financial position as of 31 st December 2018, the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Internal Control

Ratchthani Leasing Public Company Limited has executed strategic management, risk management and good internal control which result in the Company's competency to conduct business properly and efficiently.

The good internal control system is an important management tool to achieve the Company's goals. The internal control framework of the Committee of Sponsoring Organization of the Tread Way Commission (COSO) is applied for the Company's management, which is summarized as follows:

1.Internal Environment

- The Board of Directors and the management designated code of conduct and business ethics for the Board of Directors, management and employees to implement.
- The Board of Directors consists of Independent Directors in the proportion of 41.67% of total Directors, which is higher than the minimum legal requirement. As a result, the Board can effectively work on assessment and decision making on the internal control system independently, without influence from the management.
- The Board of Directors and the management established the Company structure, chain of command, appropriate responsibilities and segregation of duties so that the good internal control can be implemented according to its specified objectives.

2.Risk Assessment

- The Company analyzed and identified risks that effect the business operation and specific risk response in the corporate levels and functional levels including the risks of fraudulent or inappropriate conduct.
- The Company specified clear objective of the operations, financial and non-financial reporting, and the practices in compliance with related laws, and identified the level of risks that are acceptable and align with the business operation.

3.Control Activities

- The Company organized the internal control activities to reduce the potential risks to the acceptable level including preventive control, such as segregation of duties, the level access to data and information control of each authorization level, the appropriate authorization of business operations and transactions, and physical assets control, etc.
- The Company designated the Business Continuity Policy and management plan in case the uncontrollable emergency occurred. The plan has been testing regularly to ensure that the Company can operate its business continually.

4.Information and Communication

- The Company implemented an efficient information system to provide accurate, complete, and timely information for business decisions making.
- The Company has communication channels to inform any information to staff via electronic email and central bulletin board where information and knowledge can be shared among the employees.
- The Company has determined the channels for notification of fraud and corruption actions, in compliance with the Anti-Corruption Policy as an alliance of Thai Private Sectors on Collective Action against Corruption, on the Company's website. Such notification shall be directly reported to the audit supervisor.



5. Monitoring and Assessment

- The Company's significant issues have regularly been assessed and the results have continuously been monitored by the Audit Committee through the independent internal auditor of the Company.
- The Company assigned the management to identify any defects on the assessment of the Company's independent internal auditors and to define the solutions appropriately and in time.

In the Board's Meeting in 2020, the Board of Directors evaluated the internal control system under the guidelines of the Office of the Securities and Exchange Commission. The result was that the Company had appropriate and effective internal control system.

The Internal Audit

The Company has no Internal Audit Department but does assign an independent external auditor to perform the duty of internal auditor and to report the performance of internal audit practices directly to the Audit Committee and the management performance of departments to the Managing Director.

The Company assign the Head of Audit of Thanachart Capital Public Company Limited to be the independent internal auditor of the Company, who report directly to the Audit Committee and has duty on examining and assessing the efficiency and the effectiveness of the internal control system and information system. The independent internal auditor examines the compliance with the Anti-Corruption Policy practices to ensure that normal business operations and financial activities of the Company are conducted according to the guidelines and have adequate efficiency. The independent internal auditor examines the practices to ensure the compliance with the laws and related regulations of the Company (Compliance Control). Moreover, the annual internal audit plan must be proposed and approved by the Audit Committee under the criteria of the risk based audit approach and the audit guidelines under the internal control practices of the Committee of Sponsoring Organization of the Tread Way Commission (COSO). The Company has assigned the secretary of the audit committee to coordinate with the internal audit department of Thanachart Capital Public Company Limited.



Related Party Transactions

In 2019 and 2020, the Company had related party transactions with persons with a conflict of interest. After consideration, the Audit Committee believed that such transactions were reasonable as normal transactions or they supported the Company's normal business with general trade conditions, except special transactions. The appropriateness of transactions and the committee's opinions are detailed as follows:

Name of Related Parties	Relationship with the Company	Business Type
Thanachart Capital Public Company Limited	The parent company of the Group	A holding company that primarily invests in financial business.
Thanachart Bank Public Company Limited	Was the parent company until 2 nd December 2019 and became a related company since 3 rd December 2019	Commercial bank
RTN Insurance Broker Company Limited	Subsidiary Company	Non-life insurance brokerage and life insurance
Baan Rock Garden Public Company Limited	Have common directors and shareholders	Property development
Thanachart Insurance Public Company Limited	Affiliates	Insurance
MBK Life Assurance Public Company Limited	Affiliates	Insurance
Thanachart Securities Public Company Limited	Affiliates	Securities

Loan and Outstanding from Related Persons or Businesses

List	Outstanding (Unit : Thousand Baht)	
	31 st December 2020	31 st December 2019
<u>Cash at bank</u>		
Thanachart Bank Public Company Limited	939,594	366,193
<u>Interest receivable</u>		
Thanachart Bank Public Company Limited	-	27
<u>Short-term loans</u>		
Thanachart Bank Public Company Limited	1,000,000	150,000
Baan Rock Garden Public Company Limited	-	58,000
Management, directors and related persons	-	10,000
<u>Debentures</u>		
Thanachart Capital Public Company Limited	243,000	-
Thanachart Bank Public Company Limited	-	35,000
Thanachart Insurance Company Limited	455,000	140,400
MBK Life Assurance Public Company Limited	120,000	-
<u>Other payables</u>		
Thanachart Capital Public Company Limited	681	-



List	Outstanding (Unit : Thousand Baht)	
	31 st December 2020	31 st December 2019
<u>Accrued interest</u>		
Thanachart Capital Public Company Limited	1,878	-
Thanachart Bank Public Company Limited	64	43
Thanachart Insurance Company Limited	4,174	974
MBK Life Assurance Public Company Limited	1,054	-

Related Party Transactions

Transactions	For Year (Unit : Thousand Baht)		Transfer pricing policy	Reason / Appropriateness
	2020	2019		
Thanachart Capital Public Company Limited				
Interest Expenses	5,807	-	As stipulated in agreements and prospectus	Related party transactions were in accordance with normal business and supported the operation of the Company group, to maximize the Company's benefit. Conditions of Such transactions were set based on market price and were approved by Audit Committee and Board of Directors.
Thanachart Bank Public Company Limited				
Interest Expenses	17,038	30,727	As stipulated in agreements	Related party transactions were in accordance with normal business and supported the operation of the Company group, to maximize the Company's benefit. Conditions of Such transactions were set based on market price and were approved by Audit Committee and Board of Directors.
Bank fee expenses	6,738	6,556	As stipulated in agreements	
Premises and equipment expenses	-	252	As stipulated in agreements	
Service fee expenses	3,154	3,442	As stipulated in agreements	
Interest receivable	9,535	2,076	The same rates as charged to general customers	
Baan Rock Garden Public Company Limited				
Interest expenses	252	1,422	As mutually agreed	Related party transactions were in accordance with normal business and supported the operation of the Company group, to maximize the Company's benefit. Conditions of Such transactions were set based on market price and were



				approved by Audit Committee and Board of Directors.
<u>Thanachart Insurance Company Limited</u>				
Interest expenses	15,306	8,117	As stipulated in prospectus	Related party transactions were in accordance with normal business and supported the operation of the Company group, to maximize the Company's benefit. Conditions of Such transactions were set based on market price and were approved by Audit Committee and Board of Directors.
Insurance Interest expenses	351	2,946	As stipulated in agreements	
<u>MBK Life Assurance Public Company Limited</u>				
Interest Expenses	3,805	-	As stipulated in prospectus	Related party transactions were in accordance with normal business and supported the operation of the Company group, to maximize the Company's benefit. Conditions of Such transactions were set based on market price and were approved by Audit Committee and Board of Directors.
<u>Thanachart Securities Public Company Limited</u>				
Fee expenses	1,323	-	As mutually agreed	Related party transactions were in accordance with normal business and supported the operation of the Company group, to maximize the Company's benefit. Conditions of Such transactions were set based on market price and were approved by Audit Committee and Board of Directors.
<u>Management, directors and related persons</u>				
Interest expenses	30	683	As mutually agreed	Related party transactions were in accordance with normal business and supported the operation of the Company group, to maximize the Company's benefit. Conditions of Such transactions were set based on market price and were approved by Audit Committee and Board of Directors.



Necessity and Appropriateness

Presently, related party transactions are in accordance with a normal business and support the operation of the Company group, to maximize the Company's benefit. The related party transactions are necessary and reasonable. For price setting, market prices or costs plus proper profits, such as rental fee, are taken into consideration. Such cost is forecasted from rental fee plus proper profits according to the referenced market prices. The Company will revise costs and profit rate annually. The Company will propose to the Audit Committee to consider reasons and appropriateness of prices. Prior approvals of the Board of Directors or shareholders are required on the case by case basis.

Measures or Procedure on Approving Related Party Transactions

For the approval procedure of related party transactions due to a normal business such as bank fee, the Company will determine conditions in line with a normal business i.e. market prices applied to general customers, or actual costs plus proper profits according to the referenced market prices. For other related party transactions, the Company will determine conditions in line with a normal business i.e. marketing prices applied to general customers with proper conditions. This aims to maximize the benefits of the Company and shareholders. Prior approvals of the Board of Directors or shareholders are required, as a case may be. The Audit Committee or auditors or experts will consider reasons of transactions and appropriateness of prices. The opinions will be proposed to the Board of Directors or shareholders for consideration, as a case may be.

Accordingly, in terms of compliance with information disclosure and acquisition or sales of major assets, the Company will comply with the laws on securities and exchange, regulations, notifications, orders, or requirements of the Stock Exchange of Thailand, including accounting standards stipulated by the Federation of Accounting Professions.

Policy on further related party transactions

According to the Securities and Exchange Act BE 2535 (1992) section 89/12 and the Capital Market Supervisory Board Notification, Tor Jor 21/2551 (2008) regarding the principles for doing connected transactions, including the amendment in the future, required the transactions of connected persons as defined by law, that is, the transactions between the Company and its directors, executives or related persons must be approved by the shareholders meeting first, except for the exempted transactions, such as the trade agreement which normal people will do with contract partners in the same situation using the trade negotiation power without any influences as the directors, executives or related persons as the case may be and which is the fair and at arm's length trade agreement that is approved by the Committee or comply with the approved principles.

For this matter, the Board of Directors meeting on 12th November 2018 had a resolution to approve the principles of trade agreement when doing the interpersonal transactions of related persons to be in compliance with the legal requirement as mentioned above. The principles are as follow, "The Management can do any transactions or actions or trade agreements that have characteristics of the interpersonal transactions of related persons as defined by the Securities and Exchange Commission. Such transactions or actions must be common with the general practices that normal people will do with contract partners in the same situations, using the trade negotiation power without any influences as the Executive Directors or related persons ("general trade agreement transaction".) They include the transactions being continued from the past and that may happen in the future. The Management can set the regulation framework as the guideline for the operations and submit the summary report of such transactions to the meetings of the Audit Committee and the Board of Directors within the reasonable time."

In the future, related party transactions will comprise transactions due to a normal business such transactions shall bring benefits to the Company and shall be in line with the approval measures or procedures mentioned above.



Report of the Audit Committee

The Audit Committee of Ratchthani Leasing Public Company Limited is appointed by the Board of Directors, which comprises qualified independent directors who are professionals in many aspects and have knowledge and experiences sufficient to perform the duty of examining financial statements. 5 Independent Directors, comprising of Mr. Thakol Nanthirapakorn, Ph.D. as Chairman of Audit Committee, Mr. Suvit Arunanondchai, Mr. Varavudh Varaporn, Mrs. Naree Boontharawara, Ph.D., and Mr. Surapol Satimanont as Member of the Audit Committee.

All members of the Audit Committee are not executives or employees of the Company and possess qualifications as required by the regulations of the Stock Exchange of Thailand and the Office of Securities and Exchange Commission. The Audit Committee has been assigned to supervise and review the Company's information related to the financial report and financial information disclosure, internal control system and regulatory practices in compliance with the relevant regulatory agencies. The Audit Committee also has a duty to promote the Company's good corporate governance.

In 2020, the Audit Committee held 4 meetings (average of 100% of the directors attended) with the certified auditor, the Company's internal auditor, management and executives from relevant departments to consider and review the financial statements, connected transactions, listen to the explanation and give suggestion beneficial to the accuracy, completion and reliability of financial reports including the efficiency improvement of the internal control. The resolutions of each meeting shall be summarized to the Board of Directors on the significant issues for acknowledgement and undertaking for improvement. The implementation of the Audit Committee is mainly summarized as follows:

The Accuracy, Completion and Reliability of Financial Reports

The Audit Committee reviewed the quarterly and annual financial statements of the Company by consulting with the auditor and management of finance and accounting department. To ensure that the financial statements had been conducted in accordance with General Accepted Accounting Principles, with correct key information and adequate, accurate, reliable information disclosure. In addition, the committee observed and acknowledged the solution approach beneficial to the Company. Besides, the Audit Committee arranged the meetings with the auditor, excluding the participation of the management, to consider on the independence of the auditor in performing his duties and expressing his opinion. In addition, the auditor has reported significant issues from the audit to the Audit Committee.

The Sufficiency and Examination of Internal Control System

The Audit Committee reviewed the internal control system to ensure the Company has good and efficient internal control system including anti-corruption control system. To consider on such system, the committee monitored the internal control system together with the independent internal auditor on the planning and approval of the annual audit plan, including the sufficiency and suitability of employees, and independence in conducting the internal audit. The Audit Committee followed up on the performance and corrective actions according to the audit report on any significant issues continuously. This shall lead to good internal control system, efficient risk management, and good corporate governance.

Compliance with Regulations, Laws or Other Relevant Requirements

The Audit Committee has reviewed and monitored the operation of the Company in accordance with the rules and regulations of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand including the laws or other requirements relevant to the Company's business to ensure that the Company has complied with such regulations completely.



Risk Management

In the previous year, the Audit Committee reviewed the Company's various aspects of the risk management, considered and proposed the risk factors which had significant effects on the Company's operations and business plan to the Board of Directors.

Auditor

The Audit Committee selected, nominated for appointment and proposed the auditor remuneration of 2020. The Audit Committee considered qualification, independence, performance and appropriate remuneration rate for auditor and proposed to the Board of Directors before further proposing to the shareholder's meetings.

Connected Transactions or Transaction with Conflict of Interest

The Audit Committee considered and examined the connected transactions, or transactions with conflict of interest by considering the necessity, reasonability, transparency, information disclosure, including other requirements received from the Company before proposing to the Board of Directors for such transactions approval.

Audit Committee Charter Consideration

The Audit Committee has considered and reviewed the Audit Committee Charter to ensure that the Audit Committee's operations were efficient and updated.

The Audit Committee considered and agreed that the Company has prepared the reports and disclosed the accurate financial information properly, adequately and in accordance with the generally accepted accounting principles. The internal control system and the examination of internal control system were effective, adequate, and appropriately organized. The risk management was efficient. The Company's operations were in compliance with the relevant regulations strictly. The auditor was supported to perform his/her duties on expressing an opinion on the financial reports independently. In addition, the connected transactions and any conflicts of interest were undertaken with transparency, reasonability and sufficient disclosure.

(Mr. Thakol Nunthirapakorn, Ph.D.)
Chairman of the Audit Committee



Responsibilities of the Board of Directors for Financial Report

The Board of Directors of Ratchthani Leasing Public Company Limited is responsible for consolidated financial statements of the Company and its subsidiaries and separate financial statements of the Company, including the information and information disclosure and the financial presentation in 2020 annual report. Such financial statements were regularly prepared according to the financial reporting standard and appropriate accounting policy. The discretion and estimates were used carefully and reasonably as needed. The information disclosure in the financial statement appendix was sufficient. Such financial statements passed the check and comment from the independent Certified Public Accountants of the Company with no condition.

The Board of Directors realized the importance of the duties and responsibilities that must continuously be in accordance with the good corporate governance policy in order to conduct the business with efficiency, transparency and credibility and established proper and effective control system, risk management system and internal control system of various aspects in order to rationally assure that the accounting information was correctly and completely recorded and adequate to sustain the Company's assets as well as to prevent any frauds or significantly irregular operations.

Moreover, The Board of Directors has appointed the Audit Committee comprising of the independent directors to review accounting policies, take responsible on the quality of financial statements, review the adequacy of the internal control system and internal audit, including the risk management system as well as consider the disclosure of connected transactions. The opinions of the Audit Committee on such issues were displayed in the Audit Committee Report in the annual report.

The Board of Directors has viewed that the overall internal control system of the Company was at satisfactory level and the internal audit could ensure that the consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the year ending 31st December 2020 was reliable along with the financial reporting standards and was conducted precisely according to the related laws and regulations.

(Mr. Virat Chinprapinporn)
Chairman

(Mr. Kovit Rongwattanasophon)
Managing Director



Independent Auditor's Report

To the Shareholders of Ratchthani Leasing Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Ratchthani Leasing Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31st December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Ratchthani Leasing Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ratchthani Leasing Public Company Limited and its subsidiary and of Ratchthani Leasing Public Company Limited as at 31st December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter

I draw attention to Note 1.2 and Note 3.2 to the consolidated financial statements. The COVID-19 pandemic is impacting various businesses and industries and this situation could create uncertainties and may affect the operating results and cash flows in the future of the Group. Moreover, due to the impact of this situation, in preparing the financial statements, the Group has elected to adopt the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy issued by the Federation of Accounting Professions. My opinion is not modified in respect of this matter.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.



Allowance for expected credit loss on hire-purchase and financial lease receivables

As discussed in Note 8.1 and 9.1 to the consolidated financial statements, as at 31st December 2020, the Group had hire purchase and financial lease receivables - net of Baht 46,748 million (accounting for 96 percent of total assets) and allowance for expected credit loss of Baht 1,228 million, which are material to the financial statements. In 2020, the Group has adopted Thai Financial Reporting Standard No. 9 Financial Instruments, which became effective on 1st January 2020. This standard stipulates the basis to be used for calculation of impairment on financial assets using the expected credit loss method. The basis requires complex calculation modelling, which involves the use of significant management judgement and estimates in the model development, the identification of criteria for a significant increase in credit risk since initial recognition, the probability of default, the loss given default, the exposure at default, the calculation of expected credit loss, the selection of future economic variables to be incorporated into the model and the management overlay adjustment to the allowance for expected credit loss due to limitations of the model. Because of the significant and the extent of judgement and estimates as mentioned above, I addressed the adequacy of the allowance for expected credit loss of hire purchase and financial lease receivables as a key audit matter.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relevant to the loan origination and collection processes, the assessment of probability of default, loss given default and exposure at default, as well as the calculation of allowance for expected credit loss, and tested, on a sampling basis, internal control systems over the relevant information technology systems. In addition, I evaluated and tested the reasonableness of the expected credit loss models, the rules and criteria applied by the Group in the assessment of significant increases in credit risk since initial recognition, including the data used in the model design, the effectiveness of models for significant loan types and the governance process over the model development, by examining model development documentation, testing, on a sampling basis, the accuracy and completeness of data used in model development, and assessing the methods and assumptions applied in the calculation. I assessed the reasonableness of macroeconomic factors and probability of different scenario weights as well as the reasonableness of the management overlay adjustments. In addition, I examined the management's documented policy, which addressed the policies and approaches used to derive the estimation of expected credit loss, and its approval by authorised management at an appropriate level. I compared accounting policies of the Group with financial reporting standards and assessed the adequacy of disclosure in accordance with the relevant financial reporting standards.

Moreover, I examined the allowance for expected credit loss by testing, on a sampling basis, the classification based on the change in credit risks since initial recognition and recalculating the allowance for expected credit loss as at the end of the accounting period, including testing the completeness of data used in the calculation of allowance for expected credit loss.

Recognition of interest income

For the year 2020, the Group recognised interest income on hire-purchase and financial lease receivables amounting to Baht 3,516 million (accounting for 82 percent of total income). The Group recognises interest income using the effective interest rate method, which involves use of management judgement and estimates in the estimation of future cash inflows throughout the expected life of financial instruments, taking into account any discounts or premiums on acquisition, fees and costs that are an integral part of the effective interest rate. In addition, interest income is generated from loans provided to a large number of customers with a high volume of transactions. I therefore focused my audit on whether interest income on loans to customers is recognised appropriately and in a timely manner, in accordance with Thai Financial Reporting Standards.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relating to the processes of loan origination, the processes of interest income recognition and loan collection, including relevant internal controls over information systems, by inquiring of management to gain an understanding, assessing the methods applied by the management in estimating cash inflows throughout the expected life of financial assets in the determination of effective



interest rate, as well as testing, on a sampling basis, the accuracy of data and calculation. In addition, I applied a sampling method in selecting loan agreements to test whether the recording of hire purchase and financial lease receivables as well as the income recognition complies with the conditions stipulated in the contracts and is adjusted in line with the effective interest rate according to the income recognition policy, and in accordance with Thai Financial Reporting Standards. I also performed analytical procedures on interest income and tested, on a sampling basis, significant adjustments made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

I am responsible for the audit resulting in this independent auditor's report.

Ratana Jala

Certified Public Accountant (Thailand) No.3734

EY Office Limited

Bangkok: 18th February 2021



Financial Statements and Notes to Financial Statements

Ratchthani Leasing Public Company Limited and its subsidiary

Statements of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	7	1,043,794,649	429,130,699	867,595,830	260,957,553
Current portion of hire purchase receivables - net	8	17,724,120,201	17,696,266,455	17,724,120,201	17,696,266,455
Current portion of financial lease receivables - net	9	237,817,536	215,617,670	237,817,536	215,617,670
Other receivables		75,591,780	67,496,580	65,148,267	58,539,955
Property foreclosed - net	13	67,307,160	156,182,189	67,307,160	156,182,189
Undue input vat		52,627,807	37,063,966	52,627,807	37,063,966
Other current assets		8,642,674	8,932,189	8,115,489	8,464,118
Total current assets		19,209,901,807	18,610,689,748	19,022,732,290	18,433,091,906
Non-current assets					
Restricted bank deposit		2,000,000	2,000,000	-	-
Hire purchase receivables - net of current portion	8	28,334,302,842	31,352,596,817	28,334,302,842	31,352,596,817
Financial lease receivables - net of current portion	9	451,719,886	444,131,792	451,719,886	444,131,792
Other long-term investment		-	213,954	-	213,954
Other non-current financial assets		187,572	-	187,572	-
Investment in subsidiary	11	-	-	3,999,700	3,999,700
Investment properties	14	19,326,498	19,326,498	19,326,498	19,326,498
Land, building and equipment - net	15	80,191,139	95,281,012	79,220,970	94,016,265
Right-of-use assets - net	16.1	20,386,106		20,386,106	-
Intangible assets - net	17	22,984,697	16,840,118	22,779,449	16,568,438
Deferred tax assets - net	18	375,560,584	338,373,757	375,443,055	338,305,771
Other non-current assets	19	1,449,775	1,480,514	1,439,776	1,470,513
Total non-current assets		29,308,109,099	32,270,244,462	29,308,805,854	32,270,629,748
Total assets		48,518,010,906	50,880,934,210	48,331,538,144	50,703,721,654

The accompanying notes are an integral part of the financial statements.

Ratchthani Leasing Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial		Separate financial	
		statements		statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20				
Related parties		1,000,000,000	150,000,000	1,000,000,000	150,000,000
Unrelated parties		4,371,892,537	14,337,075,525	4,371,892,537	14,337,075,525
Short-term loans	21				
Related persons and related parties		-	68,000,000	-	68,000,000
Unrelated persons and unrelated parties		-	349,500,000	-	349,500,000
Other payables	22	313,591,819	336,039,584	257,401,151	286,109,691
Accrued interest		168,288,955	170,518,771	168,288,955	170,518,771
Current portion of hire purchase and financial lease payables	16.2	-	3,827,601	-	3,827,601
Current portion of lease liabilities	16.2	8,521,341	-	8,521,341	-
Current portion of long-term loans	23				
Related persons and related parties		-	50,000,000	-	50,000,000
Unrelated persons and unrelated parties		-	-	-	-
Current portion of debentures	24				
Related persons and related parties		-	99,959,867	-	99,959,867
Unrelated persons and unrelated parties		5,619,335,607	14,030,959,207	5,619,335,607	14,030,959,207
Income tax payable		250,886,186	255,909,634	236,716,996	244,195,343
Other current liabilities		225,023,428	207,237,256	222,851,194	205,966,161
Total current liabilities		11,957,539,873	30,059,027,445	11,885,007,781	29,996,112,166
Non-current liabilities					
Hire purchase and financial lease payables					
- net of current portion	16.2	-	4,591,632	-	4,591,632
Lease liabilities - net of current portion	16.2	11,219,250	-	11,219,250	-
Long-term loans - net of current portion	23				
Unrelated persons and unrelated parties		7,589,976,848	600,912,772	7,589,976,848	600,912,772
Debentures - net of current portion	24				
Related parties		817,026,597	75,273,559	817,026,597	75,273,559
Unrelated parties		17,281,703,434	12,421,052,995	17,281,703,434	12,421,052,995
Provision for long-term employee benefits	25	41,857,237	49,048,731	41,269,595	48,426,141
Total non-current liabilities		25,741,783,366	13,150,879,689	25,741,195,724	13,150,257,099
Total liabilities		37,699,323,239	43,209,907,134	37,626,203,505	43,146,369,265

The accompanying notes are an integral part of the financial statements.

Ratchthani Leasing Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital	24				
Registered					
5,663,030,175 ordinary shares of Baht 1 each					
(31 December 2019: 3,775,353,450 shares of Baht 1 each)		5,663,030,175	3,775,353,450	5,663,030,175	3,775,353,450
Issued and fully paid-up					
5,663,028,199 ordinary shares of Baht 1 each					
(31 December 2019: 3,775,353,450 shares of Baht 1 each)		5,663,028,199	3,775,353,450	5,663,028,199	3,775,353,450
Share premium		319,888,163	319,888,163	319,888,163	319,888,163
Retained earnings					
Appropriated - statutory reserve	25	471,500,000	378,000,000	471,500,000	378,000,000
Unappropriated		4,364,262,505	3,197,776,638	4,250,918,277	3,084,110,776
Equity attributable to owners of the Company		10,818,678,867	7,671,018,251	10,705,334,639	7,557,352,389
Non-controlling interests of the subsidiary		8,800	8,825	-	-
Total shareholders' equity		10,818,687,667	7,671,027,076	10,705,334,639	7,557,352,389
Total liabilities and shareholders' equity		48,518,010,906	50,880,934,210	48,331,538,144	50,703,721,654
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

Ratchthani Leasing Public Company Limited and its subsidiary

Statements of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Hire purchase interest income		3,466,925,734	3,498,126,611	3,466,925,734	3,498,126,611
Financial leases interest income		48,818,799	40,521,242	48,818,799	40,521,242
Fees and service income		316,167,100	328,161,808	161,936,429	175,333,460
Dividend income		-	-	113,265,891	-
Other income		430,817,059	371,340,354	431,282,317	372,236,191
Total revenues		4,262,728,692	4,238,150,015	4,222,229,170	4,086,217,504
Expenses					
Selling expenses		187,893,608	177,028,526	187,893,608	169,750,509
Administrative expenses		349,719,127	392,998,716	336,978,851	390,701,417
Expected credit losses		337,912,215	-	337,912,215	-
Bad debts and doubtful accounts	12	-	193,531,260	-	193,531,260
Total expenses		875,524,950	763,558,502	862,784,674	753,983,186
Profit before finance cost and income tax expenses		3,387,203,742	3,474,591,513	3,359,444,496	3,332,234,318
Finance cost		(1,063,465,148)	(1,011,345,022)	(1,063,465,148)	(1,011,345,022)
Profit before income tax expenses		2,323,738,594	2,463,246,491	2,295,979,348	2,320,889,296
Income tax expenses	18.2	(463,526,783)	(499,673,491)	(435,332,913)	(471,185,593)
Profit for the year		1,860,211,811	1,963,573,000	1,860,646,435	1,849,703,703
Other comprehensive income (loss):					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain (loss)		4,798,588	(9,460,655)	4,646,763	(9,276,362)
Less: Income tax effect	18.2	(959,718)	1,892,131	(929,353)	1,855,272
Other comprehensive income for the year (loss)		3,838,870	(7,568,524)	3,717,410	(7,421,090)
Total comprehensive income for the year		1,864,050,681	1,956,004,476	1,864,363,845	1,842,282,613

The accompanying notes are an integral part of the financial statements.

Ratchthani Leasing Public Company Limited and its subsidiary

Statements of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss attributable to (loss):					
Equity holders of the Company		1,860,203,350	1,963,564,460	1,860,646,435	1,849,703,703
Non-controlling interests of the Subsidiary		8,461	8,540		
		<u>1,860,211,811</u>	<u>1,963,573,000</u>		
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		1,864,042,211	1,955,995,947	1,864,363,845	1,842,282,613
Non-controlling interests of the Subsidiary		8,470	8,529		
		<u>1,864,050,681</u>	<u>1,956,004,476</u>		
Earnings per share	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.40	0.52	0.40	0.49
Weighted average number of ordinary shares (Share)		<u>4,621,196,780</u>	<u>3,775,353,450</u>	<u>4,621,196,780</u>	<u>3,775,353,450</u>

The accompanying notes are an integral part of the financial statements.

Ratchthani Leasing Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements					
	Issued and fully paid-up share capital	Share premium	Retained earnings		Equity attributable to owners of the Company	Non-controlling interests of the Subsidiary
			Appropriated - statutory reserve	Unappropriated		
Balance as at 1 January 2019	3,020,283,681	319,888,163	303,000,000	3,551,789,797	7,194,961,641	296
Profit for the year	-	-	-	1,963,564,460	1,963,564,460	8,540
Other comprehensive income for the year (loss)	-	-	-	(7,568,513)	(7,568,513)	(11)
Total comprehensive income for the year	-	-	-	1,955,995,947	1,955,995,947	8,529
Appropriate statutory reserve (Note 27)	-	-	75,000,000	(75,000,000)	-	-
Dividend paid (Note 26)	755,069,769	-	-	(2,235,009,106)	(1,479,939,337)	-
Balance as at 31 December 2019	3,775,353,450	319,888,163	378,000,000	3,197,776,638	7,671,018,251	8,825
Balance as at 1 January 2020	3,775,353,450	319,888,163	378,000,000	3,197,776,638	7,671,018,251	8,825
Profit for the year	-	-	-	1,860,203,350	1,860,203,350	8,461
Other comprehensive income for the year	-	-	-	3,838,861	3,838,861	9
Total comprehensive income for the year	-	-	-	1,864,042,211	1,864,042,211	8,470
Non-controlling interests of the subsidiary decrease	-	-	-	-	-	(8,495)
Issuing new ordinary shares (Note 26)	1,887,674,749	-	-	-	1,887,674,749	-
Appropriate statutory reserve (Note 27)	-	-	93,000,000	(93,000,000)	-	-
Dividend paid (Note 26)	-	-	-	(604,056,344)	(604,056,344)	-
Balance as at 31 December 2020	5,663,028,199	319,888,163	471,000,000	4,364,762,505	10,818,678,867	8,800
						-

The accompanying notes are an integral part of the financial statements.

Ratchthani Leasing Public Company Limited and its subsidiary

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid-up share capital	Share premium	Retained earnings	Appropriated - statutory reserve	Unappropriated
					shareholders' equity
					Total
Balance as at 1 January 2019	3,020,283,681	319,888,163		303,000,000	3,551,837,269
Profit for the year	-	-	-	-	1,849,703,703
Other comprehensive income for the year (loss)	-	-	-	-	(7,421,090)
Total comprehensive income for the year	-	-	-	-	1,842,282,613
Appropriate statutory reserve (Note 27)	-	-	-	75,000,000	(75,000,000)
Dividend paid (Note 26)	755,069,769	-	-	-	(2,235,009,106)
Balance as at 31 December 2019	3,775,353,450	319,888,163		378,000,000	3,084,110,776
Balance as at 1 January 2020	3,775,353,450	319,888,163		378,000,000	3,084,110,776
Profit for the year	-	-	-	-	1,860,646,435
Other comprehensive income for the year	-	-	-	-	3,717,410
Total comprehensive income for the year	-	-	-	-	1,864,363,845
Issuing new ordinary shares (Note 26)	1,887,674,749	-	-	-	-
Appropriate statutory reserve (Note 27)	-	-	-	93,000,000	(93,000,000)
Dividend paid (Note 26)	-	-	-	-	(604,056,344)
Balance as at 31 December 2020	5,663,028,199	319,888,163		471,000,000	4,251,418,277
					-

The accompanying notes are an integral part of the financial statements.

Ratchthani Leasing Public Company Limited and its subsidiary
Cash flows statements
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before income tax	2,323,738,594	2,463,246,491	2,295,979,348	2,320,889,296
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	24,921,416	20,322,105	24,540,693	19,963,289
Expected credit losses	337,912,215	-	337,912,215	-
Bad debts and doubtful accounts	-	193,531,260	-	193,531,260
Gain on sales of land, building and equipment	-	(786,039)	-	(786,039)
Impairment loss on property foreclosed (reversal)	(38,069,888)	29,149,921	(38,069,888)	29,149,921
Impairment loss on investment (reversal)	26,382	(3,369)	26,382	(3,369)
Loss from lease cancellation	100,344	-	100,344	-
Increase in provision for long-term employee benefits	5,573,761	12,013,932	5,456,884	11,858,293
Impairment loss on other assets - output vat paid in advance (reversal)	(2,771,815)	2,139,713	(2,771,815)	2,139,713
Interest income	(3,515,744,533)	(3,538,647,853)	(3,515,744,533)	(3,538,647,853)
Interest expenses	1,063,465,148	1,011,345,022	1,063,465,148	1,011,345,022
Profit from operating activities before changes in operating assets and liabilities	199,151,624	192,311,183	170,894,778	49,439,533
Operating assets (increase) decrease				
Hire purchase receivables	1,667,614,089	(4,323,608,515)	1,667,614,089	(4,323,608,515)
Financial lease receivables	(31,205,975)	(113,862,935)	(31,205,975)	(113,862,935)
Other receivables	(5,323,385)	(2,863,488)	(3,836,497)	6,093,134
Property foreclosed	810,429,147	523,697,608	810,429,147	523,697,608
Other current assets	(15,274,326)	255,674,678	(15,215,212)	256,142,149
Other non-current assets	30,739	48,487	30,737	58,488
Operating liabilities increase (decrease)				
Other payables	(22,447,765)	(120,135,284)	(28,708,540)	(170,065,178)
Other current liabilities	12,843,394	16,238,955	12,376,244	15,016,330
Provision for long-term employee benefit	(7,966,667)	(2,001,333)	(7,966,667)	(2,283,992)
Cash flows used in operating activities	2,607,850,875	(3,574,500,644)	2,574,412,104	(3,759,373,378)
Cash received from interest	3,818,592,242	3,855,372,472	3,818,592,242	3,855,372,472
Cash paid for income tax	(501,753,997)	(494,809,451)	(476,369,108)	(478,004,735)
Net cash flows from (used in) operating activities	5,924,689,120	(213,937,623)	5,916,635,238	(382,005,641)

The accompanying notes are an integral part of the financial statements.

Ratchthani Leasing Public Company Limited and its subsidiary
Cash flows statements (continued)
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Increase in restricted bank deposits	-	(1,000,000)	-	-
Cash paid for acquisition of land, building and equipment	(7,690,812)	(3,184,790)	(7,671,098)	(2,351,962)
Cash paid for acquisition of intangible assets	(8,619,300)	(8,796,700)	(8,619,300)	(8,494,500)
Proceeds from sales of land, building and equipment	-	1,267,290	-	1,267,290
Net cash used in investing activities	(16,310,112)	(11,714,200)	(16,290,398)	(9,579,172)
Cash flows from financing activities				
Increase in short-term loans from financial institutions (decrease)	(9,260,617,573)	(1,792,738,244)	(9,260,617,573)	(1,792,738,244)
Increase in short-term loans (decrease)	(417,500,000)	89,000,000	(417,500,000)	89,000,000
Cash received from long-term loans	6,952,892,090	600,900,000	6,952,892,090	600,900,000
Repayment for long-term loans	(50,000,000)	(239,000,000)	(50,000,000)	(239,000,000)
Cash received from issuance of long-term debentures	11,209,064,110	9,411,968,104	11,209,064,110	9,411,968,104
Repayment for long-term debentures	(14,135,000,000)	(5,435,000,000)	(14,135,000,000)	(5,435,000,000)
Repayment for hire purchase and financial lease payables	(8,831,102)	(5,078,677)	(8,831,102)	(5,078,677)
Cash received from establishing the subsidiary	1,887,674,749	-	1,887,674,749	-
Dividend payment	(604,056,344)	(1,479,939,337)	(604,056,344)	(1,479,939,337)
Cash paid for interest	(867,332,493)	(709,276,045)	(867,332,493)	(709,276,045)
Cash paid for of dividends to the non-controlling interest	(8,495)	-	-	-
Net cash flows from (used in) financing activities	(5,293,715,058)	440,835,801	(5,293,706,563)	440,835,801
Net increase in cash and cash equivalents	614,663,950	215,183,978	606,638,277	49,250,988
Cash and cash equivalents at beginning of year	429,130,699	213,946,721	260,957,553	211,706,565
Cash and cash equivalents at end of year	1,043,794,649	429,130,699	867,595,830	260,957,553

Supplement cash flows information

Non-cash item

Properties foreclosed received for debts settlement	683,484,230	630,236,770	683,484,230	630,236,770
Right-of-use assets	415,265	-	415,265	-

The accompanying notes are an integral part of the financial statements.

Ratchthani Leasing Public Company Limited and its subsidiary

Notes to consolidated financial statements

For the year ended 31 December 2020

1. Corporate information

Ratchthani Leasing Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Thanachart SPV 1 Company Limited, a limited company existing under Thai laws and the parent company of the Group is Thanachart Capital Public Company Limited, a public limited company also existing under Thai laws. (2019: The parent company is Thanachart Bank Public Company Limited and the parent company of the Group is Thanachart Capital Public Company Limited). The Company is principally engaged in the providing financial services specifically hire-purchase and leasing. The Company’s registered address is 77/35-36, 11 UP Floor, Sinsatorn Tower, Krungdhonburi, Klongtonsai, Klongsarn, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is impacting various businesses and industries. This situation could create uncertainties, and this may be impacting the operating results and cash flows in the future of the Group. The impact cannot be reasonably estimated at this stage. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, including the cash flow management of the Group and has used estimates and judgement in respect of various issues in order to continuously assessed the impact as the situation has evolved.

2. Basis of preparation of the financial statements

2.1 Basis of preparation of the financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 26 December 2019, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- (a) The consolidated financial statements include the financial statements of Ratchthani Leasing Public Company Limited and RTN Insurance Broker Company Limited (“the subsidiary”), which is domiciled in Thailand and is principally engaged in insurance brokerage. The Company holds 100% of the subsidiary’s shares.
- (b) The Company is deemed to have control over an investee or a subsidiary if it has rights, or is exposed, to variable return from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- (c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (d) The financial statements of the subsidiary are prepared using the same significant accounting policies as those adopted by the Company.
- (e) Material balances and significant transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- (f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 Separate financial statements

The Company has prepared its separate financial statements, which present investment in a subsidiary under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
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TFRS 9	Financial Instruments
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Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
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TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
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These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these financial reporting standards on the Group's financial statements is as follows.

Classification and measurement of financial assets and financial liabilities

Financial assets - debt instruments

The Group classifies financial assets - debt instruments as financial assets subsequently to be measured at either amortised cost or fair value in accordance with the Group business model for managing the financial assets and the contractual cash flows characteristics of the financial assets, based on the facts and existing circumstances as of the date these financial reporting standards were initially adopted, with classified as financial assets measured at amortised cost, when both of the following conditions are met: the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

As at 1 January 2020, the Group's financial assets are cash and cash equivalents and hire purchase receivables, financial lease receivables and restricted bank deposits. The adoption of these set of financial reporting standards does not have any impact to the Group's classification of financial assets. The Group continues to classify all financial assets as measured at amortised cost.

Financial liabilities

The adoption of these set of financial reporting standards does not have any impact to the Group's classification of financial liabilities. The Group continues to classify all financial liabilities as measured at amortised cost.

Impairment of financial assets

The TFRS 9 requires the entity to estimate allowance of expected credit losses, instead of recognising incurred loss like under the previous accounting policy. The financial reporting standard requires recognition of impairment based on an Expected Credit Loss model and management overlay for the factors which are not captured by the model and requires the Group recognises an allowance for expected credit losses for all investments in debt securities which are not measured at fair value through profit or loss without requiring a credit-impaired event to have occurred prior to the recognition.

The Group applies a general approach to determine expected credit losses on other financial assets, hire purchase and financial lease receivables.

Practices during the transitional period

The Group adopted a set of TFRSs related to financial instruments which the cumulative effect is recognised as an adjustment to the retained earnings or other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated. The adoption of a set of TFRSs related to financial instruments does not have the effect to the beginning balance of retained earnings.

The cumulative effect of the change is described in Note 4 to the consolidated financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

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

The Group initially adopted this financial reporting standard whereby the cumulative effect is recognised as adjustment to the retained earnings as at 1 January 2020 (if any), and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the consolidated financial statements

3.2 Accounting Guidance

Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the BOT No. BOT.RPD.(23)C. 276/2563 “Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy” and the circular of the BOT No. BOT.RPD.(01)C. 380/2563 “Measures to provide additional assistance to debtors during the COVID-19 situation” or any other measures announced by the BOT. Such entities include credit card business, business providing loans secured against vehicle registrations without collateral, personal loan business under the supervision of the BOT and certain entities not under the supervision of the BOT., such as leasing, hire-purchase, motorcycle hire-purchase and factoring business. Entities providing assistance to debtors in accordance with the BOT’s measures and electing to apply this Accounting Treatment Guidance have to apply all temporary relief measures in this guidance.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for entities providing assistance to debtors impacted by situations that affect the Thai economy during the period from 1 January 2020 to 31 December 2021 or until the BOT makes changes, with which the entities are to comply. The guidance applies to large debtors, small- and medium-sized debtors and retail debtors who have the ability to run a business or to pay debts in the future and who have been impacted directly or indirectly by such situations, considering the following guidelines.

- Debtors who were not yet non-performing (Stage 1 or Stage 2) on or after 1 January 2020.
- Debtors who became non-performing (Stage 3) on or after 1 January 2019, unless the entity is able to prove that the debtors becoming non-performing before 1 January 2019 are non-performing loans affected by the economic conditions.

Since the Group is an entity providing assistance to affected debtors in accordance with the BOT's guidelines, it applies these procedures.

- (1) Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement without compliance monitoring and the debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring. If it is a provision of assistance to debtors in accordance with the circular of the BOT No. BOT. RPD.(01)C. 380/2563, classification of the debtor remains at the same stage as before.
- (2) Non-performing loans (NPL) are classified as performing loans if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.
- (3) The guidelines specified in the appendix of the circular of the BOT relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is moving to Stage 2.

- (4) A newly calculated effective interest rate is applied to determine the present value of loans that have been restructured in accordance with guidelines to assist debtors specified in the circulars of the BOT, if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan. In addition, provided that the provision of assistance is in compliance with the circular of the BOT No. BOT.RPD.(01)C. 380/2563, the Group recognises interest income on the basis of this new effective interest rate during the grace period, or in accordance with the BOT's new guidelines if there are changes.
- (5) Consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience, in cases where a general approach is used in determining expected credit loss.

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

As at 31 December 2020, the Group provide assistance to debtors and had elected to apply the above Accounting Guidances. Provision of assistance to debtors is described in Note 8.1 to the consolidated financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Coronavirus disease 2019 Pandemic (COVID-19)

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Coronavirus disease 2019 Pandemic (COVID-19). Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

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

As at 31 December 2020, the Group has not elected to apply the temporary accounting guidance.

3.3 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group has evaluated that these standards do not have any significant impact on the Group's financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3.1 to the consolidated financial statements, during the current year, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

However, the changes in such accounting policies do not impact retained earnings as at 1 January 2020 but there is an impact in term of the presentation in the statement of financial position as at 1 January 2020 as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	31 December 2019	The impacts of financial reporting standard related to financial instruments	The impacts of TFRS 16	1 January 2020
Assets				
Non-current assets				
Other non-current financial assets	-	214	-	214
Other long-term investment	214	(214)	-	-
Land, buildings and equipment - net	95,281	-	(9,310)	85,971
Right-of-use assets	-	-	27,710	27,710
Liabilities				
Current liabilities				
Current portion of hire purchase and financial lease payables	3,828	-	(3,828)	-
Current portion of lease liabilities	-	-	8,574	8,574
Non-current liabilities				
Hire purchase and financial lease payables - net of current portion	4,592	-	(4,592)	-
Lease liabilities - net of current portion	-	-	18,246	18,246

4.1 Financial instruments

As at 1 January 2020, classification and measurement of financial assets and financial liabilities under TFRS 9 requirements in comparison with previous classification and measurement are as follow:

(Unit: Thousand Baht)

Consolidated financial statement			
Classification and measurement in accordance with previous accounting standard as at 31 December 2019		Classification and measurement in accordance with TFRS 9 as at 1 January 2020	
Financial assets			
Cash and cash equivalents	429,131	Amortised cost	429,131
Hire purchase receivables	49,048,863	Amortised cost	49,048,863
Financial lease receivables	659,750	Amortised cost	659,750
Restricted bank deposits	2,000	Amortised cost	2,000
Financial liabilities			
Short-term loans from financial institutions	14,487,075	Amortised cost	14,487,075
Short-term loans	417,500	Amortised cost	417,500
Long-term loans	650,913	Amortised cost	650,913
Debentures	26,627,245	Amortised cost	26,627,245
Hire purchase and financial lease payables	8,420	Amortised cost	8,420

(Unit: Thousand Baht)

Separate financial statement			
Classification and measurement in accordance with previous accounting standard as at 31 December 2019		Classification and measurement in accordance with TFRS 9 as at 1 January 2020	
Financial assets			
Cash and cash equivalents	260,958	Amortised cost	260,958
Hire purchase receivables	49,048,863	Amortised cost	49,048,863
Financial lease receivables	659,750	Amortised cost	659,750
Restricted bank deposits	-	Amortised cost	-
Financial liabilities			
Short-term loans from financial institutions	14,487,075	Amortised cost	14,487,075
Short-term loans	417,500	Amortised cost	417,500
Long-term loans	650,913	Amortised cost	650,913
Debentures	26,627,245	Amortised cost	26,627,245
Hire purchase and financial lease payables	8,420	Amortised cost	8,420

4.2 Leases

Upon initial application of TFRS 16, the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht) Consolidated and separate financial statements
Operating lease commitments as at 31 December 2019	17,338
Less: Short-term leases and leases of low-value assets	(1,326)
Add: Option to extend the lease period	11,536
Less: Contracts reassessed as service agreements	(8,184)
Less: Others	(48)
Less: Deferred interest expenses	(916)
Increase in lease liabilities due to TFRS 16 initial adoption	18,400
Liabilities under hire purchase and finance lease agreements as at 31 December 2019	8,420
Lease liabilities as at 1 January 2020	26,820
Consists of:	
Current lease liabilities	8,574
Non-current lease liabilities	18,246
	26,820
Weighted average incremental borrowing rate (Percentage per year)	2.72

The adjustments of right-of-use assets due to TFRS 16 first-time adoption as at 1 January 2020 are summarised below:

	(Unit: Thousand Baht)
Building and building improvement	18,400
Vehicles	9,310
Total rights-of-use assets	27,710

5. Significant accounting policies

5.1 Financial instruments

Accounting policies that are effective since 1 January 2020

Classification and measurement of financial assets and financial liabilities

The Group classifies its financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets. Financial assets measured at amortised cost only if both following conditions are met: the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value on trade date and subsequently measured at amortised cost net of allowance for expected credit losses (if any)

The Group classifies financial liabilities as measured at amortised cost. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

5.2 Revenue recognition

a) Income from hire purchase and financial lease receivables

Since 1 January 2020, the Company recognises interest income from hire purchase and financial lease on an accrual basis, using the effective interest rate method, over the term of the contract with the calculation based on the gross carrying amounts of the receivables. The effective interest rate is the discount rate that estimates future cash flows over the expected life of the financial instrument by considering the discounted or excess of the asset acquisition and fees including costs that are part of the effective interest rate.

And when the hire purchase and financial lease receivables subsequently become credit-impaired, the Company recognises interest income by using the effective interest rate method, based on the net carrying amount of the receivables (gross book value net of allowance for expected credit losses). When the financial assets are no longer credit-impaired, the Company resumes using gross carrying amounts to calculate interest income. (Before 1 January 2020, the Company ceases accruing interest income for receivables which installment payment has been defaulted for more than three installments past the due).

Initial direct income/expenses at the inception of hire purchase/financial lease contracts are to be deferred and amortised using the effective interest method, with amortisation deducted from interest income throughout the contract period, in order to reflect the effective rate of return on the contracts.

b) Fees and service income

Fees and service income are recognised on accrual basis, except for fee that were included in the calculation of effective interest rate and income from late payment fees, which are recognised when received.

5.3 Expense recognition

a) Interest expenses

Interest expenses are charged to expenses on an accrual basis.

b) Commission and expenses charged on hire purchase/financial leases

Initial direct expenses at the inception of a hire purchase/financial lease contract (i.e. commission expenses and stamp duty expenses) are to be deferred and amortised using the effective interest method, with amortisation deducted from interest income throughout the contract period, in order to reflect the effective rate of return on the contracts. (Before 1 January 2020, the Company recognised all deferred initial direct expenses as expenses when the receivables are more than three installments overdue.)

Unearned income on hire purchase/financial leases is presented net of commission expenses and initial direct costs at the inception of the contracts.

5.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.5 Hire purchase and financial lease receivables

Hire purchase and finance lease receivables are stated at outstanding balance, net of deferred revenue. Deferred revenue is stated net of commissions and direct expenses incurred at the initiation of hire purchase contracts and advances received from hire purchase and finance lease receivables.

5.6 Allowance for expected credit losses / Allowance for doubtful account

Accounting policy adopted since 1 January 2020 - Allowance for expected credit losses

Since 1 January 2020, the Company applies the General Approach to calculate the expected credit losses on its financial assets, such as deposits at financial institutions and hire purchase receivables.

The Company classifies its financial assets into three stages (three-stage approach) to measure the value of the expected credit losses, with the classification of the financial assets determined on the basis of the change in credit risk since initial recognition as follows:

Group 1: Financial assets with no significant increase in credit risk (Performing)

For financial assets which no significant increase in credit risk since initial recognition, the Company recognises the expected credit loss at an amount equal to 12-month expected credit loss. For financial assets with maturity of less than 12 months, the Company will use the probability of fulfilling the contract in accordance with the remaining terms of the contract.

Group 2: Financial assets with significant increases in credit risk (Under-performing)

For financial assets with significant increases in credit risk since the initial recognition date but that are not credit-impaired, the Company recognises the expected credit loss at an amount equal to expected credit loss over the expected lifetime of the financial instrument.

Group 3: Financial assets that are credit-impaired (Non-performing)

Financial assets are assessed as a credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset occur. The Company recognises the expected credit loss over the expected lifetime of the financial assets.

At the end of the reporting period, the Company assesses whether the credit risk of financial assets has increased significantly since the initial recognition date, by comparing the risk of default on the financial assets as at reporting date with the risk of default as at the initial recognition date. The Company may use internal quantitative or qualitative basis and expected data for evaluate a decrease in credit quality such as debtors which are overdue for more than 30 days. In determining whether the credit risk has increased significantly since the initial recognition date, financial assets will be considered either by individual contract or group of financial assets.

Receivables are considered to be credit-impaired when one or more events occurs affecting the estimated future cash flows of the loan agreements. Evidences that financial assets are credit-impaired, includes overdue for more than 90 days or there are indicators that debtors are in significant trouble financial position, legal status, renegotiate terms of repayment or debt restructuring.

In subsequent periods, if the credit quality of financial assets improves and it is assessed that there is no longer the significant increase in credit risk from the initial recognition date that was assessed in the previous period, the Company will change from recognising the lifetime expected credit loss to recognising the 12-month expected credit loss.

Expected credit loss is the probability-weighted estimate of credit loss over the expected lifetime of the financial asset, consider the present value of all cash expected not to be recoverable. The Company consider historical loss experience on the basis of shared credit risk characteristics, taking into account type of loans, type of collateral, month on book, and other relevant factors, adjusts this for current observable data, as well as forward looking information that is supportable and reasonable provide. It can be shown as well as exercising appropriate of judgement, to estimate the amount of an expected credit loss based on macroeconomic data and determines both current and future economic scenario, and probability-weighted in each scenario (base scenario, best scenario and worst scenario) for calculating expected credit loss. Use of forward-looking data increases the degree of judgement required in evaluating how relevant current macroeconomic changes affect expected credit loss. However, the Company has established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis. Furthermore, expected credit loss was included management overlay.

Increase (decrease) in an allowance for expected credit loss is recognised as expenses in profit or loss in the statement of comprehensive income. The Company has a policy to write-off receivables when they are determined that such receivables may not be collectible a court has ordered a debtor to make payment of a debt but the debtor is unable to do so.

Accounting policy adopted before 1 January 2020 - Allowance for doubtful account

Before 1 January 2020, the Company provides allowance for doubtful accounts for hire purchase and financial lease receivables based on the amount of debts that may not be collectible, determined by analysis of the current status of the receivables. Allowance for doubtful accounts is provided based on the loan balances net of collateral value for receivables overdue by no more than 3 installments, and without deducting collateral value for receivables that overdue by more than 3 installments, receivables under debt compositions and legal receivables.

	<u>Provisioning rate (%)</u>
Normal loans and past due not more than 1 installment	1
Past due more than 1 installments	2
Past due more than 3 installments	20
Past due more than 6 installments	50
Past due more than 12 installments	100

Bad debt and doubtful accounts are recognised in profit or loss in the statement of comprehensive income. The Company has a policy to write-off receivables when a court has ordered a debtor to make payment of a debt, but the debtor is unable to do so. Amounts written off as bad debts are deducted from allowance for doubtful accounts, and bad debt recovery is recognised as other income.

5.7 Property foreclosed

Property foreclosed is stated at the lower of cost or net realisable value.

Gain (loss) on disposal of property foreclosed is recognised in part of profit or loss when disposal. Impairment loss of property foreclosed are recognised as expenses in part of profit or loss.

5.8 Financial Instruments - Investments

From 1 January 2020, the Company classifies irrevocably its equity investments as equity instruments designated at fair value through OCI.

After initial recognition, profit or loss from changes in fair value of the financial assets designated at fair value through OCI are presented separately in other comprehensive income. And when sold, the accumulated in profit or loss from changes in fair value are recognised in retained earnings. Dividends from the investments are recognised as other income in the statement of profit or loss.

Fair value

Fair value of investments is calculated from net asset value.

Accounting policy adopted before 1 January 2020

- a) Investments in non-marketable equity securities, which are classified as other investments, are stated at cost net of allowance for loss on impairment (if any).
- b) Investments in subsidiary is accounted for in the separate financial statements using the cost method.

5.9 Investment properties

Investment properties are initially measured at cost. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any).

5.10 Land, building and equipment and depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

Depreciation of building and equipment is calculated with reference to their costs on the straight-line basis over the following estimated useful lives:

Condominium units	-	20 years
Building improvement	-	5 years
Furniture, fixtures and equipment	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and building improvement in process.

An item of land, building and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is recognised in part of profit or loss when the asset is derecognised.

5.11 Leases

Accounting policy adopted before 1 January 2020

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

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Depreciation of right-of-use assets is calculated by reference to their costs, on the straight-line basis over the shorter of the lease term and the estimated useful lives as follows:

Buildings and building improvements	6 years
Vehicles	5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost of such asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, the Company and its subsidiary recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company and its subsidiary's incremental borrowing rates. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

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

5.12 Intangible assets

Intangible assets are initially measured at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and any accumulated impairment loss.

The Company and its subsidiary amortised intangible assets with finite lives on a systematic basis over their economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expenses are recognised as expenses in part of profit or loss.

Intangible assets with finite useful lives have useful lives of approximately 5 - 10 years.

5.13 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company and its subsidiary, whether directly or indirectly, or which are under common control with the Company and its subsidiary.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Company and its subsidiary that gives them significant influence over the Company and its subsidiary, key management personnel, directors, and officers with authority in the planning and direction of the Company and its subsidiary operations.

5.14 Impairment of non-financial assets

At the end of each reporting period, the Company and its subsidiary perform impairment reviews in respect of the land, building and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

5.15 Employee benefits

a) Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

b) Post-employment benefits (Defined contribution plans)

The Company, its subsidiary and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiary. The fund's assets are held in a separate trust fund and the Company's and its subsidiary's contributions are recognised as expenses when incurred.

c) Post-employment benefits (Defined benefit plans)

The Company and its subsidiary have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gain and loss arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company and its subsidiary recognise restructuring - related costs.

5.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiary recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

At each reporting date, the Company and its subsidiary review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiary record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.17 Provisions

Provisions are recognised when the Company and its subsidiary have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.18 Fair value measurement

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

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

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

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

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

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

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

6.1 Recognition and derecognition of assets and liabilities

In determining recognition or derecognition assets or liabilities, the management needs to make judgement whether the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

6.2 Allowance for expected credit losses/allowance for doubtful account for hire purchase/financial lease receivables

In determining an allowance for expected credit losses for hire purchase and financial lease receivables, the management needs to make judgement and estimates the probable loss based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

6.3 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosures of fair value hierarchy.

6.4 Land, building and equipment and depreciation

In determining depreciation of building and equipment, the management is required to make estimates of the useful lives and residual values of the building and equipment and to review estimate useful lives and residual values when there are any changes.

6.5 Lease agreement

Determine lease term with the option to extend the lease or cancel the lease

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

6.6 Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

6.7 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

6.8 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6.9 Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	2,168	2,712	2,168	2,712
Bank deposits	1,041,627	426,419	865,428	258,246
Total	1,043,795	429,131	867,596	260,958

As at 31 December 2020, bank deposits in saving accounts carried interests between 0.10 and 0.55 percent per annum (2019: between 0.20 and 0.63 percent per annum).

8. Hire purchase receivables

- 8.1 As at 31 December 2020 and 2019, hire purchase receivables generally have terms 24 - 60 months and are payable in equal installments payment, with interest charged at fixed rates throughout the contracts. The balances of hire purchase receivables are classified by due date per the contract, as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	2020			
	Amounts due under the agreements			
	Due within 1 year ⁽¹⁾	1 - 5 years	Due over 5 years	Total
Hire purchase receivables	21,327,506	31,155,678	19,830	52,503,014
Less: unearned financial income ⁽²⁾	(2,753,172)	(2,474,960)	(351)	(5,228,483)
Present value of the minimum lease payment receivables	18,574,334	28,680,718	19,479	47,274,531
Less: Allowance for expected credit losses	(850,214)	(365,803)	(91)	(1,216,108)
Hire purchase receivables - net	17,724,120	28,314,915	19,388	46,058,423

⁽¹⁾ The current portion of hire purchase receivables included receivables that are credit-impaired.

⁽²⁾ Presented net of deferred initial direct costs of hire-purchase.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	2019			
	Amounts due under the agreements			
	Due within 1 year ⁽¹⁾	1 - 5 years	Due over 5 years	Total
Hire purchase receivables	23,021,712	34,206,504	19,222	57,247,438
Less: unearned financial income ⁽²⁾	(3,134,578)	(2,848,003)	(309)	(5,982,890)
Present value of the minimum lease payment receivables	19,887,134	31,358,501	18,913	51,264,548
Less: Allowance for doubtful accounts ⁽³⁾	(2,190,868)	(24,774)	(43)	(2,215,685)
Hire purchase receivables - net	17,696,266	31,333,727	18,870	49,048,863

⁽¹⁾ The current portion of hire purchase receivables included receivables for which revenue recognition has ceased.

⁽²⁾ Presented net of deferred initial direct costs of hire-purchase.

⁽³⁾ Current portion of allowance for doubtful accounts included additional provision for uncollectible receivables.

During the year ended 31 December 2020, the company elected to apply the Accounting Guidance for Assistance to affected hire purchase debtors and the Accounting Guidance on “Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy” issued by the Federation of Accounting Professions.

During the year ended 31 December 2020, 13.50 percent of hire purchase receivables had joined the scheme which 9.79 percent of had reached the end of the scheme period. As at 31 December 2020, 3.71 percent of total hire purchase receivables were still in the scheme. Of these, the Group had negotiated with 2.15 percent of hire purchase receivables, analysed their status and business and believed that the debtors were able to comply with the debt restructuring agreements. The Group, therefore, classified them as loans with no significant increase in credit risk (Stage 1) immediately. For the other 1.56 percent of hire purchase receivables, the Group maintained the existing debt classification before the hire purchase receivables joined the scheme.

- 8.2** As at 31 December 2020, the balances of hire purchase receivables are classified by credit risk and allowance for expected credit loss as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	31 December 2020	
	Accounts receivable -	
	net of unearned financial income	Allowance for expected credit loss
Hire purchase receivables where there has not been a significant increase in credit risk (Performing)	39,976,003	180,370
Hire purchase receivables where there has been a significant increase in credit risk (Under-performing)	5,810,580	642,625
Hire purchase receivables that are credit impaired (Non-performing)	1,487,948	393,113
Total	47,274,531	1,216,108

As at 31 December 2019, the balances of hire purchase receivables are classified by aging of installments past due and allowance for doubtful accounts as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements					
2019					
Age of receivables	Number of contracts	Hire purchase receivables - net			
		Hire purchase receivables - net of unearned financial income	of unearned financial income and collateral value ⁽¹⁾	Rate of allowance for doubtful accounts	Allowance for doubtful accounts
Not yet due	47,306	38,077,382	2,409,039	1%	24,090
Past due not more than 1 installment	7,816	5,521,293	343,149	1%	3,431
Past due more than 1 installments	8,019	5,625,320	248,953	2%	4,979
Past due more than 3 installments	1,136	718,243	718,243	20%	143,649
Past due more than 6 installments	443	219,127	219,127	50%	109,564
Past due more than 12 installments	456	182,939	182,939	100%	182,939
Court judge receivables	744	503,171	503,171	100%	503,171
Receivables under compromise agreement	174	97,898	97,898	100%	97,898
Receivables from sales of property foreclosed /recoverable damages receivables	1,138	319,175	319,175	100%	319,175
Total	67,232	51,264,548	5,041,694		1,388,896
Allowance for doubtful accounts					
- additional provision for uncollectible receivables					826,789
Total					2,215,685

⁽¹⁾ Hire purchase receivables that are more than 3 installments past due, court judge receivables, receivables under compromise agreement, receivables from sales of property foreclosed and recoverable damages receivables are presented after deduction of unearned financial income, without deducting collateral value.

9. Financial lease receivables

- 9.1** As at 31 December 2020 and 2019, the average contract period of the Company's financial lease receivables are 36 - 60 installments and equally installment payment with interest charged at the fixed rate as specified in the contracts. The balances of financial lease receivables are classified by period due as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	2020		
	Amounts due under the agreements		
	Within 1 year ⁽¹⁾	1 - 5 years	Total
Financial lease receivables	290,950	491,412	782,362
Less: Unearned financial income ⁽²⁾	(41,187)	(39,493)	(80,680)
Present value of the minimum lease payments			
receivables	249,763	451,919	701,682
Less: : Allowance for expected credit losses	(11,946)	(199)	(12,145)
Financial lease receivables - net	237,817	451,720	689,537

⁽¹⁾ The current portion of financial lease receivables included receivables that are credit-impaired.

⁽²⁾ Presented net of deferred initial direct costs of financial leases.

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	2019		
	Amounts due under the agreements		
	Within 1 year ⁽¹⁾	1 - 5 years	Total
Financial lease receivables	263,617	488,465	752,082
Less: Unearned financial income ⁽²⁾	(39,326)	(44,015)	(83,341)
Present value of the minimum lease payments			
receivables	224,291	444,450	668,741
Less: Allowance for doubtful accounts	(8,674)	(318)	(8,992)
Financial lease receivables - net	215,617	444,132	659,749

⁽¹⁾ The current portion of financial lease receivables included receivables for which revenue recognition has ceased.

⁽²⁾ Presented net of deferred initial direct costs of financial leases.

9.2 As at 31 December 2020 and 2019, the balances of financial lease receivables are classified by credit risk and allowance for expected credit loss as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2020	
	Accounts receivable - net of unearned financial income	Allowance for expected credit loss
Finance lease receivables where there has not been a significant increase in credit risk (Performing)	671,063	2,878
Finance lease receivables where there has been a significant increase in credit risk (Under - performing)	18,120	105
Finance lease receivables that are credit-impaired (Non - performing)	12,499	9,162
Total	701,682	12,145

(Unit: Thousand Baht)

	Consolidated and separate financial statements				
	2019				
		Financial lease receivables - net			
		Financial lease receivables - net of unearned financial income	of unearned financial income and collateral value ⁽¹⁾	Rate of allowance for doubtful accounts	Allowance for doubtful accounts
Age of receivables	Number of contracts	Financial lease receivables - net of unearned financial income	of unearned financial income and collateral value ⁽¹⁾	Rate of allowance for doubtful accounts	Allowance for doubtful accounts
Not yet due	427	613,295	39,521	1%	395
Past due not more than 1 installment	15	30,621	3,087	1%	31
Past due more than 1 installments	11	16,268	462	2%	9
Past due more than 3 installments	-	-	-	20%	-
Past due more than 6 installments	-	-	-	50%	-
Past due more than 12 installments	-	-	-	100%	-
Court judge receivables	4	4,462	4,462	100%	4,462
Receivables under compromise agreement	2	4,095	4,095	100%	4,095
Total	459	668,741	51,627		8,992

⁽¹⁾ Financial lease receivables that are more than 3 installments past due court judge receivables and receivables under compromise agreement are presented after deduction of unearned financial income, without deducting collateral value.

10. Asset quality

As at 31 December 2020 and 2019, hire purchase receivable and financial lease receivables weak financial positions and poor operating results, as follows:

Consolidated and separate financial statements								
	Number of debtors		Debt balances		Collateral value		Allowance for expected credit loss/ Allowance for doubtful accounts provided in the accounts	
	2020	2019	2020	2019	2020	2019	2020	2019
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies possible to delisting from the SET	1	1	1	1	1	1	-	-
2. Non - listed companies with similar operating results and financial position to listed companies possible to delisting from the SET	15	5	5	4	-	-	5	4
3. Companies which have debt repayment problems or have defaulted on the repayment	430	719	668	824	-	-	231	554

11. Investment in subsidiary

Detail of investments in subsidiary as presented in separate financial statements are as follows:

(Unit: Thousand Baht)						
Company's name	Paid-up capital		Shareholding percentage		Cost	
	2020	2019	2020	2019	2020	2019
			(%)	(%)		
RTN Insurance Broker Company Limited	4,000	4,000	100	100	4,000	4,000

Dividend income for the year ended 31 December 2020 is totaling Baht 113 million.

12. Allowance for expected credit losses / allowance of doubtful accounts

Movements of allowance for expected credit losses (ECL) for the year ended 31 December 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements				
	For the year ended 31 December 2020				
		Lifetime	Lifetime		
	12-month	ECL - not credit	ECL - credit	Allowance	
	ECL	impaired	impaired	for doubtful	
	(Stage 1)	(Stage 2)	(Stage 3)	accounts	Total
Hire purchase receivables and financial lease receivables ⁽²⁾					
Beginning balance	-	-	-	2,224,677	2,224,677
Changes from adoption of new financial reporting standards ⁽¹⁾	196,067	699,874	1,328,736	(2,224,677)	-
Beginning balance according to TFRS 9	196,067	699,874	1,328,736	-	2,224,677
Changes due to changes in stages	146,419	(201,681)	55,262	-	-
Changes due to re-measurement of allowance for credit losses	(222,599)	49,785	355,031	-	182,217
New financial assets purchased or acquired	63,361	94,751	30,995	-	189,107
Bad debts written-off	-	-	(438,256)	-	(438,256)
Ending balance	183,248	642,729	1,331,768	-	2,157,745

(1) The beginning of the year for calculating allowance for doubtful accounts is determined in accordance with the previous accounting policies. Currently shown as 12-mth ECL and Lifetime ECL according to the principles of TFRS 9, without retrospective adjustment.

(2) Include ECL of hire purchase and financial lease receivables that court has issued judgements in favour of the Company and of which collection is being pursued which are presented in other non-current assets.

Movements of allowance of doubtful accounts for the year ended 31 December 2020 are as follows:

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
	For the year ended 31 December 2019
Balance beginning of the year	2,133,724
Add: Doubtful account increase during the year	193,531
Less: Bad debt written-off	(102,578)
Balance end of the year	2,224,677

13. Property foreclosed

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
	For the year ended 31 December 2020			
	Balance - beginning of the year	Additions	Disposals	Balance - end of the year
Cost	229,070	683,484	(810,429)	102,125
Less: Allowance for impairment	(72,888)	38,070	-	(34,818)
Net	156,182	721,554	(810,429)	67,307

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
	For the year ended 31 December 2019			
	Balance - beginning of the year	Additions	Disposals	Balance - end of the year
Cost	122,531	684,880	(578,341)	229,070
Less: Allowance for impairment	(43,738)	(29,150)	-	(72,888)
Net	78,793	655,730	(578,341)	156,182

14. Investment properties

The investment properties represent land which currently undetermined future use. As at 31 December 2020, the fair value of investment properties amounted to Baht 39 million determined based on market price performed by an independent valuer (2019: Baht 35 million).

15. Land, building and equipment

(Unit: Thousand Baht)

Consolidated financial statement							
For the year ended 31 December 2020							
	Land	Condominium units	Building improvement	Furniture, fixtures and equipment	Motor vehicles	Building improvement in process	Total
Cost							
1 January 2020	5,890	94,215	29,268	44,118	25,279	202	198,972
Transferred to right-of-use assets due to the adoption of new financial reporting standards	-	-	-	-	(18,416)	-	(18,416)
Additions	-	-	13	7,678	-	-	7,691
Disposals/written off	-	-	-	(920)	-	-	(920)
Transferred from right-of-use assets	-	-	-	-	868	-	868
31 December 2020	5,890	94,215	29,281	50,876	7,731	202	188,195
Accumulated depreciation							
1 January 2020	-	33,553	20,512	33,656	15,970	-	103,691
Transferred to right-of-use assets due to the adoption of new financial reporting standards	-	-	-	-	(9,106)	-	(9,106)
Depreciation for the year	-	4,711	4,272	4,590	72	-	13,645
Disposals/written off	-	-	-	(920)	-	-	(920)
Transferred from right-of-use assets	-	-	-	-	694	-	694
31 December 2020	-	38,264	24,784	37,326	7,630	-	108,004
Net book value							
31 December 2020	5,890	55,951	4,497	13,550	101	202	80,191
Depreciation charge for the year							13,645

(Unit: Thousand Baht)

Consolidated financial statement							
For the year ended 31 December 2019							
	Land	Condominium units	Building improvement	Furniture, fixtures and equipment	Motor vehicles	Building improvement in process	Total
Cost							
1 January 2019	5,890	94,215	28,585	41,350	27,438	4,924	202,402
Additions	-	-	683	2,856	1,673	35	5,247
Disposals/written off	-	-	-	(88)	(3,832)	(4,757)	(8,677)
31 December 2020	5,890	94,215	29,268	44,118	25,279	202	198,972
Accumulated depreciation							
1 January 2019	-	28,842	15,980	28,811	14,888	-	88,521
Depreciation for the year	-	4,711	4,532	4,933	4,433	-	18,609
Disposals/written off	-	-	-	(88)	(3,351)	-	(3,439)
31 December 2020	-	33,553	20,512	33,656	15,970	-	103,691
Net book value							
31 December 2020	5,890	60,662	8,756	10,462	9,309	202	95,281
Depreciation charge for the year							18,609

(Unit: Thousand Baht)

	Separate financial statement						
	For the year ended 31 December 2020						
		Condominium	Building	Furniture,	Motor	Building	
	Land	units	improvement	fixtures and	vehicles	improvement	Total
				equipment		in process	
Cost							
1 January 2020	5,890	94,215	29,268	42,555	25,279	202	197,409
Transferred to right-of- use assets due to the adoption of new financial reporting standards	-	-	-	-	(18,416)	-	(18,416)
Additions	-	-	13	7,658	-	-	7,671
Disposals/written off	-	-	-	(920)	-	-	(920)
Transferred from right- of-use assets	-	-	-	-	868	-	868
31 December 2020	5,890	94,215	29,281	49,293	7,731	202	186,612
Accumulated depreciation							
1 January 2020	-	33,553	20,512	33,358	15,970	-	103,393
Transferred to right-of- use assets due to the adoption of new financial reporting standards	-	-	-	-	(9,106)	-	(9,106)
Depreciation for the year	-	4,711	4,272	4,275	72	-	13,330
Disposals/written off	-	-	-	(920)	-	-	(920)
Transferred from right- of-use assets	-	-	-	-	694	-	694
31 December 2020	-	38,264	24,784	36,713	7,630	-	107,391
Net book value							
31 December 2020	5,890	55,951	4,497	12,580	101	202	79,221
Depreciation charge for the year							13,330

(Unit: Thousand Baht)

Separate financial statement							
For the year ended 31 December 2019							
	Land	Condominium units	Building improvement	Furniture, fixtures and equipment	Motor vehicles	Building improvement in process	Total
Cost							
1 January 2019	5,890	94,215	28,585	40,620	27,438	4,924	201,672
Additions	-	-	683	2,023	1,673	35	4,414
Disposals/written off	-	-	-	(88)	(3,832)	(4,757)	(8,677)
31 December 2019	5,890	94,215	29,268	42,555	25,279	202	197,409
Accumulated depreciation							
1 January 2019	-	28,842	15,980	28,811	14,888	-	88,521
Depreciation for the year	-	4,711	4,532	4,635	4,433	-	18,311
Disposals/written off	-	-	-	(88)	(3,351)	-	(3,439)
31 December 2019	-	33,553	20,512	33,358	15,970	-	103,393
Net book value							
31 December 2019	5,890	60,662	8,756	9,197	9,309	202	94,016
Depreciation charge for the year							18,311

As at 31 December 2020, certain building improvement, equipment and motor vehicles items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 45 million (2019: Baht 35 million).

16. Leases

The Group as lessee

The Group enters into lease agreements for use in its operation. The contracts periods are between 2 - 6 years.

16.1 Right-of-use assets

Movements of right-of-use assets for the year ended 31 December 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	For the year ended 31 December 2020		
	Buildings and building improvements	Vehicles	Total
Cost			
1 January 2020	-	-	-
Changes from adoption of new financial reporting standards	18,400	-	18,400
Transferred from equipment	-	18,416	18,416
New contracts in the period	420	1,804	2,224
Contract amendment	-	-	-
Contract termination		(867)	(867)
Contracts cancellation	(572)	-	(572)
31 December 2020	18,248	19,353	37,601
Accumulated depreciation			
1 January 2020	-	-	-
Transferred from equipment	-	9,106	9,106
Depreciation for the year	4,894	3,909	8,803
Contract termination	-	(694)	(694)
31 December 2020	4,894	12,321	17,215
Net book value			
31 December 2020	13,354	7,032	20,386

16.2 Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated and separate financial statement	
	2020	2019
Lease payments	20,597	8,927
Less: Deferred interest expenses	(856)	(507)
Total	19,741	8,420
Less: Portion due within one year	(8,522)	(3,828)
Lease liabilities - net of current portion	11,219	4,592

A maturity analysis of lease payments is disclosed in Note 34.3 to consolidated financial statement.

16.3 Expenses relation to leases that are recognised in profit or loss

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Depreciation of expenses right-of-use assets	8,803
Interest expenses on lease liabilities	738
Expenses relating to leases of low - value assets	1,412

16.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 10 million including cashflows relating to leases of low-value assets. In addition, the Group had an increase in non-cash items for assets, use rights and lease liabilities of Baht 0.5 million.

17. Intangible assets

The intangible assets are computer software which presented below.

(Unit: Thousand Baht)

	Consolidated financial statement				
	For the year ended 31 December 2020				
	Remaining useful lives	Balance - beginning of the year	Additions	Amortised	Balance - end of the year
Cost	0 - 5 year	50,044	8,619	-	58,663
Less: Accumulated amortisation		(33,204)	-	(2,474)	(35,678)
Net book value		16,840	8,619	(2,474)	22,985
Amortisation during the year					2,474

(Unit: Thousand Baht)

	Consolidated financial statement				
	For the year ended 31 December 2019				
	Balance - beginning of the year	Additions	Amortised	Balance - end of the year	
	Remaining useful lives				
Cost	0 - 5 year	36,747	13,297	-	50,044
Less: Accumulated amortisation		(31,491)	-	(1,713)	(33,204)
Net book value		5,256	13,297	(1,713)	16,840
Amortisation during the year					1,713

(Unit: Thousand Baht)

Separate financial statement					
For the year ended 31 December 2020					
	Remaining useful lives	Balance - beginning of the year	Additions	Amortised	Balance - end of the year
Cost	0 - 5 year	49,711	8,619	-	58,330
Less: Accumulated amortisation		(33,143)	-	(2,408)	(35,551)
Net book value		16,568	8,619	(2,408)	22,779
Amortisation during the year					2,408

(Unit: Thousand Baht)

Separate financial statement					
For the year ended 31 December 2019					
	Remaining useful lives	Balance - beginning of the year	Additions	Amortised	Balance - end of the year
Cost	0 - 5 year	36,717	12,994	-	49,711
Less: Accumulated amortisation		(31,491)	-	(1,652)	(33,143)
Net book value		5,226	12,994	(1,652)	16,568
Amortisation during the year					1,652

As at 31 December 2020, certain intangible assets have been fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 29 million (2019: Baht 27 million).

18. Deferred tax assets/income tax expenses

18.1 Deferred tax assets

As at 31 December 2020 and 2019, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for expected credit loss	430,493	-	430,493	-
Allowance for doubtful accounts	-	407,523	-	407,523
Bad debt	26,014	-	26,014	-
Allowance for impairment - properties foreclosed	6,964	14,578	6,964	14,578
Provision for long-term employee benefits	8,372	9,753	8,254	9,685
Others	2,387	4,011	2,387	4,011
Total	474,230	435,865	474,112	435,797
Deferred tax liabilities				
Deferred initial direct costs of hire-purchase	76,822	88,521	76,822	88,521
Deferred fees/expenses on borrowings	4,180	5,359	4,180	5,359
Difference of financial lease income	5,122	3,608	5,122	3,608
Difference in income for accounting and tax purposes	12,545	-	12,545	-
Others	-	3	-	3
Total	98,669	97,491	98,669	97,491
Deferred tax assets - net	375,561	338,374	375,443	338,306

18.2 Income tax expenses

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

			(Unit: Thousand Baht)	
	Consolidated financial		Separate financial	
	statements		statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge for the year	501,674	519,116	473,399	490,598
Deferred tax:				
Relating to origination and reversal of temporary differences	(38,147)	(19,443)	(38,066)	(19,412)
Income tax expenses reported in the statements of comprehensive income	463,527	499,673	435,333	471,186

The amount of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

			(Unit: Thousand Baht)	
	Consolidated financial		Separate financial	
	statements		statements	
	2020	2019	2020	2019
Deferred tax relating to actuarial gain (loss)	960	(1,892)	929	(1,855)

Reconciliation between income tax expenses and the product of accounting profits multiplied by the applicable tax rate for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profits before tax	2,323,739	2,463,246	2,295,979	2,320,889
Applicable tax rate	20%	20%	20%	20%
Income tax at the applicable tax rate	464,748	492,649	459,196	464,178
Tax effect of non-deductible income/ expenses	(1,221)	7,024	(23,863)	7,008
Income tax expenses reported in the statements of comprehensive income	463,527	499,673	435,333	471,186

19. Other non-current assets

As at 31 December 2020, the Group has hire purchase receivables that the court has issued judgements in favour of the Company and of which collection is being pursued amounted to Baht 930 million. The Group presents such receivables under other non-current assets in the financial statements and set aside full allowance for estimated credit loss without deducting collateral value.

20. Short-term loans from financial institutions

	Interest rate	(Unit: Thousand Baht)	
		Consolidated and separate financial statements	
		2020	2019
Related party			
Short-term loan - Promissory notes	Fixed	1,000,000	150,000
		1,000,000	150,000
Unrelated party			
Short-term loan - Promissory notes	Fixed	1,440,000	1,390,000
Bill of exchange	Fixed	2,931,892	12,947,076
Total		4,371,892	14,337,076

Short-term loans in the form of promissory notes have maturities as stipulated in each of the note. Interest is payable monthly. The relevant agreements contain certain terms and conditions, such as a requirement to maintain a debt to equity ratio of not more than 10:1. In addition, the Company had loans in the form of bills of exchange with maturities as stipulated on each of the bill.

As at 31 December 2020, the short-term credit facilities with its related company and unrelated companies which have not yet been drawn down amounted to Baht 10,800 million. (2019: Baht 9,650 million)

21. Short-term loans

As at 31 December 2020 and 2019, these short-term loans are in the form of promissory notes with related parties and unrelated parties. They have fixed interest rates and principal are payable as stipulated in each of the note.

22. Other payables

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2020	2019	2020	2019
Payables for car purchase	211,102	243,684	211,102	243,684
Other payables - insurance premium payable	58,709	52,790	3,533	3,301
Accrued expenses	40,662	36,500	39,589	36,037
Other payables	3,119	3,066	3,177	3,088
Total other payables	313,592	336,040	257,401	286,110

23. Long-term loans

(Unit: Thousand Baht)		
Consolidated and separate		
financial statements		
	2020	2019
a) A long-term credit facility from a bank amounting to Baht 450 million, repayable in full within 3 years from the drawdown date, with interest at fixed rate per annum and payable monthly	450,000	450,000
b) Long-term loans in the form of promissory notes	201,000	201,000
c) Bill of exchange	1,940,455	-
d) A long-term credit facility from a bank amounting to Baht 5,000 million, repayable in full within 2 years from the agreement date with interest at fixed rate per annum and payable monthly.	5,000,000	-
Total	7,591,455	651,000
Less: Deferred loans issuing costs	(1,478)	(87)
Long-term loans	7,589,977	650,913
Less: Current portion due within one year	-	(50,000)
Long-term loans - net of current portion due within one year	7,589,977	600,913

The outstanding loan agreements described above require the Company to comply with certain terms and conditions as specified in each agreement, including maintenance of a debt to equity ratio of not more than 10:1 and also the portion of the Company's shares held by directors.

Movements in the long-term loans account during the years ended 31 December 2020 and 2019 are summarised below.

(Unit : Thousand Baht)		
Consolidated and separate		
financial statements		
	2020	2019
Balance as at the beginning of the year	651,000	289,000
Add: Loans drawdown during the year	6,990,455	601,000
Less: Loans repayment during the year	(50,000)	(239,000)
Balance as at the end of the year	7,591,455	651,000

24. Debentures

The Company issued registered, unsecured, unsubordinated debentures as follows:

				(Unit: Thousand Baht)	
				Consolidated and separate	
				financial statements	
Year of issuance	Debenture period	Maturity date	Interest rate	31 December 2020	31 December 2019
			(% p.a.)		
2017	2 - 3 years	October- December 2020	2.39 - 2.51	-	10,130,000
2018	1 - 2 years	October - November 2020	2.80	-	905,000
2018	2 - 3 years	February 2020 - August 2021	2.31 - 2.70	1,970,000	5,070,000
2018	3 - 4 years	March - July 2021	2.30 - 2.50	1,110,000	1,110,000
2019	2 years	January - October 2021	2.57 - 2.99	1,540,000	1,540,000
2019	2 - 3 years	February 2021 - October 2022	2.65 - 3.30	6,620,200	6,620,200
2019	3 - 4 years	July 2022 - July 2023	3.10 - 3.40	676,300	676,300
2019	5 years	July 2024	3.50	593,700	593,700
2020	2 - 3 years	February 2023	2.65	2,200,000	-
2020	3 - 4 years	November 2023	3.20	3,439,000	-
2020	4 - 5 years	February 2024 - May 2025	2.80 - 3.40	3,593,000	-
2020	6 - 7 years	April 2026 – April 2027	3.50 - 3.70	2,000,000	-
Total				23,742,200	26,645,200
Less: Deferred debentures issuing costs				(24,134)	(17,954)
Debentures				23,718,066	26,627,246
Less: Current portion due within one year				(5,619,336)	(14,130,919)
Debentures - net of current portion				18,098,730	12,496,327

The Company has to comply with certain terms and conditions, such as maintenance of a debt to equity ratio of not more than 10:1 throughout the life of the debentures.

25. Provision for long-term employee benefits

Provision for long-term employee benefits which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Beginning balance of provision for				
long-term employee benefits	49,049	29,575	48,426	29,575
Recognised in profit or loss:				
Current service cost ⁽¹⁾	4,708	3,352	4,603	3,304
Interest cost ⁽¹⁾	866	1,348	854	1,334
Past service costs and gains or				
losses on settlement	-	7,314	-	7,220
Recognised in other				
comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumption				
changes	(394)	(24)	(381)	(24)
Financial assumption changes	(4,496)	7,488	(4,375)	7,304
Experience adjustments	91	1,997	109	1,997
Benefit paid during the year	(7,967)	(2,001)	(7,967)	(2,284)
Ending balance of provision for				
long-term employee benefits	41,857	49,049	41,269	48,426

⁽¹⁾ Long-term employee benefit expenses recognised in selling and administrative expenses.

As at 31 December 2020, the weighted average duration for payment long-term employee benefits of the Company is 18 years, (2019: 22 years) and the Company expects to pay long-term employee benefits within next 1 year amounting to Baht 12 million.

Key actuarial assumptions at the valuation date are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	1.99	1.61	1.99	1.61
Future salary increase rate (depending on age of employee)	4.79	5.38	4.79	5.38
Staff turnover rate (depending on age of employee)	0 - 7	0 - 7	0 - 7	0 - 7

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	2020					
	Discount rate		Salary incremental rate		Turnover rate	
	Increased by 0.5%	Decreased by 0.5%	Increased by 0.5%	Decreased by 0.5%	Increased by 0.5%	Decreased by 0.5%
Increase (decrease) in provisions for long-term employee benefits	(2,569)	2,233	2,081	(1,915)	(2,082)	2,500

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	2019					
	Discount rate		Salary incremental rate		Turnover rate	
	Increased by 0.5%	Decreased by 0.5%	Increased by 0.5%	Decreased by 0.5%	Increased by 0.5%	Decreased by 0.5%
Increase (decrease) in provisions for long-term employee benefits	(2,378)	2,617	2,439	(2,244)	(2,439)	2,930

26. Share capital/Dividend

Share capital

On 2 April 2019, the Annual General Meeting of Shareholders passed the resolutions as follows:

- 1) Decrease the Company's registered share capital by 330 ordinary shares of Baht 1 each. The Company registered the decrease in its registered share capital with the Ministry of Commerce on 17 April 2019.
- 2) Increase the Company's registered share capital by 755 million ordinary shares, such that the Company has a registered share capital of Baht 3,775 million (3,775 million ordinary shares of Baht 1 each) to support the payment of the stock dividend. The Company registered the increase in its registered share capital with the Ministry of Commerce on 18 April 2019.

On 20 August 2019, the Extraordinary General Meeting of Shareholders passed the resolution to decrease the Company's registered share capital by 1,151 ordinary shares of baht 1 each. The Company registered the decrease in its registered share capital with the Ministry of Commerce on 26 August 2019.

On 10 July 2020, the Annual General Meeting of Shareholders passed the resolution to increase the Company registered share capital by 1,888 million ordinary shares, such that the Company's registered capital increase from Baht 3,775 million to Baht 5,663 million by issuing additional 1,888 million ordinary shares with a par value of baht 1 each. The Company registered the increase in its share capital with the Ministry of Commerce on 21 July 2020.

Dividend

On 2 April 2019, the Annual General Meeting of Shareholders passed resolutions to pay an annual dividend from net profit for 2018, consisting of a cash dividend of Baht 0.29 per share for 3,020 million shares and a stock dividend of 755 million shares (to be allocated at a rate of 1 dividend share for every 4 shares held) or equivalent to a total dividend payment of Baht 0.54 per share, or a total of Baht 1,631 million. The Company paid the dividend to the shareholders on 26 April 2019.

On 30 August 2019, the Board of Directors Meeting passed resolutions to pay an interim dividend from net profit for the six-month period ended 30 June 2019 of Baht 0.16 per share, or a total of Baht 604 million. The Company paid the dividend to the shareholders on 26 September 2019.

On 31 March 2020, the Board of Directors Meeting passed resolutions to pay an interim dividend from net profit for the year ended 31 December 2019 of Baht 0.16 per share, or a total of Baht 604 million. The Company paid the dividend to the shareholders on 27 April 2020.

27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, statutory reserve has fully been set aside.

28. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	For the years ended		For the years ended	
	31 December		31 December	
	2020	2019	2020	2019
Expected credit loss	337,912	-	337,912	-
Bad debt and doubtful accounts	-	193,531	-	193,531
Salary and wages and other employee benefits	292,374	295,969	282,469	288,370
Bank charges and service fee expenses	35,655	37,083	34,599	36,582
Impairment loss on property foreclosed (reversal)	(38,070)	29,150	(38,070)	29,150
Depreciation and amortisation	24,921	20,322	24,541	19,963
Legal fees	66,891	57,895	66,891	57,895

29. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, and adjusted for the proportionate change in the number of ordinary shares as a result of the issue of a stock dividend.

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Number of ordinary shares issued during the year (Thousand shares)	4,621,197	3,775,353	4,621,197	3,775,353
Profit for the year (Thousand Baht)	1,860,212	1,963,573	1,860,646	1,849,704
Earnings per share (Baht per share)	0.40	0.52	0.40	0.49

30. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The Managing Director has been identified as chief operating decision maker.

For management purposes, the Company is organised into business units based on its products and services and has three reportable segments as follows: (1) New car (2) Used car and (3) Others.

The chief operating decision maker monitors the operating results of the Company's and its subsidiary's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss, which is measured on the same basis as that used for reporting profit and loss in the financial statements. However, the Company and its subsidiary's finance costs and income taxes are managed on a group basis, and therefore these expenses are not allocated to each operating segment.

The following tables present revenue, profit and segment assets information regarding the Company and its subsidiary's operating segments for the years ended 31 December 2020 and 2019.

(Unit: Thousand Baht)			
Consolidated financial statement			
2020			
	New cars	Used cars	Total segments
Revenue from external customers			
Hire purchase interest income	2,002,895	1,464,031	3,466,926
Financial lease interest income	44,083	4,736	48,819
Other income	316,128	252,759	568,887
Unallocated other income			178,097
Total revenues	2,363,106	1,721,526	4,262,729
Operating expenses	(60,797)	(67,497)	(128,294)
Depreciation and amortisation			(24,921)
Unallocated operating expenses			(384,398)
Expecting credit loss			(337,912)
Finance cost			(1,063,465)
Profit before income tax			2,323,739
Income tax			(463,527)
Profit for the year			1,860,212

(Unit: Thousand Baht)			
Consolidated financial statement			
2019			
	New cars	Used cars	Total segments
Revenue from external customers			
Hire purchase interest income	2,051,461	1,446,666	3,498,127
Financial lease interest income	35,981	4,540	40,521
Other income	199,570	168,346	367,916
Unallocated other income			331,586
Total revenues	2,287,012	1,619,552	4,238,150
Operating expenses	(54,562)	(61,093)	(115,655)
Impairment loss on property foreclosed			(29,150)
Depreciation and amortisation			(20,322)
Unallocated operating expenses			(404,901)
Bad debts and doubtful accounts			(193,531)
Finance cost			(1,011,345)
Profit before income tax			2,463,246
Income tax			(499,673)
Profit for the year			1,963,573

The following tables present segment assets of the Company's operating segments as at 31 December 2020 and 2019:

	(Unit: Thousand Baht)		
	Consolidated financial statement		
	2020		
	New cars	Used cars	Total segments
Segment assets			
Hire purchase and financial lease receivables	32,304,173	14,443,787	46,747,960
Unallocated assets			1,770,051
Total assets			48,518,011

	(Unit: Thousand Baht)		
	Consolidated financial statement		
	2019		
	New cars	Used cars	Total segments
Segment assets			
Hire purchase and financial lease receivables	34,473,782	15,234,830	49,708,612
Unallocated assets			1,172,322
Total assets			50,880,934

Geographic information

The Company and its subsidiary are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers

For the years 2020 and 2019, the Company and its subsidiary have no major customer with revenue of 10 percent or more of an entity's revenues.

31. Provident fund

The Company and its subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contribute to the fund monthly at the rate of 5 - 15 percent of basic salary and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The provident fund is managed by Thanachart Fund Management Company Limited, which will be paid to employees upon termination in accordance with the fund rules. The contributed for the year 2020 amounting to approximately Baht 7 million (the Company only: Baht 7 million) (2019: Baht 7 million in consolidated and separate financial statements) were recognised as expenses.

32. Related party transactions

During the years, the Company and its subsidiary had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. List of related parties and transactions are summarised below:

Name of related parties	Relationship with the Company
Thanachart Capital Public Co., Ltd.	The parent company of the Group
Thanachart Bank Plc.	Was the parent company until 2 December 2019 and became a related company since 3 December 2019
RTN Insurance Broker Co., Ltd.	Subsidiary
Baan Rock Garden Plc.	Have common director and shareholder
Thanachart Insurance Plc.	Affiliated company
MBK life Assurance Plc.	Affiliated company
Thanachart Securities Plc.	Affiliated company

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2020	2019	2020	2019	(For the year 2020)
<u>Transactions with related parties</u>					
The parent company of the					
Group - Thanachart Capital Public					
Co., Ltd					
Interest expenses	5,807	-	5,807	-	As stipulated in agreements and prospectus
Subsidiary - RTN Insurance					
Broker Co., Ltd.					
Rental income	-	-	720	720	As stipulated in agreements
Service income	-	-	2,172	2,100	As mutually agreed
Dividend income	-	-	113,266	-	As declared rate
Related parties					
Interest income - Thanachart bank Plc.	9,535	2,076	9,535	2,076	The same rates as charged to general customers
Interest expenses - Thanachart bank Plc.	17,038	30,727	17,038	30,727	As stipulated in agreements and prospectus
Bank fee expenses - Thanachart bank Plc.	6,738	6,556	6,738	6,556	As stipulated in agreements
Premises and equipment expenses- Thanachart bank Plc.	-	252	-	252	As stipulated in agreements
Service fee expenses - Thanachart bank Plc.	3,154	3,442	3,154	3,442	As stipulated in agreements

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2020	2019	2020	2019	(For the year 2020)
Interest expenses - Baan Rock Garden Plc.	252	1,422	252	1,422	As mutually agreed
Interest expenses - Thanachart Insurance Plc.	15,306	8,117	15,306	8,117	As stipulated in prospectus
Interest expenses - MBK Life Insurance Plc.	3,805	-	3,805	-	As stipulated in prospectus
Insurance expenses - Thanachart Insurance Plc.	351	2,946	351	2,946	As stipulated in agreements
Fee expenses - Thanachart Securities Plc.	1,323	-	1,323	-	As mutually agreed
Management, directors and related persons					
Interest expenses	30	683	30	683	As mutually agreed

As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash and cash equivalents - cash at bank				
Thanachart Bank Plc.	939,594	366,193	771,251	204,812
Other receivables - interest receivable				
Thanachart Bank Plc.	-	27	-	27
Investment in subsidiary				
RTN Insurance Broker Co., Ltd.	-	-	4,000	4,000
Short-term loans from financial institutions				
Thanachart Bank Plc.	1,000,000	150,000	1,000,000	150,000
Short-term loans				
Baan Rock Garden Plc.	-	58,000	-	58,000
Management, directors and related persons	-	10,000	-	10,000

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2020	2019	2020	2019
Debtentures				
Thanachart Capital Plc.	243,000	-	243,000	-
Thanachart Bank Plc.	-	35,000	-	35,000
Thanachart Insurance Plc.	455,000	140,400	455,000	140,400
MBK life insurance Plc.	120,000	-	120,000	-
Other payables				
RTN Insurance Broker Co., Ltd.	-	-	93	93
Thanachart Capital Plc.	681	-	681	-
Accrued interest				
Thanachart Capital Plc.	1,878	-	1,878	-
Thanachart Bank Plc.	64	43	64	43
Thanachart Insurance Plc.	4,174	974	4,174	974
MBK life insurance Plc.	1,054	-	1,054	-

Movements of loans from related persons and related parties during the years are as follows:

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
	For the year ended 31 December 2020			
	Balance beginning of the year	Increase	Decrease	Balance end of the year
<u>Short-term loans from financial institutions</u>				
Thanachart Bank Plc.	150,000	21,270,000	(20,420,000)	1,000,000
<u>Short-term loans</u>				
Baan Rock Garden Plc.	58,000	132,000	(190,000)	-
Management, directors and related persons	10,000	-	(10,000)	-
<u>Long-term debentures</u>				
Thanachart Capital Plc.	-	343,000	(100,000)	243,000
Thanachart Bank Plc.	35,000	-	(35,000)	-
Thanachart Insurance Plc.	140,400	685,000	(370,400)	455,000
MBK life insurance Plc.	-	220,000	(100,000)	120,000

(Unit: Thousand Baht)

Consolidated and separate financial statements				
For the year ended 31 December 2019				
	Balance beginning of the year	Increase	Decrease	Balance end of the year
<u>Short-term loans from financial institutions</u>				
Thanachart Bank Plc.	1,030,000	84,670,000	(85,550,000)	150,000
<u>Short-term loans</u>				
Baan Rock Garden Plc.	113,000	521,000	(576,000)	58,000
Management, directors and related persons	10,000	30,000	(30,000)	10,000
<u>Long-term loans</u>				
Management, directors and related persons	28,000	-	(28,000)	-
<u>Long-term debentures</u>				
Thanachart Bank Plc.	-	421,400	(386,400)	35,000
Thanachart Insurance Plc.	400,000	40,400	(300,000)	140,400

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below:

(Unit: Thousand Baht)		
Consolidated and separate financial statements		
	2020	2019
Short-term employee benefits	58,597	56,430
Post-employment benefits	1,017	1,017
Total	59,614	57,447

33. Commitments and contingent liabilities

33.1 Operating lease commitments

The Company and its subsidiary have entered into several lease agreements in respect of the lease of office building space and equipment. The terms of the agreements are generally between 1 to 5 years. As at 31 December 2019, future minimum lease payments required under these non-cancellable operating leases contracts are as follows:

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
	31 December 2019
Payable within	
Less than 1 year	4,740
1 to 5 years	3,865

33.2 Long-term service commitments

As at 31 December 2020 and 2019, the Company has commitments in respect of the agreements appointing debenture trustees and a debenture holder representatives, whereby fees payable in the future are as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2020	2019
Payable within		
Less than 1 year	258	304
1 to 4 years	410	245

33.3 As at 31 December 2020, the Company and its subsidiary have commitments under support service agreement with its related company. Service payables due within 31 December 2021 amounting to Baht 3 million (the Company only: Baht 3 million) (2019: Baht 9 million in consolidated and Baht 8 million in separate financial statements).

33.4 Litigation

As at 31 December 2020, the Company is being sued as defendant or co-defendant in lawsuits with claims totaling Baht 6 million which final judgement has not yet been rendered. However, the management of the Company has exercised judgement to assess the outcome of the litigation and is confident that the Company will not incur any significant losses. Therefore, no contingent liability has been recognised.

34. Risk management

The Company's and its subsidiary's financial instruments, as defined under TAS 32 "Financial Instruments: Presentation", principally comprise cash and cash equivalents, hire purchase and financial lease receivables, loans, other payables and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

34.1 Credit risk

The Company is exposed to credit risk primarily with respect to hire purchase and financial lease receivables. The Company manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying value of loans and receivables less allowance for doubtful accounts as stated in the statements of financial position.

Credit Risk Guidelines

The Company and its subsidiary manage credit risk by the means of careful consideration of credit approval process, analysis of risk factors and the ability to service debt of customers, and a credit review process, which examines and reviews the quality of the loan portfolio so as to prevent and provide a remedy for problem loans in the future.

The maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognised and unrecognised financial instruments. The maximum exposure is shown gross carrying amounts before both the effect of mitigation through use of master netting and collateral arrangements.

For financial assets recognised on the statement of financial position, the maximum exposure to credit risk equals their gross carrying amounts before deducting allowance for expected credit losses.

The Company and its subsidiary have considered that the aforementioned disclosure will be disclosed from 2020 onwards, as the Financial Reporting Standard has been introduced from 1 January 2020, as at 31 December 2020, the maximum exposure to credit risk are as follows:

As at 31 December 2020, the maximum exposure to credit risk are as follows:

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statement	financial statement
	2020	2020
Cash and cash equivalents	1,044	868
Hire purchase and financial lease receivables ⁽¹⁾	48,906	48,906
Total maximum exposure to credit risk	49,950	49,774

⁽¹⁾ Hire purchase and financial lease receivables include hire purchase receivables for which the court has issued judgements in favour of the Company and of which collection is being pursued, which are presented in other non-current assets.

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted the policy to manage this risk by performing credit analysis from customers' information and follow-up on customer status consistently.

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are gross carrying amount (before deducting allowance for expected credit losses). The explanation of expected credit losses for 12-month, lifetime and credit impaired are described in Note 5.6 to the financial statements.

(Unit: Million Baht)

Consolidated financial statement

31 December 2020

	Financial assets where there has not been a significant increase in credit risk (12-month ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit impaired (Lifetime ECL - credit impaired)	Total
Cash and cash equivalents				
Investment grade	1,044	-	-	1,044
Total	1,044	-	-	1,044
<u>Less</u> Allowance for expected credit losses	-	-	-	-
Net book value	1,044	-	-	1,044
Hire purchase and financial lease receivables ⁽¹⁾				
Not overdue	35,566	-	-	35,566
Overdue 1 - 30 days	5,081	-	-	5,081
Overdue 31 - 60 days	-	3,635	-	3,635
Overdue 61 - 90 days	-	2,194	-	2,194
Overdue more than 90 days	-	-	1,500	1,500
Legal receivables	-	-	930	930
Total	40,647	5,829	2,430	48,906
<u>Less</u> Allowance for expected credit losses	(183)	(643)	(1,332)	(2,158)
Net book value	40,464	5,186	1,098	46,748

⁽¹⁾ Hire purchase and financial lease receivables include hire purchase receivables for which the court has issued judgements in favour of the Company and of which collection is being pursued, which are presented in other non-current assets.

Separate financial statement				
31 December 2020				
	12-month ECL (Stage 1)	Lifetime ECL - not credit impaired (Stage 2)	Lifetime ECL - credit impaired (Stage 3)	Total
Cash and cash equivalents				
Investment grade	868	-	-	868
Total	868	-	-	868
<u>Less</u> Allowance for expected credit losses	-	-	-	-
Net book value	868	-	-	868
Hire purchase and financial lease receivables ⁽¹⁾				
Not overdue	35,566	-	-	35,566
Overdue 1 - 30 days	5,081	-	-	5,081
Overdue 31 - 60 days	-	3,635	-	3,635
Overdue 61 - 90 days	-	2,194	-	2,194
Overdue more than 90 days	-	-	1,500	1,500
Legal receivables	-	-	930	930
Total	40,647	5,829	2,430	48,906
<u>Less</u> Allowance for expected credit losses	(183)	(643)	(1,332)	(2,158)
Net book value	40,464	5,186	1,098	46,748

Collateral and any operations to increase creditability

The Company and its subsidiary has held collateral and any operations to increase creditability of exposure to credit risk. The details of the collateral held by the Company and its subsidiary for each type of financial assets are as follows:

(Unit: Million Baht)

Consolidated financial statements		
Exposure to credit risk with collateral		
	31 December 2020	Type of major collateral
Hire purchase and financial lease receivables	47,976	Cars

34.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the financial positions of the Company and its subsidiary. As the Company and its subsidiary has no foreign currency transactions and has a small amount invested in securities, market risk consists of only interest rate risk.

Interest rate risk is the risk that the value of financial instrument will fluctuate as a result of changes in market interest rates.

Interest rate Risk Guidelines

The Company and its subsidiary manages the changes in interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, taking into account the direction of market interest rates, in order to generate a suitable yield while maintaining risk at acceptable levels.

Significant financial assets and liabilities, as at 31 December 2020 and 2019, classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statement					
	2020					
	Fixed interest rates					
	Repricing or maturity date			Floating	Non-	
Transactions	Within	1 - 5	Over	interest	interest	Total
	1 year	years	5 years	rate	bearing	
Financial assets						
Cash and cash equivalents	-	-	-	1,018	26	1,044
Hire purchase receivables ⁽¹⁾	18,574	28,681	19	-	930	48,204
Financial lease receivables	250	452	-	-	-	702
Financial liabilities						
Short-term loans from financial institutions	5,372	-	-	-	-	5,372
Other payables	-	-	-	-	270	270
Lease liabilities	9	11	-	-	-	20
Long-term loans	-	7,590	-	-	-	7,590
Debentures	5,619	18,099	-	-	-	23,718

⁽¹⁾ The outstanding balances of hire purchase that are non-interest bearing are hire purchase receivables that the court has issued judgements in favour of the Company and of which collection is being pursued, which are presented in other non-current assets.

(Unit: Million Baht)

Consolidated financial statement						
2019						
Transactions	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Repricing or maturity date					
	Within 1 year	1 - 5 years	Over 5 years			
Financial assets						
Cash and cash equivalents	-	-	-	415	14	429
Hire purchase receivables ⁽¹⁾	17,847	31,358	19	-	2,041	51,265
Financial lease receivables ⁽¹⁾	215	445	-	-	9	669
Financial liabilities						
Short-term loans from financial institutions	14,487	-	-	-	-	14,487
Short-term loans	418	-	-	-	-	418
Other payables	-	-	-	-	296	296
Hire purchase and financial lease payables	4	4	-	-	-	8
Long-term loans	50	601	-	-	-	651
Debentures	14,131	12,496	-	-	-	26,627

⁽¹⁾ The outstanding balances of hire purchase and financial lease receivables that are non-interest bearing include non-performing loans (receivables overdue more than 3 installments) for which revenue recognition has ceased.

(Unit: Million Baht)

Separate financial statement						
2020						
Transactions	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Repricing or maturity date					
	Within 1 year	1 - 5 years	Over 5 years			
<u>Financial assets</u>						
Cash and cash equivalents	-	-	-	846	22	868
Hire purchase receivables ⁽¹⁾	18,574	28,681	19	-	930	48,204
Financial lease receivables	250	452	-	-	-	702
<u>Financial liabilities</u>						
Short-term loans from financial institutions	5,372	-	-	-	-	5,372
Other payables	-	-	-	-	215	215
Lease liabilities	9	11	-	-	-	20
Long-term loans	-	7,590	-	-	-	7,590
Debentures	5,619	18,099	-	-	-	23,718

⁽¹⁾ The outstanding balances of hire purchase that are non-interest bearing are hire purchase receivables that the court has issued judgements in favour of the Company and of which collection is being pursued, which are presented in other non-current assets.

(Unit: Million Baht)

	Separate financial statement					
	2019					
	Fixed interest rates					
	Repricing or maturity date			Floating	Non-	
Transactions	Within	1 - 5	Over	interest	interest	Total
	1 year	years	5 years	rate	bearing	
<u>Financial assets</u>						
Cash and cash equivalents	-	-	-	251	10	261
Hire purchase receivables ⁽¹⁾	17,847	31,358	19	-	2,041	51,265
Financial lease receivables ⁽¹⁾	215	445	-	-	9	669
<u>Financial liabilities</u>						
Short-term loans from financial institutions	14,487	-	-	-	-	14,487
Short-term loans	418	-	-	-	-	418
Other payables	-	-	-	-	247	247
Hire purchase and financial lease payables	4	4	-	-	-	8
Long-term loans	50	601	-	-	-	651
Debentures	14,131	12,496	-	-	-	26,627

⁽¹⁾ The outstanding balances of hire purchase and financial lease receivables that are non-interest bearing include non-performing loans (receivables overdue more than 3 installments) for which revenue recognition has ceased.

Analysis of the effect of changes in interest rate

Analysis of the effect of changes in interest rate shows the effect of possible changes in interest rates on the statement of comprehensive income and equity of the Company and its subsidiary when other variables are fixed. However, most of the financial assets and financial liabilities as at the end of the reporting period of the Company and its subsidiary bear fixed interest rates. Sensitivity to changes in interest rates therefore does not have any material impact on the financial statements.

34.3 Liquidity risk

Liquidity risk is the risk that the Company and its subsidiary will be unable to liquidate their financial assets and/or procure sufficient funds to discharge their obligations in a timely manner, resulting in the incurrence of a financial loss.

Liquidity Risk Guidelines

The Company and its subsidiary manages liquidity risk by means of appropriate structuring of short-term and long-term sources of capital. In addition, the Company and its subsidiary has a policy to maintain liquidity to ensure that it has sufficient liquidity to meet both present and future requirements.

Counting from the statement of financial position date, the periods to maturity of financial instruments held as at 31 December 2020 and 2019 are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statement				
	2020				
	At call	Less than 1 year	Over 1 year	No specific maturity	Total
<u>Financial assets</u>					
Cash and cash equivalents	1,044	-	-	-	1,044
Hire purchase receivables ⁽¹⁾ ⁽²⁾	-	17,086	28,700	2,418	48,204
Financial lease receivables ⁽²⁾	-	276	413	13	702
<u>Financial liabilities</u>					
Short-term loans from financial institutions	440	4,932	-	-	5,372
Other payables	-	270	-	-	270
Lease liabilities	-	9	11	-	20
Long-term loans	-	-	7,651	-	7,651
Debentures	-	5,619	18,099	-	23,718

⁽¹⁾ The outstanding balances of hire purchase that are non-interest bearing are hire purchase receivables that the court has issued judgements in favour of the Company and of which collection is being pursued, which are presented in other non-current assets.

⁽²⁾ The outstanding balances of hire purchase and financial lease receivables which have no specific maturity dates include credit impaired loans.

(Unit: Million Baht)

Consolidated financial statement					
Transactions	2019				
	At call	Less than 1 year	Over 1 year	No specific maturity	Total
Financial assets					
Cash and cash equivalents	429	-	-	-	429
Hire purchase receivables ⁽¹⁾	-	17,847	31,377	2,041	51,265
Financial lease receivables ⁽¹⁾	-	215	445	9	669
Financial liabilities					
Short-term loans from financial institutions	440	14,047	-	-	14,487
Short-term loans	418	-	-	-	418
Other payables	-	296	-	-	296
Hire purchase and financial lease payables	-	4	4	-	8
Long-term loans	-	50	601	-	651
Debentures	-	14,131	12,496	-	26,627

⁽¹⁾ The outstanding balances of hire purchase and financial lease receivables which have no specific maturity dates include non-performing loans (receivables overdue more than 3 installments).

(Unit: Million Baht)

Separate financial statement					
Transactions	2020				
	At call	Less than 1 year	Over 1 year	No specific maturity	Total
Financial assets					
Cash and cash equivalents	868	-	-	-	868
Hire purchase receivables ^{(1) (2)}	-	17,086	28,700	2,418	48,204
Financial lease receivables ⁽¹⁾	-	276	413	13	702
Investment in subsidiary	-	-	-	4	4
Financial liabilities					
Short-term loans from financial institutions	440	4,932	-	-	5,372
Other payables	-	215	-	-	215
Lease liabilities	-	9	11	-	20
Long-term loans	-	7,651	-	-	7,651
Debentures	-	5,619	18,099	-	23,718

⁽¹⁾ The outstanding balances of hire purchase that are non-interest bearing are hire purchase receivables that the court has issued judgements in favour of the Company and of which collection is being pursued, which are presented in other non-current assets.

⁽²⁾ The outstanding balances of hire purchase and financial lease receivables which have no specific maturity dates include credit impaired loan.

(Unit: Million Baht)

Transactions	Separate financial statement				
	2019				
	At call	Less than 1 year	Over 1 year	No specific maturity	Total
<u>Financial assets</u>					
Cash and cash equivalents	261	-	-	-	261
Hire purchase receivables ⁽¹⁾	-	17,847	31,377	2,041	51,265
Financial lease receivables ⁽¹⁾	-	215	445	9	669
Investment in subsidiary	-	-	-	4	4
<u>Financial liabilities</u>					
Short-term loans from financial institutions	440	14,047	-	-	14,487
Short-term loans	418	-	-	-	418
Other payables	-	247	-	-	247
Hire purchase and financial lease payables	-	4	4	-	8
Long-term loans	-	50	601	-	651
Debentures	-	14,131	12,496	-	26,627

⁽¹⁾ The outstanding balances of hire purchase and financial lease receivables which have no specific maturity dates include non-performing loans (receivables overdue more than 3 installments).

34.4 Fair value

As at 31 December 2020 and 2019, the Company and its subsidiary had no assets and liabilities that were measured at fair value. However, the Company and its subsidiary had assets and liabilities that were measured at cost for which fair value are disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statement				
	2020				
	Book	Fair value			
	value	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed					
Cash and cash equivalents	1,044	1,044	-	-	1,044
Hire purchase receivables	46,058	-	-	45,726	45,726
Financial lease receivables	689	-	-	689	689
Investment properties	19	-	-	38	38
Liabilities for which fair value are disclosed					
Short-term loans from financial institutions	5,372	-	5,372	-	5,372
Other payables	270	-	270	-	270
Lease liabilities	19,740	-	19,740	-	19,740
Long-term loans	7,651	-	7,659	-	7,659
Debentures	23,718	-	23,991	-	23,991

(Unit: Million Baht)

	Consolidated financial statement				
	2019				
	Book	Fair value			
	value	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed					
Cash and cash equivalents	429	429	-	-	429
Hire purchase receivables	49,049	-	-	49,642	49,642
Financial lease receivables	660	-	-	659	659
Investment properties	19	-	-	35	35
Liabilities for which fair value are disclosed					
Short-term loans from financial institutions	14,487	-	14,487	-	14,487
Short-term loans	418	-	418	-	418
Other payables	296	-	296	-	296
Hire purchase and financial lease payables	8	-	8	-	8
Long-term loans	651	-	666	-	666
Debentures	26,627	-	26,835	-	26,835

(Unit: Million Baht)

	Separate financial statement				
	2020				
	Book	Fair value			
	value	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed					
Cash and cash equivalents	868	-	-	-	868
Hire purchase receivables	46,058	-	-	45,726	45,726
Financial lease receivables	692	-	-	689	689
Investment properties	19	-	-	38	38
Liabilities for which fair value are disclosed					
Short-term loans from financial institutions	5,372	-	5,372	-	5,372
Other payables	215	-	215	-	215
Lease liabilities	19,740	-	19,740	-	19,740
Long-term loans	7,651	-	7,659	-	7,659
Debentures	23,718	-	23,991	-	23,991

(Unit: Million Baht)

	Separate financial statement				
	2019				
	Book	Fair value			
	value	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed					
Cash and cash equivalents	261	261	-	-	261
Hire purchase receivables	49,049	-	-	49,642	49,642
Financial lease receivables	660	-	-	659	659
Investment properties	19	-	-	35	35
Liabilities for which fair value are disclosed					
Short-term loans from financial institutions	14,487	-	14,487	-	14,487
Short-term loans	418	-	418	-	418
Other payables	247	-	247	-	247
Hire purchase and financial lease payables	8	-	8	-	8
Long-term loans	651	-	666	-	666
Debentures	26,627	-	26,835	-	26,835

Fair value hierarchy for financial assets and liabilities are presented according to notes 5.18 to the financial statements.

The methods and assumptions used by the Company and its subsidiary in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, short-term loans and other payables, their carrying amounts in the statement of financial position approximate their fair value.
- b) For hire purchase and financial lease receivables, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- c) For debentures, long-term loans and liabilities under hire purchase and financial lease payables carrying fixed interest, their fair value has been determined by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- d) Fair value of investment properties has been determined based on market price performed by an independent valuer.

35. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure and preserves the ability to continue its business as a going concern.

As at 31 December 2020, the Company and its subsidiary's debt-to-equity ratio was 3.48 (2019: 5.63:1).

36. Event after the reporting period

On 18 February 2021, a meeting of the Company's Board of Directors passed a resolution to propose the following to the Annual General Meeting of shareholders for approval dividend payment to the shareholders from net profit for 2020, consisting of a cash dividend of Baht 0.17 per share or a total dividend payment of Baht 963 million.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 18 February 2021.



Board of Directors

Mr. Virat Chinrapinporn

Chairman / Member of the Executive Committee /

Member of the Risk Management Committee / Authorized Director

Date of Appointment 28th July 2002

Age 60 years old

Education

- Master of Business Administration (Marketing), City University, USA
- Bachelor of Business Administration (Finance), Seattle University, USA

Training

Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP), Class 40/2004
- Director Certification Program (DCP), Class 40/2004

Capital Market Academy (CMA)

- Capital Market Academy Leadership Program, Class 16/2013

Commerce Academy, University of the Thai Chamber of Commerce

- Top Executive Program in Commerce and Trade (TEPCoT), Class 8/2015

Institute of Business and Industrial Development (IBID)

- Executive Program in Business, Industry Development and Investment Development, Class 3/2016

Tourism Authority of Thailand (TAT)

- Tourism Management Program for Executives (TME), Class 1/2017

University of the Thai Chamber of Commerce

- Top Executive Program for Creative & Amazing Thai Services (ToPCATS), Class 1/2019

Thailand Energy Academy (TEA)

- Top Executive Program for Energy Science, Class 15/2020

Thanachart Bank Public Company Limited

- Anti-Corruption for Executives

Position in Other

Listed Company

2002 - Present Chairman, Baan Rock Garden Public Company Limited

Position in Other

Non-Listed Company

2018 - Present Chairman, RTN Insurance Broker Company Limited

2016 - Present Director, Phukao Hauchang Pungnga Company Limited

2016 - Present Director, N.V. Real Estate Company Limited



2011 - Present	Director, Nicena Property Company Limited
2007 - Present	Director, Yamu Property Development Company Limited
2003 - Present	Director, Ratchada Power Plus Company Limited
2003 - Present	Director, Car 2 Buy Company Limited
1994 - Present	Director, Kuylin Pungnga Company Limited
1993 - Present	Director, Chalermcheep Company Limited
1992 - Present	Director, Phowatchara Company Limited
1989 - Present	Director, Chuccheep Housing Land Company Limited
1987 - Present	Director, City Wood Company Limited

**Family Relationship with
Directors and Executives**

- None -

**Shareholding in
the Company (%)**

14,000,000 shares (0.25%)



Mr. Kovit Rongwattanasophon

**Director / Managing Director / Chairman of the Executive Committee /
Chairman of Risk Management Committee / Authorized Director**

Date of Appointment	28 th July 2002
Age	59 years old
Education	<ul style="list-style-type: none"> ● Master of Business Administration, Southeastern University, USA ● Bachelor of Art (Political Science), Ramkhamhaeng University
Training	<p><u>Thai Institute of Directors (IOD)</u></p> <ul style="list-style-type: none"> ● Director Accreditation Program (DAP), Class 19/2014 ● Director Certification Program (DCP), Class 263/2018 <p><u>Capital Market Academy (CMA)</u></p> <ul style="list-style-type: none"> ● Capital Market Academy Leadership Program, Class 25/2017 <p><u>Commerce Academy, University of the Thai Chamber of Commerce</u></p> <ul style="list-style-type: none"> ● Top Executive Program in Commerce and Trade (TEPCoT), Class 12/2019 <p><u>Thanachart Bank Public Company Limited</u></p> <ul style="list-style-type: none"> ● Anti-Corruption for Executives <p><u>Ratchthani Leasing Public Company Limited</u></p> <ul style="list-style-type: none"> ● The Personal Data Protection Act B.E.2019 : Laws and Practices
Position in Other Listed Company	- None -
Position in Other Non-Listed Company	
2018 - Present	Managing Director, RTN Insurance Broker Company Limited
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	21,570,265 shares (0.38%)



Mr. Charoensook Kititti

Director / Authorized Director

Date of Appointment 28th July 2002

Age 82 years old

Training Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP), Class 19/2004
- Director Certification Program (DCP), Class 53/2005

Faculty of Commerce and Accountancy, Chulalongkorn University

- Modern Management

Faculty of Commerce and Accountancy, Thammasat University

- Executive Development

**Position in Other
Listed Company** - None -

**Position in Other
Non-Listed Company**

2005 - Present	Chairman, City Mansion Bang Wa Company Limited
2001 - Present	Chairman, Charoensook Crop Company Limited
1993 - Present	Chairman, Realty and Property Management Company Limited
1973 - Present	Chairman, Charoensook Hoonchiew Pharmacy Company Limited

**Family Relationship with
Directors and Executives** - None -

**Shareholding in
the Company (%)** 154,821,837 shares (2.73%)



Mr. Somjate Moosirilert

**Director / Member of the Executive Committee / Member of the Risk Management Committee /
Member of the Nomination & Remuneration Committee / Authorized Director**

Date of Appointment 14th January 2020

Age 64 years old

Education

- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Business Administration, Thammasat University

Training

Thai Institute of Directors (IOD)

- Role of the Chairman Program (RCP), Class 5/2001
- Corporate Governance for Capital Market Intermediaries (CGI), Class 15/2016

Judicial Training Institute, Courts of Justice

- Senior Executives on Justice Administration, Class 9/2005

Capital Market Academy (CMA)

- Capital Market Academy Leadership Program, Class 5/2007

Thai Listed Company Association, The Stock Exchange of Thailand

- Certificate, TLCA Leadership Development Program (LDP), Class 2012

Bank of Thailand

- Thailand Sustainable Banking 2018

Thanachart Bank Public Company Limited

- Anti-Corruption for Executives 2014
- Anti-Corruption for Executives 2017

Position in Other

Listed Company

2019 - Present	Director / Member of the Board of Executive Directors / Member of the Nomination, Remuneration and Corporate Governance Committee, TMB Bank Public Company Limited
2019 - Present	Chief Executive Officer, Thanachart Capital Public Company Limited
2013 – Present	Member of the Risk Oversight Committee, Thanachart Capital Public Company Limited
2009 - Present	Director / Member of the Executive Committee, Thanachart Capital Public Company Limited



Position in Other

Non-Listed Company

2019 - Present	Director / Member of the Executive Committee / Member of the Nomination, Remuneration and Corporate Governance Committee, Thanachart Bank Public Company Limited
2019 - Present	Chairman, TS Asset Management Company Limited
2019 - Present	Director, Thanachart SPV 1 Company Limited
2019 - Present	Director, Thanachart SPV 2 Company Limited
2017 - Present	Vice Chairman, Thai Listed Company Association
2013 - Present	Chairman of the Executive Committee, Thanachart Securities Public Company Limited
2010 - Present	Board Advisor, Association of Thai Securities Companies
2009 - Present	Chairman, Thanachart Securities Public Company Limited

Work Experience

2013 - 2020	Chairman, Thanachart Fund Management Company Limited
2011 - 2020	Chairman of the Executive Committee, Thanachart Fund Management Company Limited
2012 - 2018	Chairman of the Risk Management Committee, Thanachart Bank Public Company Limited
2011 - 2018	Chief Executive Officer and President, Thanachart Bank Public Company Limited
2009 - 2018	Director / Member of the Executive Committee, Thanachart Bank Public Company Limited
2014 - 2018	Vice Chairman, Thanachart Insurance Public Company Limited
2013 - 2018	Vice Chairman of the Executive Committee, Thanachart Insurance Public Company Limited
2010 - 2018	Director / Member of the Executive Committee, Thanachart Insurance Public Company Limited
2011 - 2018	Chairman of the Executive Committee, TS Asset Management Company Limited
2018	Director, The Thai Bankers' Association
2016 - 2018	Advisor, The Thai Bankers' Association
2015 - 2017	Vice Chairman Advisor, Thai Listed Company Association

Family Relationship with Directors and Executives

- None -

Shareholding in the Company (%)

- None -



Ms. Suvarnapha Suvarnaprathip

Director / Authorized Director

Date of Appointment	18 th February 2020
Age	76 years old
Education	<ul style="list-style-type: none"> Bachelor of Economics, Monash University, Australia
Training	<p><u>Thai Institute of Directors (IOD)</u></p> <ul style="list-style-type: none"> Director Accreditation Program (DAP), Class 20/2004 <p><u>Banker Trust, New York, USA</u></p> <ul style="list-style-type: none"> Corporate Finance Training Program <p><u>Bank of Thailand</u></p> <ul style="list-style-type: none"> Thailand Sustainable Banking 2018 <p><u>Thanachart Bank Public Company Limited</u></p> <ul style="list-style-type: none"> Anti-Corruption for Executives 2014 Anti-Corruption for Executives 2017
Position in Other Listed Company	
2008 - Present	Vice Chairman of the Executive Committee, Thanachart Capital Public Company Limited
2005 - Present	Director, Thanachart Capital Public Company Limited
Position in Other Non-Listed Company	
1991 - Present	Director, Seacon Development Public Company Limited
Work Experience	
2013 - 2018	Vice Chairman of the Risk Management Committee, Thanachart Capital Public Company Limited
2006 - 2019	Vice Chairman of the Executive Committee, Thanachart Bank Public Company Limited
2002 - 2019	Director, Thanachart Bank Public Company Limited
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	- None -



Mr. Kamtorn Tantisirivat

Director / Member of the Executive Committee /

Member of the Risk Management Committee / Authorized Director

Date of Appointment 13th August 2020

Age 58 years old

Education

- M.B.A. in Finance, University of Michigan, USA
- M.S. in Computer Science, University of Texas, USA
- Bachelor of Engineering, Chulalongkorn University

Training

Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP), Class 176/2020

CFA Institute

- CFA Program 2001

Federation of Accounting Professions

- Thailand IFRS Conference 2016
- Financial Reporting Standards for 2019 and 2020

KPMG Phoomchai Audit Company Limited

- Financial Asset / Liability Classification (IFRS) according to New Accounting Standards (IFRS 9)

EY Office Company Limited

- Preparatory Program for Changes in Financial Reporting Standards

IMC Institute

- Block Chain 2017: Unlocking Internet of Value

Bank of Thailand

- Thailand Sustainable Banking 2018

Thanachart Bank Public Company Limited

- Anti-Corruption for Executives Program 2014
- Anti-Corruption for Executives Program 2017
- Impact of IFRS9 on Thanachart Group
- Block Chain Technology 2018

Position in Other

Listed Company

2013 - Present

Member of the Risk Oversight Committee /

Secretary of the Risk Oversight Committee /

Executive Vice President, Financial Division,

Thanachart Capital Public Company Limited

Position in Other

Non-Listed Company

2020 - Present

Director, TM Communication and Brand Management Company Limited



2019 - Present	Director, TS Asset Management Company Limited
2019 - Present	Director, Thanachart SPV 1 Company Limited
2019 - Present	Director, Thanachart SPV 2 Company Limited
2018 - Present	Vice Chairman, MAX Asset Management Company Limited
2018 - Present	Vice Chairman, NFS Asset Management Company Limited
2016 - Present	Director, MT Service 2016 Company Limited
2014 - Present	Director, Member of the Risk Management Committee, MBK Life Assurance Public Company Limited

**Family Relationship with
Directors and Executives**

- None -

**Shareholding in
the Company (%)**

- None -



Mr. Sorasak Chayarak

Director / Authorized Director

Date of Appointment	13 th August 2020
Age	44 years old
Education	<ul style="list-style-type: none"> • Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor of Science, University of Toronto, Canada
Training	<p><u>Thai Institute of Directors (IOD)</u></p> <ul style="list-style-type: none"> • Directors Accreditation Program (DAP), Class 176/2020 <p><u>Thanachart Bank Public Company Limited</u></p> <ul style="list-style-type: none"> • Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) • Preparatory for FATF Assessment (AML / CFT) • Impact of International Financial Reporting Standard (IFRS9) • Update Accounting Standards (IFRS 9, TAS16 และ TAS19) • Pack 5 (TFRS10, TFRS11, TFRS12, TAS27, TAS28) and TFRS13 • Bank 4.0 Augmented Banking • Purchase Price Allocation (EY Thailand) • The 6 Critical Practices for Leading a Team • Thanachart Leadership Development Program • Proactive Leader Leading to Success • Influencing Skills • The 7 Habits of Highly Effective People
Position in Other Listed Company	
2019 - Present	Vice President, Special Projects (Finance), Thanachart Capital Public Company Limited
Position in Other Non-Listed Company	
2016 - Present	Director, Sabuy Family Company Limited
Work Experience	
2018 - 2019	Vice President, Planning and Analysis of Cash, Deposit and Capital Fund, Thanachart Bank Public Company Limited
2015 - 2018	Assistant Vice President, Project Data Analysis and Capital Planning, Thanachart Bank Public Company Limited
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	- None -



Mr. Thakol Nunthirapakorn, Ph.D.

Independent Director / Chairman of the Audit Committee

Date of Appointment 28th July 2002

Age 75 years old

Education

- Ph.D. (Accounting, MIS, Economics), University of Arkansas, USA
- MBA (Quantitative Analysis), Northeast Louisiana, USA
- BS (Finance), West Liberty State, USA
- High Vocational Certificate (Financial Banking), University of the Thai Chamber of Commerce

Training Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP), Class 8/2004
- Audit Committee Program (ACP), Class 8/2005
- Director Certification Program (DCP), Class 228/2016
- Ethical Leadership Program (ELP), Class 3/2016
- Anti-Corruption Practical Guide (ACPG), Class 36/2017
- Role of the Chairman Program (RCP), Class 43/2018
- Chairman Forum and IOD Breakfast Talk, Class 2/2016

The Securities and Exchange Commission, Thailand (SEC)

- The Transition to TFRS 9 and IFRS 16 for Non-Bank

The Stock Exchange of Thailand (SET)

- Preliminary to Corporate Sustainability
- Corporate Sustainability Strategy
- Sustainability Risk and Materiality Analysis
- Sustainability Evaluation & Data Management

Thanachart Bank Public Company Limited

- The Personal Data Protection Act B.E.2019 : Impact on the Financial Sector

Position in Other

Listed Company

2019 - Present

Independent Director / Chairman of the Audit Committee,
United Paper Public Company Limited

2015 - Present

Independent Director / Chairman / Chairman of the Audit Committee,
Harn Engineering Solutions Public Company Limited

Position in Other

Non-Listed Company

2018 - Present

Advisory Committee, Business School,
National Institute of Development Administration (NIDA)



Work Experience

2014 - 2015	Chairman of the Audit Committee, Fire Victor Public Company Limited
2012 - 2015	Dean, School of Accountancy, The University of Thai Chamber of Commerce (UTCC)
2005 - 2012	Vice President of Administration, The University of Thai Chamber of Commerce (UTCC)

**Family Relationship with
Directors and Executives**

- None -

**Shareholding in
the Company (%)**

873,536 Shares (0.02%)



Mr. Suvit Arunanondchai

Independent Director / Member of the Audit Committee /

Chairman of the Nomination & Remuneration Committee

Date of Appointment 22nd February 2011

Age 71 years old

Education

- Bachelor of Economics, Louisiana Tech University, USA
- Program for Management Development (PMD 49), Harvard Business School, Harvard University, USA

Training Thai Institute of Directors (IOD)

- Director Certification Program (DCP), Class 14/2002
- Audit Committee Program (ACP), Class 4/2005
- Quality Financial Reporting, Class 2/2006
- Advanced Audit Committee Program (AACP), Class 15/2014
- Role of The Compensation Committee (RCC), Class 18/2014
- Board Matters & Trends (BMT), Class 3/2017
- Boardroom Success through Financing and Investment (BFI), Class 1/2017
- Board Nomination and Compensation Program (BNCP), Class 5/2018
- Strategic Board Master Class (SBM), Class 4/2018
- Successful Formulation and Execution of Strategy (SFE), Class 23/2015
- Director Diploma Examination (Fellow Member)

Capital Market Academy (CMA)

- Executive Program, Class 8/2009

Thanachart Bank Public Company Limited

- The Personal Data Protection Act B.E.2019 : Impact on the financial sector

Position in Other

Listed Company

2015 - Present

Independent Director / Chairman of the Audit Committee /
Chairman of the Nomination & Remuneration Committee,
Thai Nippon Rubber Industries Public Company Limited

2014 - Present

Independent Director / Member of the Audit Committee /
Chairman of the Nomination & Remuneration Committee,
Netbay Public Company Limited

Position in Other

Non-Listed Company

- None -

**Family Relationship with
Directors and Executives**

- None -

**Shareholding in
the Company (%)**

- None -



Mr. Varavudh Varaporn

Independent Director / Member of the Audit Committee /

Member of the Nomination & Remuneration Committee

Date of Appointment	14 th December 2009
Age	72 years old
Education	<ul style="list-style-type: none"> • Master of Public Administration, Chulalongkorn University • Bachelor of Laws, Thammasat University
Training	<p><u>Thai Institute of Directors (IOD)</u></p> <ul style="list-style-type: none"> • Director Accreditation Program (DAP), Class 82/2010 • Role of The Compensation Committee (RCC), Class 19/2014 • Advanced Audit Committee Program (AACP), Class 25/2017 <p><u>Thanachart Bank Public Company Limited</u></p> <ul style="list-style-type: none"> • The Personal Data Protection Act B.E.2019 : Impact on the financial sector
Position in Other Listed Company	- None -
Position in Other Non-Listed Company	- None -
Work Experience	
2005 - 2008	Advisor on Performance Efficiency, Department of Lands, Ministry of Interior
2003 - 2004	Deputy Director General, Department of Lands, Ministry of Interior
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	- None -



Mrs. Naree Boontharawara, Ph.D.

Independent Director / Member of the Audit Committee

Date of Appointment	3 rd April 2018
Age	66 years old
Education	<ul style="list-style-type: none"> • Ph.D.in Economics, University of Washington, USA • Master Degree in Economics, Thammasat University • Bachelor Degree in Economics, Thammasat University
Training	<p><u>Thai Institute of Directors (IOD)</u></p> <ul style="list-style-type: none"> • Director Certification Program (DCP), Class 197/2014 • Advance Audit Committee Program, Class 2016 • Nomination and Remuneration Committee Program, Class 2017 <p><u>Federation of Accounting Professions</u></p> <ul style="list-style-type: none"> • Chief Financial Officer Certificate Program - CFO) 2004 • NIDA Wharton Certification Program, USA 2006 • Certified Financial Planner - CFP 2009 <p><u>Thanachart Bank Public Company Limited</u></p> <ul style="list-style-type: none"> • The Personal Data Protection Act B.E.2019 : Impact on the financial sector <p><u>Foundation for Good Governance on Medicine</u></p> <ul style="list-style-type: none"> • Good Governance on Medicine for Executive, Class 8/2562
Position in Other Listed Company	- None -
Position in Other Non-Listed Company	
2016 - Present	Chairman of the Investment Sub-Committee, Social Security Office, Ministry of Labor
2015 - Present	Independent Director / Chairman of the Audit Committee, Precise Corporation Public Company Limited
Work Experience	
2017 - 2019	Independent Director / Member of Audit Committee / Member of the Investment Project Risk Management Committee, NCL International Logistic Public Company Limited
1999 - 2014	Executive Vice President / Group Head, Asset Management Group Strategy and Finance Division, The Stock Exchange of Thailand (SET)
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	- None -



Mr. Surapon Satimanont

Independent Director / Member of the Audit Committee

Date of Appointment 28th July 2002

Age 59 years old

Education

- M.A. Business, Webster University, USA
- Master of Laws, Howard University, USA
- Master of Laws, Southern Methodist University, USA
- Bachelor of Laws, Ramkhamhaeng University

Training Thai Institute of Directors (IOD)

- Director Certification Program (DCP), Class 40/2004
- IT Governance and Cyber Resilience Program (ITD), Class 7/2018

Thanachart Bank Public Company Limited

- Anti-Corruption for Executive
- The Personal Data Protection Act B.E.2019 : Impact on the Financial Sector

Position in Other

Listed Company

2007 - Present Vice Chairman / Chariman of the Audit Committee,
2 S Metal Public Company Limited

2005 - Present Director / Chairman of the Audit Committee,
Baan Rock Garden Public Company Limited

Position in Other

Non-Listed Company

2018 - Present Director / Member of the Audit Committee, JSSR Group Public Company Limited

2018 - Present Chairman, S&Manont Company Limited

2017 - Present Director / Member of Audit Committee, HYBRID Energy Company Limited

2015 - Present Director / Audit Committee, Sumitomo Mitsui Trust Bank (Thai) Public Company Limited

2015 - Present Director, Amethyst Asia Focused Fund

Work Experience

2014 - 2016 Director, Ewawan Insurance Public Company Limited

2014 - 2016 Legal Advisory Board, Ministry of Information and Communication Technology

2008 - 2516 Legal and Contract Sub-committee, State Railway of Thailand

Family Relationship with Directors and Executives

- None -

**Shareholding in
the Company (%)** 20,294,154 Shares (0.36%)



Executives, The Person Taking the Highest Responsibility in Finance and Accounting and Company Secretary

Mr. Khomsan Boonyoiyad

Deputy Managing Director, Hire Purchase & Marketing and Branch Administration

Age	55 years old
Education	<ul style="list-style-type: none"> Bachelor of Business Administration (Industrial Management), Siam University
Training	<p><u>Faculty of Commerce & Accounting Thammasat University</u></p> <ul style="list-style-type: none"> Executive Program <p><u>Thai Hire-Purchase Association</u></p> <ul style="list-style-type: none"> Guideline for The Anti-Money Laundering Act and Related Regulatory <p><u>Ratchthani Leasing Public Company Limited</u></p> <ul style="list-style-type: none"> The Personal Data Protection Act B.E.2019 : Laws and Practices
Position in Other Listed Company	- None -
Position in Other Non-Listed Company	
2019 - Present	Senior Academic Committee, Thai Hire-Purchase Association
Work Experience	
2009 - Present	Deputy Managing Director, Hire Purchase & Marketing and Branch Administration, Ratchthani Leasing Public Company Limited
2017 - 2018	Vice President, Thai Hire-Purchase Association
2015 - 2016	Director and Secretary, Thai Hire-Purchase Association
2002 - 2008	Assistant Managing Director, Hire Purchase, Ratchthani Leasing Public Company Limited
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	- None -



Mr. Ponlaphe Sakayapapwicharnon

Senior Assistant Managing Director, Credit Control / Company Secretary

Age	50 years old
Education	<ul style="list-style-type: none"> • Master of Management, College of Management, Mahidol University • Bachelor of Business Administration (Marketing), Assumption University
Training	<p><u>Thai Institute of Directors (IOD)</u></p> <ul style="list-style-type: none"> • Company Secretary Program (CSP), Class 20/2006 • Effective Minute Taking (EMT), Class 5/2006 • Successful Formulation and Execution of Strategy (SFE), Class 31/2019 • Company Secretary Forum 2019 : Role of the Company Secretary in Shaping Corporate Culture <p><u>The Thai Institute of Banking And Finance Association</u></p> <ul style="list-style-type: none"> • Data Privacy Protection : Laws & Regulation, Class 2/2019 • Compliance Risk Management, Class 5/2019 <p><u>Thai Hire-Purchase Association</u></p> <ul style="list-style-type: none"> • Guideline for The Anti-Money Laundering Act and Related Regulatory <p><u>Ratchthani Leasing Public Company Limited</u></p> <ul style="list-style-type: none"> • The Personal Data Protection Act B.E.2019 : Laws and Practices
Position in Other Listed Company	- None -
Position in Other Non-Listed Company	
2018 - Present	Director, RTN Insurance Broker Company Limited
Work Experience	
2017 - Present	Senior Assistant Managing Director, Credit Control, Ratchthani Leasing Public Company Limited
2013 - Present	Company Secretary, Ratchthani Leasing Public Company Limited
2002 - 2016	Assistant Managing Director, Credit Control, Ratchthani Leasing Public Company Limited
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	15,069,083 Shares (0.27%)



Mr.Jaturapat Nudaeng

Assistant Managing Director, Commercial Loans

Age 55 years old

Education ● Diploma of Accounting, Dusit Commercial School

Training Ratchthani Leasing Public Company Limited
● The Personal Data Protection Act B.E.2019 : Laws and Practices

**Position in Other
Listed Company** - None -

**Position in Other
Non-Listed Company** - None -

Work Experience
2016 - Present Assistant Managing Director, Commercial Loans, Ratchthani Leasing Public Company Limited
2014 - 2016 Senior Manager, Commercial Loans, Ratchthani Leasing Public Company Limited

**Family Relationship with
Directors and Executives** - None -

**Shareholding in
the Company (%)** 750,000 Shares (0.01%)



Ms. Unchan Srisom

Senior Vice President of Accounting and Planning & Strategy /

The Person Taking the Highest Responsibility in Finance and Accounting (CFO)

Age	44 years old
Education	<ul style="list-style-type: none"> ● Bachelor of Business Administration (Accounting), Sukhothai Thammathirat University ● Bachelor of Business Administration (Finance), Rajamangala University of Technology Thanyaburi
Training	<p><u>The Stock Exchange of Thailand (SET)</u></p> <ul style="list-style-type: none"> ● Strategic CFO in Capital Markets class of 9/2019 <p><u>Federation of Accounting Professions</u></p> <ul style="list-style-type: none"> ● Transfer Pricing Program 2019 ● Tax for Accountants : Systematic Taxation ● Key Matter Accounting Issues Related to Income, Expenses and Financial Reporting Standards ● Budget for Planning and Profit, Class 1/2020 ● Major Accounting Item Adjustment <p><u>Faculty of Commerce and Accountancy, Chulalongkorn University</u></p> <ul style="list-style-type: none"> ● Micro MBA Chula class of 2015 <p><u>Thai Hire-Purchase Association</u></p> <ul style="list-style-type: none"> ● Guideline for The Anti-Money Laundering Act and Related Regulatory <p><u>Ratchthani Leasing Public Company Limited</u></p> <ul style="list-style-type: none"> ● The Personal Data Protection Act B.E.2019 : Laws and Practices
Position in Other Listed Company	- None -
Position in Other Non-Listed Company	- None -
Work Experience	
2020 - Present	Senior Vice President of Accounting and Planning & Strategy, Ratchthani Leasing Public Company Limited
2017 - 2020	Vice President of Accounting and and Planning & Strategy, Ratchthani Leasing Public Company Limited
2014 - 2017	Planning & Strategy Manager, Ratchthani Leasing Public Company Limited
2012 - 2017	Accounting Manager, Ratchthani Leasing Public Company Limited
2010 - 2012	Assistant Accounting Manager, NCC Image Company Limited
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	- None -



The Person Supervising Accounting

Ms. Kanatip Surpayake

Accounting Manager / The Person Supervising Accounting

Age	42 years old
Education	<ul style="list-style-type: none"> ● Bachelor of Accountancy, Bangkok University
Training	<p><u>The Stock Exchange of Thailand (SET)</u></p> <ul style="list-style-type: none"> ● Summary, Impact, Guideline and Case Study for TFRS 9, TFRS 15, TFRS 16 <p><u>Federation of Accounting Professions</u></p> <ul style="list-style-type: none"> ● Transfer Pricing 2019 ● Land and Building Tax Planning and Preparing Before Implementing in 2020 <p><u>Dharmniti Seminar and Training Company Limited</u></p> <ul style="list-style-type: none"> ● Transformative Accounting ● Summary of tax issues <p><u>Thai Hire-Purchase Association</u></p> <ul style="list-style-type: none"> ● Guideline for The Anti-Money Laundering Act and Related Regulatory <p><u>Ratchthani Leasing Public Company Limited</u></p> <ul style="list-style-type: none"> ● The Personal Data Protection Act B.E.2019 : Procedures and Practices
Position in Other Listed Company	- None -
Position in Other Non-Listed Company	- None -
Work Experience	
2019 - Present	Accounting Manager, Ratchthani Leasing Public Company Limited
2017 - 2018	Assistant Accounting Manager, Ratchthani Leasing Public Company Limited
2012 - 2016	Senior Accounting Officer, Ratchthani Leasing Public Company Limited
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	- None -



Head of Audit

Ms. Thanawan Teekautamakorn

Executive Vice President, Internal Audit Division, Thanachart Capital Public Company Limited

Age

56 years old

Education

- Master of Art in Business Law, Chulalongkorn University
- Master of Management, College of Management, Mahidol University
- Bachelor of Accounting, University of the Thai Chamber of Commerce
- Internal Audit Certificate, Federation of Accounting Professions

Training

- Banking, Thai Bankers Association
- Thai Accounting Standards, International Accounting Standards
- Management Accounting and Financial Accounting
- Accounting for Derivatives and Treasury Finance
- Disclosure of information according to international standards
- Knowledge of specific business taxes, Corporate income tax, VAT and withholding tax
- Credit review guidelines after switching to Accounting Standards TFRS9 and Credit Model.
- The Personal Data Protection Act B.E.2019
- Integrated Risk Management & Strategy
- Treasury & Risk Management
- IT Best Practice (Mobile Banking, E-Banking, Cyber Security)
- Risk Management for Committee Program
- COSO 2013 & Anti-Corruption Master Class
- Internal Audit Best Practices
- IT Governance and Cyber Resilience Program (ITG)
- IT Risk Management Implementation Guideline
- AI & Big Data 2019
- CAE Forum 2019 Winning 5G and the 4th Industrial Revolution
- Corruption Risk and Control Workshop (CRC)
- The Impact of new TFRSs on financial statements
- IA'New Value Proposal During and After the crisis
- PDPA for Internal Audit



Position in Other

Listed Company

2020 - Present Executive Vice President, Internal Audit Division,
Thanachart Capital Public Company Limited

Position in Other

Non-Listed Company

- None -

Work Experience

2018 - 2020 Executive Vice President, Internal Audit Division,
Thanachart Bank Public Company Limited

2013 - 2017 Chief Auditor, TMB Bank Public Company Limited

2012 - 2013 Advisory Team Management, Deloitte Touche Tohmatsu Jaiyos Advisory Company
Limited

Family Relationship with

Directors and Executives

- None -

Shareholding in

the Company (%)

- None -



Head of Compliance

Mr. Vivat Kongyotkullaphat

Compliance Manager

Education

- Master of Business Administration, Thammasat University
- Bachelor of Economics, Srinakharinwirot University

Training

National Institute of Development Administration (NIDA)

- Compliance Management, Class 5/2020

Meaning of Anti-Money Laundering Office (AMLO)

- Anti-Money Laundering Standards, Class 1/2020

Thai Institute of Directors (IOD)

- ASEAN CG Scorecard Coaching
- Company Secretary Program (CSP), Class 101/2019

The Thai Institute of Banking and Finance Association

- Data Privacy Protection: Laws & Regulation, Class 2/2019
- Compliance Risk Management, Class 5/2019
- Operational Risk Management, Class 12/2018
- Credit Risk Scoring, Class of 2/2017
- Credit Risk Management Concept & Framework, Class 5/2016
- Credit Analysis & Management, Class 3/2016

Thai Hire-Purchase Association

- The Examination of Fraudulent Behavior Detection and Terminated Confiscated Vehicle Prosecution
- Guideline for The Anti-Money Laundering and Combating the Financing of Terrorism Act : Preparation of KYC / CDD
- The Correct Debt Collection Act and Debt Collection Practices

Ratchthani Leasing Public Company Limited

- The Personal Data Protection Act B.E.2019 : Laws and Practices

Position in Other

Listed Company

- None -

Position in Other

Non-Listed Company

- None -

Work Experience

2019 - Present

Assistant Company Secretary, Ratchthani Leasing Public Company Limited

2019 - Present

Compliance Manager, Ratchthani Leasing Public Company Limited



2018 - 2019 Senior Officer, Operational and Credit Risk Management, Ratchthani Leasing
Public Company Limited

2016 - 2019 Credit Analyst, Ratchthani Leasing Public Company Limited

**Family Relationship with
Directors and Executives**

- None -

**Shareholding in
the Company (%)**

- None -



Details of Directors of the Subsidiary

RTN Insurance Broker Company Limited

List of names			Position
1.	Mr. Virat	Chinprapinporn	Chairman
2.	Mr. Kovit	Rongwattanasophon	Managing Director
3.	Mr. Ponlaphe	Sakkayapapwicharnon	Director
4.	Ms. Rungtip	Chaipatanapruck	Director
5.	Mrs. Ruetaiwan	Pornpijitsup	Director
6.	Ms. Chanatip	Lapinsee	Director
7.	Ms. Nuttapa	Eiamfasonlert	Director



Report on Changes in Shareholding of the Company's Directors and Executives

No.	Name	Position	Number of shares held as of 31 st December 2020	Number of shares held as of 31 st December 2019	Change in Number of shares held Increase (decrease)	Proportion of shares held (%)
1	Mr. Virat Chinprapinporn Spouse and minor child	Chairman	14,000,000 -	9,000,000 -	5,000,000 -	0.25 -
2	Mr. Kovit Rongwattanasophon Spouse and minor child	Director	21,570,265 -	14,314,312 -	7,255,953 -	0.38 -
3	Mr. Charoensook Kititti Spouse and minor child	Director	154,821,837 3,368,464	103,214,558 2,245,643	51,607,279 1,122,821	2.73 0.06
4	Mr. Somjate Moosirilert Spouse and minor child	Director	- -	- -	- -	- -
5	Ms. Suvarnapha Suvarnaprathip Spouse and minor child	Director	- -	- -	- -	- -
6	Mr. Kamtorn Tantisirivat Spouse and minor child	Director	- -	- -	- -	- -
7	Mr. Sorasak Chayarakas Spouse and minor child	Director	- -	- -	- -	- -
8	Mr. Thakol Nanthirapakorn, Ph.D. Spouse and minor child	Independent Director	873,536 -	579,693 -	293,843 -	0.02 -
9	Mr. Suvit Arunanondchai Spouse and minor child	Independent Director	- -	- -	- -	- -
10	Mr. Varavudh Varaporn Spouse and minor child	Independent Director	- -	- -	- -	- -
11	Mrs. Naree Boontharawara, Ph.D. Spouse and minor child	Independent Director	- -	- -	- -	- -
12	Mr. Surapon Satimanont Spouse and minor child	Independent Director	20,294,154 -	13,467,470 -	6,826,684 -	0.36 -
13	Mr. Khomsan Boonyoiyad Spouse and minor child	Deputy Managing Director, Marketing	- -	- -	- -	- -
14	Mr. Ponlaphe Sakkayapapwicharnon Spouse and minor child	Senior Assistant Managing Director, Credit Control	15,069,083 -	10,000,043 -	5,069,040 -	0.27 -
15	Mr. Jaturapat Nudaeng Spouse and minor child	Assistant Managing Director, Commercial Loans	750,000 -	1,500,000 -	(750,000) -	0.01 -
16	Ms. Unchan Srisom Spouse and minor child	Senior Vice President of Accounting and Planning & Strategy	- -	- -	- -	- -

Note : The number of shares change in 2020, Partly due to the right to subscribe for newly issued ordinary shares in proportion to their existing shareholding (Right Offering)



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ราชนานี ลีสซิง
Ratchthani Leasing

A Thanachart Group Company

Ratchthani Leasing Public Company Limited

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