

Annual Report 2020



Saksiam Leasing Public Company Limited



Contents

Part 1 Business Operations and Operating Results

- 4 Structure and Business Operation
- 32 Risk Management
- 41 Driving Business for Sustainability
- 45 Management Discussion and Analysis : MD&A
- 70 General Information and other Significant Information

Part 2 Corporate Governance

- 73 Corporate Governance Policy
- 79 Management structure and key information relating to the Board of Committees, the Board of Sub-Committees, Executives, Employees and others
- 97 Key Operating Performance Report of Corporate Governance
- 111 Internal Control and Cross Transaction

121 Part 3 Financial Statements

Attachment

- 182 Attachment 1 Profiles of Directors, Executives, Controlling Persons and Roles and Duties of the Board of Directors
- 199 Attachment 2 Profiles of the Board of Sub-Committees
- 200 Attachment 3 Profiles of Head of Internal Audit
- 201 Attachment 4 Assets Used in Business Operation and Assets Appraisal List
- 208 Attachment 5 Corporate Governance Policy and Business Ethics
- 209 Attachment 6 Audit Committee Report

Structure and Business Operation



Policies and overall business operation

Saksiam Leasing Public Company Limited (the “Company”) provides services on personal loan under supervision of the Bank of Thailand that has a vehicle registration as collateral, personal loan under supervision having no vehicle registration as collateral, and other loan to retail customers publicly, with the trade mark “Saksiam Leasing”. The group of loans can be divided into three Products: (1) personal loan under supervision that has a vehicle registration as collateral i.e. loan that has vehicle registration as collateral and loan that has vehicle registration as collateral with specific conditions for farmers; (2) personal loan under supervision having no vehicle registration as collateral; and (3) other loans including nano finance business and hire purchase loan.

The Company was incorporated for more than 25 years by providing services through branches office in the total amount of 519 branches covering 38 provinces in Northern, Northeastern, Central, and Western region to provide accessible fund to the local people for vocational purpose or other purposes. On December 31, 2020, the Company has executives and employees in total of 1,596 people.

Vision, Missions, Objectives or Strategy of the Company’s Business Operation

Vision

To provide retail lending services to the local people, having branches throughout Northern, Northeastern, Central, and Western region and to be known and trustworthy in good quality of employees and services.

Missions

To be a local source of fund, providing services of personal loan under supervision of the Bank of Thailand and other loans to the people in compliance with the Market Conduct, to establish a sustainable growth of operating results, to gain confidence from investors and financial institutions and to develop the human resources to be excellent in services providing in order to achieve customer’s satisfaction at highest.

Objectives

1. Expanding the business of providing services of personal loan under supervision and other loans to the local people throughout Northern, Northeastern, Central, and Western region. In this regard, the Company plans to expand its branches to around 1,119 branches by 2023.
2. Establishing a sustainable growth in operating results by increase the loan portfolio to THB 12,000 million by 2023.
3. Developing the quality of lending service and becoming a well-known lending service to the people by being the first lending service that the people trust, consider, and choose to use and becoming competitive in this business.
4. Developing the human resources to be excellent in services providing in compliance with the Market Conduct.

Significant changes and developments

The Company was former named Saksiam Panich Leasing Company Limited being established on January 9, 1995, with a registered capital of THB 1,000,000, with its head office at No. 49/47 Chetsada Bodin Road, Tha It Sub-district, Muang Uttaradit District, Uthradit Province, having its core objective to provide personal loan that has a vehicle registration as collateral to retail customers. On June 20, 2016, the Company converted to a public limited company and changed its name to Saksiam Leasing Public Company Limited.

The Company obtained a license to operate personal loan under supervision business from the Ministry of Finance in 2005, and obtained a license to operate nano finance under supervision business from the Ministry of Finance in 2017. Then, the Company received a permission to operate personal loan under supervision business that has a vehicle registration as collateral from the Bank of Thailand ("BOT") in 2019. Presently, the Company has registered and paid-up capital in the amount of THB 2,096,000,000, the significant changes is detailed as follows;

Year	Description
1995	Incorporation of "Saksiam Panich Leasing Company Limited" with initial registered capital in the amount of THB 1,000,000, and then expanded its branches to Lampang Province.
1996	Increased its registered capital to THB 2,140,000, and expanded its branches to Sukhothai Province and Nan Province.
1997 - 1998	Increased its registered capital to THB 12,920,000, and expanded its branches to Phitsanulok Province and Phetchaboon Province.
2003	Increased its registered capital to THB 20,000,000.
2005	- Increased its registered capital to THB 50,000,000 to be satisfy requirements for obtaining a license to operate the personal loan under supervision business from the Ministry of Finance, and obtained such license on October 21, 2005. - Started providing loan that has vehicle registration as collateral with specific conditions to farmers (Farmer Loan)
2011 - 2012	Increased its registered capital to THB 200,000,000, and expanded its branches to Phichit Province, Lopburi Province, Chiangrai Province, Phayao Province, and Phrae Province.
2013 - 2014	Increased its registered capital to THB 350,000,000, and expanded its branches to Loey Province, and Kamphaeng Phet Province.
2015	Increased its registered capital to THB 500,000,000, and expanded its branches to Lampoon Province.
2016	- Converted to a public limited company and changed its name to Saksiam Leasing Public Company Limited on June 20, 2016. - Increased its registered capital to THB 1,000,000,000, and expanded its branches to Khon Kaen Province, Chaiyaphum Province, Nong Bua Lam Phu Province, and Nakhon Sawan Province.
2017	Increased 79 more of its branches and expanded its branches to Kalasin Province, Chai Nat Province, Chiangmai Province, Maha Sarakham Province, and Uthai Thani Province.
2018	- Increased its registered capital to THB 1,250,000,000. - Increased its registered capital to THB 1,400,000,000. - Increased 101 more of its branches and expanded its branches to Tak Province, Sakon Nakhon Province, Sing Buri Province, Suphan Buri Province, and Ang Thong Province.

Year	Description
2019	- Increased its registered capital to THB 1,550,000,000 in order to offer newly issued ordinary shares to Bualuang Ventures Company Limited (“Bualuang Ventures”) in the amount of 150,000,000 shares. - Increased its registered capital to THB 2,096,000,000 and offered (1) the newly issued ordinary shares in the amount not exceeding 54.6 million shares to directors, executives, and/or employees of the Company pursuant to the offering of newly issued ordinary shares to directors, executives, and/or employees of the Company project and (2) the newly issued ordinary shares in the amount of not exceeding 491.4 million shares to the public including the patronage of the Company by initial public offering transaction (IPO). For the remaining newly issued ordinary shares that had not been subscribed by the directors, executives, and/or employees of the Company under such project in (1), such remaining shares would be offered to the public instead. - Increased 68 more of its branches and expanded its branches to Kanchanaburi Province, Nakhon Phanom Province, and Saraburi Province.
2020	- The Company carried on the Initial Public Offering (IPO) by offering total 546,000,000 shares at a price of THB 3.70 per share, and the Company registered its paid-up capital to THB 2,096,000,000 (2,096,000,000 ordinary shares at a par value of THB 1) with the Department of Business Development, Ministry of Commerce on December 1, 2020. In addition, the Stock Exchange of Thailand listed the Company’s shares as securities to be traded on December 8, 2020. - Increased 78 more of its branches and expanded its branches to Yasothon Province, Nakhon Ratchasima Province, Buriram Province, Roi Et Province, Nakhon Nayok Province, and Mae Hong Son Province. As of December 31, 2020, the Company has a total of 519 branches in 38 provinces.

Use of IPO Proceeds

As described in “Commitment of Use of IPO Proceeds given in the Registration Statement for Securities Offering”

Commitment of Use of IPO Proceeds given in the Registration Statement for Securities Offering

The net total proceeds from the initial public offering after deducting underwriting fees and other relating expenses is approximately THB 1,955 million. The Company has objectives of use of proceeds as follows;

Use of Proceeds	Amount (THB Million)	Approximate Timeframe	Details / Progress of use of proceeds / Reason and measurement if the proceeds was not used in accordance with the objectives
1. Expansion of lending business and working capital	1,555	2021 – 2022	-
2. Partial repayment of loan from financial institutions	300	2020 – 2021	255
3. Investment in the information technology system to improve loan providing service system	100	2021 – 2022	-

The foregoing estimates are in accordance with the Company's current business plan and are the best estimates of the expected allocation of net proceeds from the initial public offering. The actual expenditure plan may vary from such estimates described above. In addition, the Company may need to rearrange the net proceeds or use the net proceeds on others objectives apart from these estimates.

Company Profile

Name of the company (Thai)	:	บริษัท ศักดิ์สยามลิสซิ่ง จำกัด (มหาชน)
Name of the company (English)	:	Saksiam Leasing Public Company Limited
Type of business	:	Providing services of personal loan under supervision and other loans
Address of the head office	:	49/47 Chetsada Bodin Road, Tha It Sub-district, Muang Uttaradit District, Uttaradit Province 53000
Company registration number	:	0107559000290
Website/Homepage	:	www.saksiam.com
Telephone	:	0 5544 4495
Facsimile	:	0 5544 0371
Registered capital as of December 31, 2020	:	THB 2,096,000,000
Paid-up capital as of December 31, 2020	:	THB 2,096,000,000
Par value per share	:	THB 1

Business Operation

Revenue Structure

The Company's revenue structure is divided by type of business as described in the financial statements for the fiscal year ended December 31, 2018, 2019, and 2020. The details are as follows:

Type of business	For the fiscal year ended on December 31,					
	2018		2019		2020	
	THB Million	%	THB Million	%	THB Million	%
1. Personal loans revenue under supervision with vehicle registration as collateral	1,123.6	89.4	1,386.0	86.4	1,359.2	84.2
1.1 Loan that has a vehicle registration as collateral	758.1	60.3	940.4	58.6	948.4	58.8
1.2 Loan that has a vehicle registration as collateral for agriculture terms	365.5	29.1	445.6	27.8	410.8	25.5
2. Personal loan revenue under supervision that no vehicle registration loan as collateral	128.7	10.2	146.5	9.1	58.7	3.6
3. Revenue from nano finance loan	0.0	0.0	66.8	4.2	172.1	10.7
4. Revenue from hire purchase loan	-	-	0.8	0.1	18.8	1.2
Total revenue from credit services	1,252.3	99.7	1,600.2	99.7	1,608.8	99.7
Other income ^{1/}	4.3	0.3	4.4	0.3	4.9	0.3
Total	1,256.6	100.0	1,604.6	100.0	1,613.7	100.0

Remark: ^{1/} Other Income including rental income, interest from bank deposit, and gain on asset disposal, etc.

The Company's core revenue are from credit services which comprises of interest income, fee and service income, including contract preparation fee and contract closing fee, loan service fees, etc. In 2018 - 2020, the Company's revenue was from personal loans revenue under supervision with vehicle registration as collateral approximately 84.2% - 89.4%, and from personal loan revenue under supervision that no vehicle registration loan as collateral approximately 3.6% - 10.2%. In addition, the Company had revenue from nano finance loan approximately 4.2% - 10.7%, and from hire purchase loan approximately 0.1% - 1.2%. In this regard, the information and details of each credit services is provided in Product on page 9.

Product

(1) Product or Service and Business Innovation Development

The Company provides services on personal loan under supervision, which the Company was approved by the Ministry of Finance. The Company comply with criteria, procedure, and condition stipulated and supervised by the Bank of Thailand (“BOT”). The business of personal loan under supervision having no vehicle registration as collateral has been under supervision of BOT since 2005 and later on February 1, 2019, BOT assign a loan that has a vehicle registration as collateral is the loan under supervision of BOT as well. The Company's lending business can be divided into three groups as follows:

1. Personal loan under supervision with vehicle registration as collateral

Personal loan under supervision that has a vehicle registration as collateral business or vehicle title loan is a service of providing loan to general retail customer, who use vehicle registration as collateral. The customer will transfer the vehicle registration in advance as collateral for repayment of loan, while the customer still possesses and may utilize the vehicle as the owner of the vehicle.

The vehicle registration used as collateral for loan request must be in accordance with the Land Traffic Act B.E. 2522, (1979) which covers different type of vehicles including motorcycle, personal car, car for commercial use, motor truck, and car for agricultural use, etc.

As for vehicle title loan, BOT stipulated that the rate of interest, penalty, service fees, or fees altogether must not exceed 28% per annum in an effective rate for contracts which commenced from February 1, 2019 to July 31, 2020 and must not exceed 24% per annum for contracts which commenced from August 1, 2020. Other than revenue as aforementioned, the Company may also collect actual and reasonable expenses but such collected expenses shall be in accordance with the list stipulated by BOT.

In this regard, based on the loan applicant's occupation and installment terms, the Company divide vehicle title loan business into 2 categories as follows:

1.1 Loan that has a vehicle registration as collateral

Loan that has a vehicle registration as collateral is a vehicle title loan provided for general retail customer who has ownership of the car for a period of time not less than the Company's specified period. Regarding consideration of the amount of loan, the Company will consider based on the value of collateral, affordability, background examination of the customer and the guarantor (if any), and collateral examination.

From 2018 - 2020, the Company's revenue derived from loan that has a vehicle registration as collateral are approximately 60.3%, 58.6%, and 58.8% of the total revenue respectively.

1.2 Loan that has a vehicle registration as collateral for agriculture terms

Loan that has a vehicle registration as collateral for agriculture terms is a loan provided for customer who is a farmer. The customer will pay the installment which comprises of principal amount and interest at the due date specified in the contract, which the period of the contract is not exceeding 4 months, or the customer will pay the installment in form of monthly interest, and will pay the principal amount at the due date specified in the contract, which the period of the contract is not exceeding 12 months for being inconsistent with agricultural occupation. Regarding consideration of the amount of loan, the Company will consider based on the value of collateral, affordability, background examination of the customer and the guarantor (if any), and collateral examination including, agricultural occupation certification documents issued by the government sector for instance, farmbook, and examination of land, farm land, place of work, etc.

From 2018 - 2020, the Company's revenue derived from loan that has a vehicle registration as collateral with specific conditions for farmers were approximately 29.1%, 27.8%, and 25.5% of the total revenue respectively.

As of December 31, 2020, the Company has the amount of loan receivables from loan that has a vehicle registration as collateral in the amount of THB 5,602.0 million, representing 87.4% of the total account receivables of the Company. Loan receivables is divided by type of collateral. The details are as follows:

Loan receivables divided by type of collateral	At the end of 2018		At the end of 2019		At the end of 2020	
	THB Million	%	THB Million	%	THB Million	%
Pickup truck	2,179.4	44.2	2,630.2	45.4	2,573.1	45.9
Motorcycle	1,372.1	27.8	1,491.2	25.7	1,363.6	24.3
Car for agricultural use	682.0	13.8	813.7	14.0	807.3	14.4
Personal car	471.3	9.6	608.2	10.5	605.0	10.8
Motor truck	187.9	3.8	209.9	3.6	203.6	3.6
Other vehicles	38.4	0.8	45.6	0.8	49.4	0.9
Total	4,931.1	100.0	5,798.8	100.0	5,602.0	100.0

2. Personal loan under supervision that no vehicle registration loan as collateral

Personal loan under supervision that no vehicle registration as collateral or personal loan is a multipurpose loan for natural person with fixed income. Regarding consideration of the amount of the loan, the Company will consider based on the average monthly income. The customer who has income or cash flow in deposit account less than THB 30,000 per month will receive the loan in the amount of not exceeding 1.5 times, and the customer who has the average monthly income more than THB 30,000 per month will receive the loan in the amount of not exceeding 5 times. The Company will not provide personal loan to the customer who has loan with 3 other service provider or financial institution, and the Company has a policy of providing no more than 1 personal loan per one customer.

As for personal loan, BOT specified that the rate of interest, penalty, service fees, or fees altogether must not exceed 28% per annum in an effective rate for contracts which commenced from February 1, 2019 to July 31, 2020, and must not exceed 25% per annum for contracts which commenced from August 1, 2020. Other than revenue as aforementioned, the Company may also collect actual and reasonable expenses but such collected expenses shall be in accordance with the list stipulated by BOT.

From 2018 - 2020, the Company's revenue derived from personal loan under supervision having no vehicle registration as collateral were approximately 10.2%, 9.1%, and 3.6% of the total revenue respectively.

3. Nano finance loan

Nano finance loan under supervision is a loan provided to the customer who is a natural person for the purpose of occupation. Although there is no documents certifying the customer's income or the customer has no asset to use as collateral, the Company will consider from certainty of the occupation and legibility of income from such occupation. In this regard, the Company will inspect the place of work and evaluate the income or occupation certification documents issued by the government sector to be used as supportive documents for loan application. The Company has a policy of providing no more than 1 personal loan per one customer.

As for nano finance business, BOT specified that the rate of interest, penalty, service fees, or fees altogether must not exceed 36% per annum for contracts which commenced from January 23, 2015, and most not exceeding 33% per annum for contracts which commenced from August 1, 2020. The Company started the nano finance business since January 1, 2019.

From 2019 - 2020, the Company's revenue derived from nano finance business were approximately 4.2% and 10.7% of the total revenue respectively.

4. Hire purchase loan

Hire purchase loan is a loan provided for natural person who needs to hire purchase new motorcycles, or for the customer who already own a vehicle and needs a loan in the form of sale and lease back. The customer who agrees to enter into a hire purchase contract must transfer the ownership of the vehicle to the Company, while the customer still possesses and can use the vehicle. The ownership of the car will be transferred to the customer upon completion of the installment payment under the relevant contract.

The Company has provided such loans since January 1, 2019, and the Company's revenue derived from hire purchase loan business were approximately 1.2% of the total revenue in the year 2020.

Number of loan contracts

From December 31, 2018 - 2020, the Company has loan contracts in total number of 203,880 contracts, 238,351 contracts, and 235,306 contracts respectively, representing an average growth rate of 54.3% of the total contracts. The number of loan contracts with vehicle registration as collateral agriculture conditions, personal loans under supervised that no vehicle registered loans as collateral for nano finance loans and hire purchase loans accounted for approximately 12.3, 7.2, 24.7 and 1.5 percent of the total contract, respectively, with details as follows:

Amount of loan contracts	At the end of 2018		At the end of 2019		At the end of 2020	
	Contract	%	Contract	%	Contract	%
Loan that has a vehicle registration as collateral	113,372	55.6	128,438	53.9	127,699	54.3
Loan that has a vehicle registration as collateral for agriculture terms	33,148	16.3	34,010	14.3	28,971	12.3
Personal loan under supervision that no vehicle registration loan as collateral	57,354	28.1	27,476	11.5	16,940	7.2
Nano finance loan	6	0.0	48,372	20.3	58,076	24.7
Hire purchase loan	-	-	55	0.0	3,620	1.5
Total	203,880	100.0	238,351	100.0	235,306	100.0

Terms and conditions for each type of loan

Terms and conditions for each type of loan which the Company provided can be summarized as follows;

Characteristic	Personal loan under supervision that has a vehicle registration as collateral		Personal loan under supervision that no vehicle registration loan as collateral	Nano finance business	Other loan
	Loan that has a vehicle registration as collateral	Loan that has a vehicle registration as collateral for agriculture terms			Hire purchase loan
Supervised organization	BOT	BOT	BOT	BOT	Office of the Consumer Protection Board (OCPB)
Credit line	Maximum THB 300,000	Maximum THB 200,000	1.5 – 5 times of income, with maximum THB 100,000	Maximum THB 100,000	Maximum THB 350,000
Interest rate and fees	Maximum 24% per annum ^{1/}	Maximum 24% per annum ^{1/}	Maximum 25% per annum ^{2/}	Maximum 33% per annum ^{3/}	No maximum interest rate and fees required
Type of installment	Monthly	- Monthly (repayment of interest) - Installment at the due date specified in the contract	Monthly	Monthly	Monthly
Period of time	Maximum 60 months	1 installment for a period of 4 months or for a period of 12 months	Maximum 36 months	Maximum 36 months	Maximum 60 months
Type of customer	General customer	Farmer	General customer with income certification document	General customer without income certification document	General customer
Collateral	Vehicle registration	Vehicle registration	None	None	New motorcycle Used car

Characteristic	Personal loan under supervision that has a vehicle registration as collateral		Personal loan under supervision that no vehicle registration loan as collateral	Nano finance business	Other loan
	Loan that has a vehicle registration as collateral	Loan that has a vehicle registration as collateral for agriculture terms			Hire purchase loan
Type of vehicle	- Motorcycle - Personal car - Pickup truck - Van - Motor truck - Car for agricultural use	- Motorcycle - Personal car - Pickup truck - Van - Motor truck - Car for agricultural use	None	None	New motorcycle Used car including, - Personal car - Pickup truck - Van

Remarks: ^{1/} Maximum rate of interest and fees in total must not exceed 28% per annum for contracts commenced from February 1, 2019 to July 31, 2020 and must not exceed 24% per annum for contracts commenced from August 1, 2020.

^{2/} Maximum rate of interest and fees in total must not exceed 28% per annum for contracts commenced from February 1, 2019 to July 31, 2020 and must not exceed 25% per annum for contracts commenced from August 1, 2020.

^{3/} Maximum rate of interest and fees in total must not exceed 36% per annum for contracts commenced from August 24, 2017 to July 31, 2020 and must not exceed 33% per annum for contracts commenced from August 1, 2020.

In this regard, the Company has the policy of providing every type of loan no more than 3 contracts per one customer, or the total amount of loan not exceeding THB 400,000.

Net loan receivables

The Company has net loan receivables at the end of the year 2018 - 2020 as follows:

Amount of loan provided	Year 2018		Year 2019		Year 2020	
	THB Million	%	THB Million	%	THB Million	%
Amount of loan provided						
• Loan with vehicle registration as collateral	3,299.7	34.8	6,101.2	44.1	3,512.3	35.3
• Loan that has a vehicle registration as collateral for agriculture terms	5,246.9	55.4	6,414.5	46.4	5,227.8	52.6
• Personal loan under supervision that no vehicle registration loan as collateral	925.6	9.8	544.9	3.9	236.6	2.4
• Nano finance loan	0.1	0.0	761.5	5.5	800.9	8.1
• Hire purchase loan	-	-	14.8	0.1	159.6	1.6
Total amount of loan provided	9,472.2	100.0	13,836.9	100.0	9,937.2	100.0
Receivables carry forward	3,800.5		5,636.3		6,825.4	
Total receivables	13,272.7		19,473.3		16,762.6	

Amount of loan provided	Year 2018		Year 2019		Year 2020	
	THB Million	%	THB Million	%	THB Million	%
Less repayment amount/foreclosure of collateral/refinancing	(7,636.4)		(12,647.9)		(10,194.3)	
Net receivables from deferred income plus accrued income carry forward	5,636.3		6,825.4		6,568.3	
Less allowance for doubtful accounts	(109.0)		(188.0)		(162.3)	
Net loan receivables	5,527.4		6,637.4		6,406.0	

Debtors classified by occupation of the customer as of December 31, 2020.

Occupation	Value (THB Million)	Ratio (%)
1. Farmer	3,579.4	55.9
2. Trading and personal business	1,328.5	20.7
3. Daily employee	583.5	9.1
4. Permanent employee and official	894.9	14.0
5. Other occupations	19.7	0.3
Total	6,406.0	100.0

The company has the criteria to set aside the allowance for doubtful accounts. And the allowance for the expected credit loss based on the management's analysis and explanation in the topic of Bad Debt and Doubtful Accounts.

From 2018 - 2020, the Company classified debtor for each type of loan by age of receivables. However, since January 1, 2020, the Company implemented Thai Financial Reporting Standards No. 9 Re: Financial Instrument (TFRS9) for the first time which resulting in the Company to change the classification of debt from classify by age of receivables to alteration in credit quality, which has divided into 3 stages. As of December 31, 2020, the debtor classification is shown as follows, (Staging):

- **Stage 1 (Performing)** : Group of receivables which credit risk does not significantly increase or receivables is not due yet, or overdue for less than 1 month.
- **Stage 2 (Under-performing)** : Group of receivables which credit risk significantly increase or overdue for more than 1 - 3 months same as former criteria.
- **Stage 3 (Non-performing)** : Group of receivables with credit impairment losses or debtor who is overdue for more than 3 months, same as former criteria.

The Company's classification of debtor has details as follows;

Age of receivables of loan under supervision

Age Classification	At the end of 2018		At the end of 2019		At the end of 2020	
	THB Million	%	THB Million	%	THB Million	%
Current or overdue not over than 1 month	5,388.2	95.3	6,187.8	90.9	6,003.6	93.6
Overdue more than 1 month to 3 months	215.4	3.8	526.3	7.7	269.0	4.2
Overdue more than 3 month to 6 months	38.8	0.7	85.7	1.3	77.5	1.2
Overdue more than 6 month to 12 months	9.9	0.2	8.2	0.1	34.0	0.5
Overdue more than 12 months	2.1	0.0	2.8	0.0	30.8	0.5
Total loan receivables net from deferred interest and accrued interest	5,654.3	100.0	6,810.9	100.0	6,414.8	100.0
Less : Allowance for doubtful accounts	(109.0)	(1.9)	(187.6)	(2.8)	(159.4)	(2.5)
Plus : Accrued fees	4.8		-		-	
Less : Deferred fees	(22.8)		-		-	
Total loan receivables, net	5,527.4		6,623.3		6,255.5	

Age Classification (under TFRS9)	Loan receivables, net from accrued interest income	As of December 31, 2020	
		THB Million	%
Stage 1 (Performing)	Account receivables that is not due yet, or overdue for less than 1 month	6,003.6	93.6
Stage 2 (Under-performing)	Account receivables overdue for more than 1 - 3 months	269.0	4.2
Stage 3 (Non-performing)	Account receivables overdue for more than 3 months	142.3	2.2
Total loan receivables, net from deferred interest and accrued interest		6,414.8	100.0
Less : Allowance for expected credit loss		(159.4)	(2.5)
Total net receivables		6,255.5	

Age of hire purchase receivables

Age Classification	At the end of 2018		At the end of 2019		At the end of 2020	
	THB Million	%	THB Million	%	THB Million	%
Current or overdue not over than 1 month	-	-	14.2	98.4	148.7	96.9
Overdue more than 1 month to 3 months	-	-	-	-	3.7	2.4
Overdue more than 3 month to 6 months	-	-	0.2	1.6	0.3	0.2
Overdue more than 6 month to 12 months	-	-	-	-	0.4	0.3
Overdue more than 12 months	-	-	-	-	0.3	0.2
Total loan receivables net from deferred interest and accrued interest	-	-	14.5	100.0	153.4	100.0
Less : allowance for doubtful accounts	-	-	(0.4)	(0.1)	(3.0)	(0.5)
Plus : Accrued fees	-	-	-	-	-	-
Less : Deferred fees	-	-	-	-	-	-
Total receivables net	-	-	14.1	-	150.5	-

Age Classification (under TFRS9)	Loan receivables, net from accrued interest income	As of December 31, 2020	
		THB Million	%
Stage 1 (Performing)	Account receivables that is not due yet, or overdue for less than 1 month	148.7	96.9
Stage 2 (Under-performing)	Account receivables overdue for more than 1 - 3 months	3.7	2.4
Stage 3 (Non-performing)	Account receivables overdue for more than 3 months	1.0	0.7
Total loan receivables net from deferred interest and accrued interest		153.4	100.0
Less : Allowance for expected credit loss		(3.0)	(0.5)
Total net receivables net		150.5	-

Foreclosed assets

Foreclosed Asset Type	At the end of 2018	At the end of 2019	At the end of 2020
Car			
Amount of interim foreclosure of collateral (car)	205	333	532
Amount of remaining collateral at the end of period (car)	20	42	34
Motorcycle			
Amount of interim foreclosure of collateral (motorcycle)	591	770	848
Amount of remaining collateral at the end of period (motorcycle)	50	79	27
Total			
Amount of interim foreclosure of collateral (car and motorcycle)	796	1,103	1,380
Amount of remaining collateral at the end of period (car and motorcycle)	70	121	61

(2) Market and Competition

1. Competitive Strategy of the Company

1.1 Various loan products and quick service with concise loan policy strategy.

The Company provides various type of loan in order to meet customer's need. Main loan products consist of vehicle title loan, personal loan, nano finance, and hire purchase loan. Such loan products themselves provide conditions to support different financial appetite of the customers, is uncomplicated and have no other odds and ends service fees. A sales sheet of each type of product contains installment repayment table which clearly separates the principal amount, interest, and fees including method of calculation of interest and fees that is easy to understand.

The Company provides loan in cash which aligns with the need of the people who has occupation in provincial area and far away from town, who wants to know the result of loan application quickly, and able to take out the cash instantly in order to save their time and transportation expenses.

The Company has a concise process of providing loan, emphasizes on examination of information prior to loan approval. The Company will take a field survey to prove existence of customer, guarantor, and collateral, and will keep track of loan which is due. Those actions for loan approval process are one of the monthly key performance indicators of employees.

1.2 Price strategy

The Company set the interest rate and fees in accordance with relevant laws provided that the interest rate to be set shall base on ability to compete with other business operator and not emphasize on price competition, but rather reflect the risk of each type of loan. In this regard, the Company does not set any service fees or other penalty e.g. contract preparation fee or closing contract fee, penalty fee delay repayment, etc.

1.3 Service with transparency, fairness, and uncomplicated condition strategy

The Company establishes condition of lending services by emphasizing on interest and fees calculation which is transparent, fair, and uncomplicated. In the process of providing loan, the customer will receive explanation regarding the condition, interest and fees calculation method, and installment repayment table from the staff. When the customer comes to pay the installment, the customer will receive the receipt from the staff showing the details of the principal amount, interest, relevant fees, and the remaining principal amount. Almost every loan products of the Company (except hire purchase loan) calculate the interest in an effective rate pursuant to the remaining principal amount and amount of days which the customer utilizes the loan. There is no penalty for delay repayment of installment. When the customer closes the contract, the customer will receive the vehicle registration back immediately. Therefore, the customer will not lack the benefit of using the vehicle registration for other purpose.

1.4 Service during the sale and after sale with care for creating customer's satisfaction strategy

The Company emphasizes on employees training in providing loan services with care of customer's need, friendliness, good manner, respect to the customer, provision of precise, transparent, and fair service, ability to understand local languages, culture and customs, occupation, and customer's need in different areas, and ability to get along with the local people harmoniously for establishing the customer's confidence and trust in using our services regularly, and the customer will be pleased to recommend new customer to the Company.

1.5 Distribution channel strategy

The Company has the policy of opening new branches every year to thoroughly expand the area of services. From 2018 - 2020, there has been an opening of over 80 branches per year, and the Company plans to open more branches at least 200 branches per year in the next 3 years.

The branches are located in good spots being close to community so that the customer and other people can conveniently come for services. The Company's branch offices opens from Monday to Friday, from 8 a.m. - 4.30 p.m. and the employees will constantly give information to the people in such area.

Establishment of branch offices

The location to operate business is important to attract customer. The Company take into account a convenience of the customer to receive services, and location that is close to banks and the customer. The regional manager and the district manager will choose the branch office based on these factors as follows:

- 1) **Population density in the area**, population density is high enough to increase number of customer, or such area is close to high population density places e.g. factory, department store, bank, school, village, etc.
- 2) **Occupation and income** of people in the area which correlates with business operation, or having the occupation that needs working capital e.g. farmer, trading, employee, etc.
- 3) **Convenience** is an important factor to select location to establish branch office, which must have convenience in transportation, be easy to search, and have enough parking spots including other facilities.
- 4) **Competitiveness and rental fee** is an analytical factor to determine that after the investment, we are able to compete.
- 5) **Criminal activity or illegal occupation** is a factor to consider to ensure safety of work environment, and minimize the risk of having the customer who is bad for the business operation.

(3) Procurement of product and service

The Company procures fund through loan from domestic financial institution, and from shareholder's equity. Regarding loan from financial institution, the Company procure both short term and long term loan and use port of receivables as business security as well as some of directors provide personal guarantee as per details in Loan agreements with the financial institutions, page 28 . In 2019, the Company increase the registered capital by issuing 150 million ordinary shares to Bualuang Ventures Company Limited and in 2020, the Company carried on the Initial Public Offering (IPO) for the total of 546 million shares, the IPO proceeds will be used for branch offices expansion and loan portfolio expansion. As of December 31, 2020, the Company has loan from financial institution representing 46.0%, and shareholder's equity representing 54.0% of the total fund. The details of sources of fund are as follows:

Source of fund	For the year ended December 31,					
	2018		2019		2020	
	THB Million	%	THB Million	%	THB Million	%
Loan from financial institution						
Short term loan	3,088.0	53.9	3,332.9	48.4	2,865.5	34.4
Long term loan	497.9	8.7	772.6	11.2	963.8	11.6
Total loan from financial institution	3,585.9	62.6	4,105.5	59.7	3,829.3	46.0
Total shareholder's equity	2,139.5	37.4	2,775.6	40.3	4,508.1	54.0
Total source of fund	5,725.4	100.0	6,881.1	100.0	8,337.4	100.0

Most of the Company's loan from financial institution are short term loan representing 34.4% of the total source of fund or 74.8% of the total loan from financial institution, which correlates and suits with the Company's business in providing loan service. The Company can repay the loan from financial institution immediately, if the amount fund is more than the need of loan providing. In this regard, the Company started to repay the long term loan since 2018 to correlate with the growth of customer base of loan with collateral with longer average of installments.

In light of procurement of the future source of fund, the Company has the policy for procurement of the future source of fund to correlate with objective to use the amount of fund by considering appropriateness of repayment period, and debt to equity ratio. Moreover, after completion of IPO transaction, the Company will gain shareholder's equity which resulted in decrease of debt to equity ratio. In addition, by being a company which its shares are listed in the Security Exchange of Thailand, the Company will have better capability in procuring source of fund, both for loan from financial institution and for offering of bond or equity instrument to ensure future growth of business.

(4) Asset used in business operation

1. Main fixed asset

As of December 31, 2020, the Company has main fixed asset used in business operation with details as follows:

List of Asset	Type of Possession	Net book value (THB)	Encumbrance
Land	Ownership	712,600	- None -
Office building	Ownership	18,689,844	- None -
Office building improvement	Ownership	24,625,972	- None -
Office supply and appliance	Ownership	28,162,959	- None -
Technology device (computer)	Ownership	21,343,993	- None -
Vehicle i.e. car and motorcycle	Ownership	15,885,480	- None -
	Hire purchase	49,532,692	- None -
Asset under construction	Ownership	-	- None -
Total		158,953,539	

The Company's list of fixed asset as shown above can be classified by type of asset as follows:

1.1 Land and office building

Characteristic and location	Type of Possession	Net book value (THB)	Encumbrance
1. Head office building ¹ 3-storey commercial building, total usable area 3,947.68 square meter Located on 49/47 Chetsada Bodin Road, Tha It Sub-district, Muang Uttaradit District, Uttaradit Province	Ownership	17,071,521	- None -
2. Land and office building Lublue branch office 3-storey commercial building, total usable area 540 square meter Located on 163 In Jai Mi Road, Sriphanomat Sub-district, Laplae District, Uttaradit Province	Ownership	1,512,300	- None -
3. Land and office building Fai Luang branch office 2 units of 2 and a half-storey commercial building, total usable area 240 square meter Located on 111-112 Moo 6, Fai Luang Sub-district, Laplae District, Uttaradit Province	Ownership	332,802	- None -

Part 1

Business Operations and Operating Results

Characteristic and location	Type of Possession	Net book value (THB)	Encumbrance
4. Land and office building Sawankhalok branch office 2 units of 3-storey commercial building, total usable area 384 square meter Located on 4/7, 4/8 Sawankhalok-Srinakorn Road, Mueang Sawankhalok Sub-district, Sawankhalok District, Sukhothai Province	Ownership	329,396	- None -
5. Land and office building Wang Si Sup branch office 2 units of 2 and a half-storey commercial building, total usable area 240 square meter Located on 143/2, 143/3 Moo 1, Ngio Ngam Sub-district, Muang Uttaradit District, Uttaradit Province	Ownership	156,425	- None -
Total		18,689,844	

Remark: ^{/1} The Company entered into land lease agreement to construct 2 head office buildings.

1.2 Vehicle

Type of vehicle	Type of Possession	Net book value (THB)	Encumbrance
1. Head office car and branch office car in total amount of 174 cars	Ownership	10,959,250	- None -
	Hire purchase	49,532,692	- None -
2. Head office motorcycle and branch office motorcycle in total amount of 405 motorcycles	Ownership	4,926,229	- None -
	Hire purchase	-	- None -
Total		65,418,172	

2. Intangible asset

As of December 31, 2020, the Company has intangible asset i.e. computer software, and developing intangible asset at net book value pursuant to the Company's financial statements in the amount of THB 29,038,603, or representing 0.33% of net book value in the consolidated asset financial statements.

3. Relevant license required for the business operation

Relevant license required for the business operation has details as follows;

License	Licensor	Type	Significant condition
Letter of approval to operate the business of personal loan under supervision issued on October 21, 2005.	Ministry of finance	Business operator who is not a commercial bank and credit foncier company under financial institution business law or financial institution established under specific law.	The operator may be considered to suspend the operation and the approval may be revoked in the following event: 1. Do not comply or violate the Ministry of Finance Notification Re: Business Subject to Approval According to Section 5 of the Revolutionary Council Decree No. 58 (Personal Loan Under Supervision) or notification issued to proceed under the law, or order of the BOT to remedy the negligence and violation, or financial position, or the operation to be in compliance within the specified period of time. 2. Endangered the financial economy system or the public, economically or socially. 3. Do not conduct business transaction as approved for 2 years consecutively. 4. Have financial position or operation which may seriously damage the public interest (including violation of basic rights of the people to receive fair financial service). 5. Having court order of receivership, being a bankrupt person, or having been a dishonest bankrupt person.
Letter of approval to operate the business of nano finance under supervision issued on August 24, 2017.	Ministry of finance	Business operator who is not a commercial bank and credit foncier company under financial institution business law or financial institution established under specific law.	If the business operator violates, neglects, or does not comply with any of the operation's requirement, or the financial position or the operation of the business operator may seriously damage the public interest. The BOT may order to remedy such violation, negligence, or to fix the financial position or the operation to be in compliance within the specified period of time. If it has not been remedied within the specified period of time, the business operator's operation may be temporary suspended in whole or in part, or the approval may be revoked.
Notification letter to operate the business of personal loan under supervision that has a vehicle registration as collateral dated April 17, 2019.	Bank of Thailand	Business operator who is not a commercial bank and credit foncier company under financial institution business law or financial institution established under specific law.	1. The business operator who operate the business of personal loan that has a vehicle registration as collateral prior to the implementation of the Notification of the Bank of Thailand No. SorNorSor. 2/2562 Re: Regulations, Procedures and Conditions for Undertaking Business of Personal Loan under Supervision for Non-Bank Operator must notify and deliver relevant documents to the BOT within 60 days from the enforcement date of the Notification. 2. The business operator may be considered to suspend the operation and the approval may be revoked (details as per item 1. Letter of approval to operate the business of personal loan under supervision)

4. Summary of significant contracts relevant to the Company's asset

Summary of the Company's contracts categorized by type of contract has details as follows;

4.1 Land and office building lease agreement

a) Land and office building lease agreement

The Company rent land and office buildings from Mrs. Jintana Boonsalee, director and major shareholder of the Company in the total amount of 5 agreements, in the total area of 4 rai 52.8 square wah, divided into 4 buildings i.e. Building 1 - 4 and documents storage. The details of which are as follows:

Characteristic of the Lease Agreement	Land lease agreement			Land and Building Lease Agreement	Building Lease Agreement
Lease objective	To be used as head office and document storage		To be used as parking space	To be used as head office and parking space	To be used as head office
Building	Building 2	Building 3 documents storage	Parking space	Building 4, parking space and storage for car pending for sale	Building 1
Land title deed No.	Land title deed No. 84937	Land title deed No. 84888	Land title deed No. 84908	Land title deed No. 6952-6954	-
Area	2 ngan 90.5 square wah	2 ngan 96.1 square wah	2 ngan 82.2 square wah	1 rai 98 square wah	2 ngan 86 square wah
Start date	November 1, 2019				December 1, 2019
End date	October 31, 2029		October 31, 2022		
Period of agreement	10 years		3 years		2 years 11 months
Rental rate	The lessee will pay remuneration to the lessor in an agreed rate and at the agreed period of time				
Renewal of agreement	Renewable 1 time for a period of 5 years	Renewable 1 time for a period of 15 years	Renewed lease term: 3 years for each renewal		
Significant	If the lessee rents the land for a period of 15 years from November 1, 2019, the lessee agrees to let the lessor buy the building which the lessee has the ownership at the price agreed in the agreement.	If the lessee rents the land for a period of 25 years from November 1, 2019, the lessee agrees to let the lessor buy the building which the lessee has the ownership at the price agreed in the agreement.	- None -		

Characteristic of the Lease Agreement	Land lease agreement	Land and Building Lease Agreement	Building Lease Agreement
	1. The lessee agrees to only operate the lessee's business, and will not sublease the lease premise to the third party. 2. During the lease term, if the lessor wishes to mortgage or perform any registration of the lease premise which establish encumbrances, or eviction, or establish servitude property on the land and/or under other contracts with the third party, which will deteriorate the lessee's benefit of using the lease premise during the lease term, the lessor must inform and receive a written consent from the lessee at least 1 month prior to such actions. 3. If the lessor wishes to sell, dispose, transfer the lease premise in any event, the lessor must inform the lessee in advance not less than 1 month regarding price, and conditions of such transaction in order to let the lessee have the right to receive the transfer of ownership in the lease premise before the third party. In addition, the lessee has the right to request for extension, not exceeding 1 month, to procure money to purchase such lease premise. If the lessee refuse to receive the transfer or cannot purchase the lease premise, the lessor agrees to let the lessee have such right for another period of not exceeding 1 month, from the date the lessor is informed that the lessee cannot receive the transfer of the lease premise. Transfer of ownership of the lease premise to the third party shall not include the lessee's property. If any damages arise, the lessor agrees to be liable for all damages incurred to the lessee. 4. The lessee has the right to terminate the agreement prior to the expiration of the lease term by providing written notification to the lessor 1 month in advance. 5. The lessor has no right to terminate the agreement prior to the expiration of the lease term, except for the lessee's event of default. If the lessor terminates the agreement prior to the expiration of the lease term and there is no default of the lessee, the lessor agrees to compensate all damages incurred to the lessee. 6. In the event of compensation, the parties agree to charge the interest at 15% per annum from the date of such breach of agreement.		

B) Branch office lease agreements

Parties of the agreement	The lessors : (1) Mrs. Jintana Boonsalee in the amount of 35 branches ^{/2} (2) Mr. Phoonsak Boonsalee in the amount of 1 branch (3) Third party in the amount of 479 branches
Lease objective	To be used as branch office in the amount of 515 branches located in 38 provinces.
Lease premise	Commercial building to operate the business of the lessee.
Date of the agreement	Date, month, year in accordance with each agreement of each lessor.
Lease term	Average lease term: 1 - 3 years.
Rental rate	The lessee will pay remuneration to the lessor in an agreed rate and at the agreed period of time.
Renewal of agreement	Average renewed lease term: 1 - 3 years for each renewal.
Security rental deposit	Security rental deposit provided in some agreement.

Significant details of the agreement

1. The lessee agrees to only operate the lessee's business, and will not sublease the lease premise to the third party.
2. During the lease term, if the lessor wishes to mortgage or perform any registration of the lease premise which establish encumbrances, or eviction, or establish servitude property on the land and/or under other contracts with the third party, which will deteriorate the lessee's benefit of using the lease premise during the lease term, the lessor must inform and receive a written consent from the lessee at least 1 month prior to such actions.
3. If the lessor wishes to sell, dispose, transfer the lease premise in any event, the lessor must inform the lessee in advance not less than 1 month regarding price, and conditions of such transaction in order to let the lessee have the right to receive the transfer of ownership in the lease premise before the third party. In addition, the lessee has the right to request for extension, not exceeding 1 month, to procure money to purchase such lease premise. If the lessee refuse to receive the transfer or cannot purchase the lease premise, the lessor agrees to let the lessee have such right for another period of not exceeding 1 month, from the date the lessor is informed that the lessee cannot receive the transfer of the lease premise. Transfer of ownership of the lease premise to the third party shall not include the lessee's property. If any damages arise, the lessor agrees to be liable for all damages incurred to the lessee.
4. The lessee has the right to terminate the agreement prior to the expiration of the lease term by providing written notification to the lessor 1 month in advance.
5. The lessor has no right to terminate the agreement prior to the expiration of the lease term, except for the lessee's event of default. If the lessor terminates the agreement prior to the expiration of the lease term and there is no default of the lessee, the lessor agrees to compensate all damages incurred to the lessee.
6. In the event of compensation, the parties agree to charge the interest at 15% per annum from the date of such breach of agreement.

Remark: ¹² Uttaradit branch office is located at the head office: 1st floor, Building 1 which is a part of the Building 1 lease agreement pursuant to Clause a) Land and head office lease agreement

4.2 Insurance agreements

1) Accidental Damage (Property) Insurance

	Head office building and branch office building, total 6 buildings
Insurer company	Bangkok Insurance Public Company Limited
Insured	Saksiam Leasing Public Company Limited
Type of insurance policy	Accidental Damage (Property) Insurance
Beneficiary	Saksiam Leasing Public Company Limited
Coverage	Cover losses or damages to the insured property from any accidents cause by fire, lightning, explosion, aircraft, water disaster, slash or crash of vehicle, smoke, flood, storm, hail, earthquake, volcano explosion or undercurrent or tsunami, strike, riot, or action with bad intent, natural burn or erupt or explosion, and other accident which unexpected based on external factor, or other cause which is not indicated in the exception in the policy of property insurance (GIA FORM). However, the coverage is under the conditions of coverage and exception in the policy of property insurance.
Insured property	Head office building and branch office building (Wang Si Sup branch, Lublue branch, Fai Luang branch, Sawankhalok branch, and Nam Pat branch.) Cover building (excluding foundation), including any structure, improvement of the building, name plate of the building with furniture, decoration fixtures, including instruments and supply, telecommunication system, communication system, utilities, fire extinguishing system, elevator system, office supply, and property under care of the insured as the property receiver and other property relevant to the business of the insured.
Sum insured	THB 80 million
Period of insurance	September 16, 2020 - September 16, 2021.

2) Fire insurance

	Branch office building(s)			
Insurer company	Southeast Insurance Public Company Limited	Dhipaya Insurance Public Company Limited	Deves Insurance Public Company Limited	
Insured	Saksiam Leasing Public Company Limited			
Type of insurance policy	Fire Insurance			casualty insurance policy Happy Business Project
Beneficiary	Third party (the lessor(s))			
Coverage	Cover loss or damage arise, or consequent damage from these causes being covered under this policy: fire, lightning, aircraft, flood, smoke, vehicle, and storm. However, the coverage is under the conditions of coverage and exception in the insurance policy.	Cover loss or damage of the insured property from fire, lightning, and gas explosion.	Cover fire hazard. However, the coverage is under the conditions of coverage and exception in the insurance policy.	Cover fire hazard and storm, flood or volcano explosion or undercurrent or tsunami, and hail (limited coverage), burglary. However, the coverage is under the conditions of coverage and exception in the insurance policy.
Insured property	Branch office building (Ban Rai Uthai Thani branch) covering building (excluding foundation).	1) Branch office building (Na noi branch) covering building (excluding foundation). 2) Branch office building (Nong Chang branch) covering building (excluding foundation). 3) Branch office building (Chiangrai branch) covering building (excluding foundation).	Branch office building (Nam Pat branch) covering building (excluding foundation).	Branch office building (Lan Krabue branch) covering building (excluding foundation) including additions of the building, properties in the building, and other electronic device.
Sum Insured	THB 5 million	1) THB 1 million 2) THB 1.2 million 3) THB 1.5 million	THB 1.19 million	THB 2.20 million
Period of insurance	July 19, 2019 - July 19, 2022.	1) September 13, 2019 - September 13, 2022 2) June 30, 2020 - June 30, 2023. 3) October 19, 2020 - October 19, 2023.	July 1, 2020 - July 1, 2021.	July 18, 2020 - July 18, 2021.

4.3 Loan agreements with the financial institutions

As of December 31, 2020, the Company has loan agreements with 3 financial institutions to be used as working capital. The Company completely complies with conditions of each and every agreement with details as follows:

The 1st financial institution

Credit type	Overdraft (OD)
Date of the agreement	June 30, 2011
Credit limit	THB 20,000,000
Interest rate	Floating interest rate
Guarantee	Personal guarantee by Mr. Phoosak Boonsalee and Mrs. Jintana Boonsalee.
Significant conditions	- None -

Credit type	Sale of promissory note
Date of the agreement	July 12, 2013 - May 16, 2019
Credit limit	THB 2,810,000,000
Guarantee	• Personal guarantee by Mr. Phoosak Boonsalee, Mrs. Jintana Boonsalee, and Mr. Siwaphong Boonsalee. • Assignment of right over fixed deposit account of director and major shareholder of the Company. • Bond pledge by director and major shareholder of the Company as collateral. • Assignment of right to repayment of debt of the Company as business security.
Significant condition	• The Company shall maintain debt to equity ratio (D/E Ratio) of not exceeding 3 times, and in case of including the director's loan in equity, shall maintain not exceeding 2 times. • The Company shall maintain NPL ratio of not exceeding 1.50%*.

Remark * The financial institution extends the limit of maintenance of NPL ratio from 1.5% to 5.0% as shown in quarterly financial statements and annual financial statements for the year 2020.

The 2nd financial institution

Credit type	Sale of promissory note
Date of the agreement	July 25, 2019
Credit limit	THB 1,350,000,000
Interest rate	Floating interest rate
Guarantee	• Personal guarantee by Mr. Phoosak Boonsalee, Mrs. Jintana Boonsalee, and Mr. Siwaphong Boonsalee. • Assignment of right over fixed deposit account of director and major shareholder of the Company. • Assignment of right to receive the repayment of debt without specifying debtor of the Company as a business collateral.

Significant conditions	- The Company shall maintain the remaining principal amount under the loan contract for debtor who has remaining loan repayment of not exceeding 3 installments consecutively to loan debt ratio (Good Portfolio/Interest-Bearing Debt) not less than 1.40 times. The Company must submit report to the financial institution quarterly. - The Company shall maintain debt to equity ratio (D/E Ratio) of not exceeding 2.5 times - The Company shall maintain non-performing loan ratio (overdue for more than 3 months) (NPL Ratio) not exceeding 3% of the total receivables. The Company must submit report to the bank quarterly*.
-------------------------------	---

Remark

* The financial institution extends the limit of NPLs Ratio to be more than 3.0% but not exceeding 5.0% of the total receivables in the financial statements for the year 2020.

The 3rd financial institution

Credit type	Long term loan
Date of the agreement	August 24, 2020.
Credit limit	THB 627,000,000
Interest rate	Fixed interest rate
Guarantee	- Personal guarantee by Mr. Phoonsak Boonsalee, Mrs. Jintana Boonsalee, and Mr. Siwaphong Boonsalee. - Claims over debtors of the receivables or accounts receivable, both those existing on the date of the agreement and those that will continually exist in the future, as business security.
Significant conditions	- The Company shall maintain debt to equity ratio (D/E Ratio) of not exceeding 2 to 1 times. - The Company shall maintain the remaining principal amount under the loan contract for debtor who has remaining loan repayment of not exceeding 3 installments consecutively to loan debt ratio (Good Portfolio/Interest-Bearing Debt) not less than 1.40 times. - The Company shall maintain the shareholding percentage of the Boonsalee family, whether directly or indirectly, at all time in total of not less than 65% of total registered capital, and of total number of shares entitled to voting rights. - The Company shall maintain non-performing loan ratio (overdue for more than 3 months) (NPL Ratio) not exceeding 5% of the total receivables.

(5) Undelivered work

- None -

Shareholding Structure

Shareholding structure of the Company

As of December 31, 2020, the Company does not have any subsidiaries or associated company.

Persons who may have conflicts hold more than 10% of the shares in subsidiaries or associated companies entitled shares to voting rights in company.

- None -

Relationship with business of the Company's major shareholders

- None -

Shareholders

(1) List of major shareholders

(a) List of 10 major shareholders as of December 9, 2020.

No.	Name	Number of shares held (share)	Percentage
1	Mrs. Jintana Boonsalee ¹	501,000,000	23.90
	Mr. Phoonsak Boonsalee ²	501,000,000	23.90
	Miss Sansanee Boonsalee	203,050,000	9.69
	Mr. Siwaphong Boonsalee ³	202,500,000	9.66
	All shareholding by Boonsalee Family	1,407,550,000	67.15
2	Bualuang Ventures Company Limited	150,000,000	7.16
3	Mrs. Siriporn Wanaratwichit	10,580,000	0.50
4	Miss Pakavadee Samphant	10,564,500	0.50
5	Mr. Somsak Laosujaritkul	10,000,000	0.48
6	Mrs. Lawan Wanglee	10,000,000	0.48
7	Mr. Surapong Phetamphai	10,000,000	0.48
8	LGT BANK (SINGAPORE) LTD	10,000,000	0.48
9	Mrs. Thanaporn Panasittikulchai	9,240,800	0.44
10	Minority shareholders	468,064,700	22.33
Total		2,096,000,000	100.00

Remarks

1. Mrs. Jintana Boonsalee holding positions as Director of the Company and Vice Managing Director (Business Sector Management)
2. Mr. Phoonsak Boonsalee holding positions as Director of the Company and Chief Executive Officer
3. Mr. Siwaphong Boonsalee holding positions as Director of the Company and Managing Director

(b) Major shareholder who has an influence over policy-making or the operation of the Company significantly by an appointment of their representative to be the Company's director is Bualuang Ventures Company Limited.

(2) Operating business through holding shares in other companies

- None -

(3) Agreements between major shareholders

- None -

Registered capital and paid-up capital**Registered capital and paid-up capital**

As of December 31, 2020, the Company has registered capital in the amount of THB 2,096,000,000 and paid-up capital in the amount of THB 2,096,000,000 divided into 2,096,000,000 ordinary shares with a par value of THB 1 per share.

Preference shares - None -

Other shares with rights or conditions differ from ordinary shares

- None -

Shares or convertible securities of the Company as an underlying securities in offering of investment unit of mutual fund for foreign investor (Thai Trust Fund) and non-voting depository receipt of underlying securities in Thailand (NVDR)

- None -

Offering of other securities

- None -

Dividend Policy

The Company has a dividend payment policy at the rate of not less than 40% of the net profit after deducted by the corporate income tax and legal reserves of each of such year. Such dividend payment rate may be changed from the determined rate depending on the operational results, financial position, cash flow, necessity for investment, working capital, additional investment, business expansion, conditions and limitations as stipulated in the loan agreements as well as other appropriateness in relation to management of the Company as the Board of Directors and/or the shareholders deemed appropriate. The dividend paid shall not exceed the retained earnings as appearing on the Company's financial statements and shall be paid in accordance with relevant law. After the Board of Directors resolve to approve the annual dividend payment, the Board of Directors shall propose to the shareholders' meeting for approval, except for the interim dividend payment which the Board of Directors are authorized to approve and report to the shareholders on the next shareholders' meeting.

	2020*
Earnings per Share Ratio	0.35
Dividend per Share Ratio	0.108
Dividend Payout Ratio (%)	40%

*the Company's share started trading on the Stock Exchange of Thailand on December 8, 2020.



Risk Management

Risk Management Policy and Plan

The Company has risk management at organization level which is under supervision and management of the Risk Management Committee. The risk management system is integral, systematically cover every aspect of organization and continuous as well as regularly has a process of monitoring, evaluation, review and improvement of such risk management in order to build trust to the stakeholders that the operation and business of the Company is in accordance with determined objectives of the Company in every aspect and that the risk management system is prepared to minimize those significant risk to cause effect to the Company at lowest or at the level acceptable for the Company.

Risk Factors of the Business Operation of the Company

Operation Risks

Compliance and change of rules and regulations from relevant authorities.

(A) Risk from non-compliance with laws, regulations and notifications in relation to business operation both the existing laws, regulations and notifications and to be issued in the future which may have negative effect to the business, financial position, operational result and business opportunities of the Company.

The Company's main business is to provide loans under supervision of the BOT representing 98.5% of total income of the Company (information as of December 31, 2020). The government has issued a policy to subsidize public sector who are borrower and granted hire purchase loan. The issuance and implementation of such laws controls business operation of the Company and protects public sector who are borrower and granted hire purchase loan. The laws includes:

1. Excessive Interest Rate Prohibition Act B.E.2560 (as amended)
2. Declaration of the Revolutionary Council No. 58 (as amended)
3. Notification of the Ministry of Finance Re: Business that requires a permit according to section 5 of the Declaration of the Revolutionary Council No. 58 (Personal loan under supervision) (as amended)
4. Notification of the Ministry of Finance Re: Business that requires a permit according to section 5 of the Declaration of the Revolutionary Council No. 58 (Nano finance under supervision) (as amended)
5. Notification of the Bank of Thailand No. FPG. 12/2563 Re: Regulations, Procedures and Conditions for Undertaking Business of Personal Loan under Supervision for Non-Bank Operator (as amended)
6. Notification of the Bank of Thailand No. FPG. 13/2563 Re: Regulations, Procedures and Conditions for Undertaking Business of Nano Finance under Supervision for Non-Bank Operator (as amended)
7. Consumer Protection Act B.E. 2522 (as amended)
8. Notification of the Committee on Contracts re: Prescribing Hire-Purchase for Car and Motorcycle Business as Contract-Controlled Business B.E. 2561(as amended)
9. Debt Collection Act B.E. 2558 (as amended)
10. Personal Data Protection Act B.E. 2562 (as amended)

The Company's licenses to operate the lending business under supervision has been issued for 14 years and the Company has no dispute with the BOT to enter into legal proceeding.

In addition, the Company has Legal Department to support the Company in legal risk analysis including to follow up changes in laws in relation to the Company's business operation. In necessary case, the Company shall hire external legal advisor to provide advice and legal opinion for the Company will be able to legally operate its business.

(B) Risk from Compliance with Personal Data Protection Act.

The Personal Data Protection Act B.E. 2562 ("PDPA Act"), being effective from May 28, 2019 onwards, determines that personal data means any information relating to a natural person, which enables the identification of such person, whether directly or indirectly and the data subject shall be entitled to protection and other rights related to his/her personal data. From May 27, 2020 onwards, the data controller (including the Company) shall be responsible for compliance with data retention, use and disclosure of such information in accordance with procedures and terms stipulated under the PDPA Act as well as the relevant authorities under the PDPA Act shall issue more related regulations in order to procure the completion of compliance under the PDPA Act. As a result, the Company bear more responsibility in order to comply with the PDPA Act in data retention, use and disclosure of such information as the Company collect lots of information derived from normal course of business of the Company. This may result in the Company have to significantly use more resources and spend more expenses including change its operation and/or related policies. In case of non-compliance, both with the existing laws and those to be issued in the future, or if the Company has complied with the laws, but still it was not covered all aspect including when the customer who is the data subject files complaints to the Company, the Company may be liable for compensation to the data subject which may result in increase of expenses and may have significantly negative impact on the Company's reputation and turnover.

However, the Company is well aware of the compliance with the PDPA Act so that the Company sent the employee to get trained with relevant authorities and appointed working group to study information related to the PDPA Act from various sources for understanding and readiness of the Company to comply with the PDPA Act in part of the Company's duties when it becomes effective. In addition, the policies in relation to compliance with the PDPA Act have been provided and already implemented.

Business Risks

(A) Credit Risks.

The Company's main business is to provide loans to public natural person which results in the Company bear credit risk since the loan has been granted to the debtors.

As of December 31, 2020, the Company has outstanding loan receivables in the amount of THB 6,406 million, representing 73% of the total assets. Base on classification of loan receivables, the Company has the same rate of debtors in Stage 1 (Performing), group of receivables which credit risk does not significantly increase or receivables is not due yet, or overdue for less than 1 month according to TFRS9, which represents 93.6% of total loans meanwhile the debtors in Stage 3 (Non-Performing), group of receivables with credit impairment losses or debtor who is overdue for more than 3 months or non-performing loan (NPL), same as former criteria according to TFRS9, which represents 2.2% of total loans. The NPL rate is low and in the same rate with other personal loan under supervision service provider in the industry.

In order to mitigate credit risks, the Company has implemented a policy for concise and careful loan approval process including for approval of credit limit that shall be in accordance with table of authority. The control and debt collection system shall be efficient by determining the debt collection responsibility by taken into account aging of the outstanding debtors and the Company will issue a notice to repayment to such outstanding debtors before entering into legal proceeding or bad debt write-off.

In the year 2020, the Company has taken measures to assist debtors who have been affected by the economy, drought and the outbreak of Coronavirus 2019 (COVID-19) according to the announcement of the BOT in order to allow debtors to pay debts as appropriate for the situation. The Federation of Accounting Professions has issued measures to mitigate the classification of accounting debt of loan receivables for service providers who provide assistance to debtors under such measures. This affects the debt classification of non-performing loans (NPL) and the setting of allowances credit losses. Nevertheless, when the said accounting relief measures expire, it may have effect on the performance of the Company.

However, the debt classification according to the above accounting relief does not materially affect the debt classification of the Company as well as an allowance for the expected credit loss due to the low number of debtors exercising such right to relief measure which is about 4% of all receivables. In addition, such accounting relief measures does not affect interest income and fees recognized by the Company since the Company still recognize income according to the effective rate method over the life of the contract until the maturity date.

(B) Risk from Inability to Confiscate the Collateral.

The Company is mainly engaged in personal loan under supervision that has a vehicle registration as collateral whereby customers have to bring their own motorcycles, cars, pick-up, van, agricultural vehicles or other vehicles for applying for loans. In the event that the customer has overdue payment for more than 2 months and the Company has issued the notice of repayment but still the customers do not repay, the Company shall be able to terminate the contract and confiscate the collateral to sell for debt repayment. However, because such collateral is a property that can be easily moved, it is possibly difficult to track and monitor collateral. If the Company is unable to track and confiscate such collaterals, it will affect the financial position and the operational performance of the Company.

In order to minimize the situation where the Company is unable to track and confiscate such collaterals, the Company determines qualifications of the customer that they should be the person having domicile or work place located in the branch they are applying for services as well as the employee at each branch shall review information and collateral of the customers that it is true and correct and is able to be provided with services closely and quickly.

In the event that the customer has overdue payment, the employee at such relevant branch shall search and confiscate the collaterals at earliest in order to lower the situation where the customers move their properties out of such area. On the day of confiscation, the employee shall reasonably negotiate with the customers and procure the customers or any person who possess the collateral at that time to sign for handing over such collateral and inspect the collateral as well as take photos of such collateral for evidence.

(C) Risk from Inability of Sale of Confiscated Properties and the Sale of Confiscated Properties does not Cover Outstanding Debt.

The Company is mainly engaged in personal loan under supervision that has a vehicle registration as collateral. As of December 31, 2020, the Company has income from personal loan under supervision that has a vehicle registration as collateral in the amount representing 84.3% of the total income.

The Company has properties confiscated after the customers defaulted the debt repayment and the Company has to sell such confiscated properties for outstanding debt repayment of the customers breaching the loan contract. In the event that the Company is unable to sell such confiscated properties or the sale of such confiscated properties does not cover the outstanding debt, it will affect the financial position and the operational performance of the Company.

As of December 31, 2020, the Company has confiscated properties amounting to THB 3.8 million representing 4% of total assets. Base on analysis of confiscate properties, the rate of confiscated properties to loan receivables is 0.06% and the average age of confiscated properties is at 2 months, which is at a low level and the average ratio of confiscated properties sold to confiscated assets pending sales is 10.5 times as a result of the Company's strict credit policy regarding loan approval and constant and concise policy regarding debt collection.

The Company has been implementing a policy to prevent such risks by establishing a clear and accurate confiscation policy with constant enforcement. In determining the selling price of the collateral, the Company assigns the Sale Committee to consider estimated price according to the vehicle condition and market price based on outstanding debts including repair cost, debt collection expenses and other expenses (if any). For collateral to be sold which has a price lower than the price that the Sale Committee initially determined, the Sale Committee may reconsider to determine new selling price in accordance with the policy of the Company in order to set the price and proceed with selling at earliest to secure the lowest loss. For the year 2020, the Company occur losses from the sale of confiscated properties amounting to THB 8.5 million and losses from recording confiscated properties amounting to THB 13.2 million.

(D) Risks from Contract or the Collateral Being Lost or Damaged from Fire or Natural Disasters.

As of December 31, 2020, the Company operates personal loan under supervision business covering the North, Central, and Northeast and West regions through 519 branches. The Company has collected loan agreements and vehicle registration handbook, which is regarded as the main asset for conducting lending service business. This is because in the event that the customer has overdue payment, the Company has to use such loan agreements for legal proceedings. If the loan agreements and vehicle registration handbook lost or damaged by fire or natural disasters, it may have a negative impact on business and the operational performance of the Company.

The Company has a policy to maintain important information and documents i.e. systematic document storage, a file storage room where important documents can be stored in a movable cabinet for transport to the document storage center to be determined by the Company during times of risk from natural disasters. In addition, ERP system is used to collect information which will collect database in both the head office and external data backup centers as well as all important information can be retrieved even if the original documents are lost, fired, stolen, and others. In this regard, the ERP system has continuously and regularly implemented a data recovered as there is a systematic access and security policy in place that can ensure that important information of the Company is kept safe and sound.

(E) Employee's Fraud Risk.

The process of loan provision, payment receive and cash keeping to support loan provision will occur and be kept at the branch so that a large number of financial transactions and cash flows will occur there. There may be a way for employees to embezzle cash or commit fraud in another form, which will cause a loss to the operational performance of the Company.

Thus, the Company stipulates the strict internal control system. There is an inspection and reviewing system between branches and head office every day including the determination of the authority to keep the cash as well as to approve the credit limit according to the table of authority which can be verified through the information system. The Company also provide the whistleblower channels. If the employee is found to corrupt, the Company will force such employee to take responsibility for the damage incurred and such employee will be fired and the Company will proceed with legal proceedings.

(F) Business Continuity Risk and Damage to the Information Technology System, Information Destroyed and Unauthorized Access Risks.

The Company uses information technology systems in all processes of business operations. Therefore, it is important to the operation of the Company. This system poses a risk that may cause the information technology system to be damaged such as system failure, data lost, damaged data, or hacking of information by unauthorized persons causing the operation to be interrupted, confidential information Leak, incurred expenses for fixing the system, etc.

Therefore, the Company has established a policy on the security of information technology systems and information by controlling the modification of the information in the system by unauthorized persons, the accuracy of bringing various information into the system, user authentication, checking the authority to use the system, authentication of access to use and to get information, preparation of annual system test plan including providing a backup system as well as it has been reviewed by external auditors. The Company is in the process of determining a business continuity plan.

(G) Personnel Dependency Risk.

Personal loan under supervision business is a business that requires competent personnel who possess expertise in conducting business especially for credit analysis and debt collection. The personnel must possess knowledge and expertise about analysis and details of the loan as well as communication and sales skills. Therefore, the Company must recruit qualified personnel to have a sufficient quantity for business operation especially recruiting credit analysis personnel, head of unit, branch managers or district managers since they are the key personnel at each branch which is the main channel of service provision for the Company.

The Company may be at risk of losing branch personnel and/or personnel at the head office or there is a risk that the Company will not be able to find adequate personnel or may not be able to recruit qualified and suitable personnel to replace those leaving personnel. This may cause additional costs for hiring and training new personnel which may significantly affect the business and the expansion of the Company.

However, the Company is aware of and prioritize guidelines for such risk mitigation. Therefore, the Company recruited highly qualified personnel who possess knowledge and competence to jointly develop the Company, fostered a good work environment, focused on reducing the turnover rate, and create incentives such as monthly performance remuneration based on the KPI, annual remuneration, position remuneration, allowance and settlement expenses, etc. in order to have an appropriate rate of remuneration when compared to competitors, to make branch personnel and/or head office personnel earn more income and get good welfare, to promote the quality of life of employees for the better and realize the importance of human resource management of the Company. At the same time, the Company aim to develop employees' potential sustainably by promoting the employees to get regular training. The Company continuously develop human resource of which the plan will be included in the annual training plan as well as promote and educate branch employees. In addition, the Company offers other courses which is a specific course (Ad-hoc) that the Company considers appropriate for its employees in order to encourage employees to develop their skills and knowledge for more efficient business operation. For employees in other provinces, the Company will send trainers to train them. In Addition, the Company received "Thailand Labour Management Excellence Award 2013" for Labour Skills Development Promotion and Welfare from the Department of Labour Protection and Welfare, the Ministry of Labor, which demonstrates the determination to develop personnel to support operations of the Company.

The Company prioritizes the retention and development of personnel by paying the appropriate remuneration when compared with other services providers in the industry. The Company provides various incentives and good welfare as well as continual support for the training of personnel in order to develop knowledge and skills to be effective in operation. The Company also develop successor system and nomination and selection of the employee, etc. in order to minimize risk that the Company being unable to procure sufficient personnel for operation of branches in present and future.

(H) Reputation Risk.

The Company use the brand "Saksiam Leasing" for business operation. If the customer and public disseminate information that may adversely affect the reputation and brand of the Company, whether it is true or not, this may affect the decision to use the service of the customer as well as the confidence of trading partners which has a negative impact on the business operation, financial position, operational result and business opportunities of the Company.

The Company has assigned the Company Secretary to be responsible for being the center of monitoring and coordination with various working groups in receiving complaints and handling complaints on various issues such as transactions that could affect reputation, degrading events caused by employees, negative news of the Company appearing in various media and financial strength and credibility of the Company. The Company has a management of whistleblower process and complaint handling process as follows:

1. Establish a channel for receiving complaints from both within the organization and from third parties (where the Company provide protection and confidentiality of the complainant) by having various complaint channels, both online and offline, such as
 - Telephone: 0 5544 4495, 0 5544 0372, 0 5583 0777, 09 8282 0321
 - Mail: Saksiam Leasing Public Company Limited
49/47 Chetsada Bodin Road, Tha It Sub-district, Muang Uttaradit District,
Uttaradit Province 53000
 - Website: www.saksiam.com;
 - Email: saksiam@saksiam.co.th, secretary@saksiam.co.th and Facebook
 - Other channels such as Pantip or other websites.
2. Provide direct unit to receive and record complaints
3. Assess the problem type and assess the severity of the impact on the complaints.
4. Provide solutions to the complaints and close the case.

The management team will have an overall reputation risk assessment reported to the Executive Committee and the Risk Management Committee. In addition, Legal Department will follow up on reporting of non-compliance with regulation of regulate authorities and/or customer complaints or other relevant parties regarding quality and service of the Company, both reported directly to the Company or reported to the BOT, the Office of The Consumer Protection Board (OCPB) or other relevant authorities, and coordinate with the Company Secretary regarding complaints from the customer in order to provide solutions and close the case.

Financial Risks

(A) Interest Rate Fluctuation Risk.

The Company has sources of fund from loans from financial institutions and capital from shareholders' equity for providing loan business and supporting the business expansion.

Source of Fund	For the year ended December 31,					
	2018		2019		2020	
	THB Million	%	THB Million	%	THB Million	%
Loan from financial institution						
Short term loan	3,088.0	53.9	3,332.9	48.4	2,865.5	34.4
Long term loan	497.9	8.7	772.6	11.2	963.8	11.6
Total loan from financial institution	3,585.9	62.6	4,105.5	59.7	3,829.3	46.0
Total shareholder's equity	2,139.5	37.4	2,775.6	40.3	4,508.1	54.0
Total source of fund	5,725.4	100.0	6,881.1	100.0	8,337.4	100.0

However, the Company is aware of the impact and consider the risk by considering the cost, loan from financial institution including from all sources of fund before determining interest rate in order to mitigate such risk. In determining the interest rate and fee, it is under the conditions that the Company must be profitable and be able to compete with other service providers in order to maintain the Company's spread at appropriate rates. The average interest rate determined by the Company is still lower than the maximum interest rate and fees specified by the BOT. In addition, by offering shares to the public which resulted in increase of shareholders' equity could help reduce debt burden and risk from the fluctuation of interest rates as well. Therefore, the Company is confident that the aforementioned risk will not have any significant impact on the operation of the Company.

(B) Risk from Reliance on Loan from Financial Institutions.

The Company has a large portion of loan from various financial institutions as of December 31, 2020, the Company has a loan facility from financial institutions amounting to THB 4,807 million, with outstanding loan balance of THB 3,829.3 million, or representing 46% of total sources of fund. Therefore, if any financial institution changes the policy to recover the loan or not to renew the loan agreement, the Company may have liquidity risk in obtaining funding sources for providing loan to customers and this will affect the performance of the Company.

In addition, the Company have to comply with various terms and conditions stipulated by financial institutions, such as maintaining the debt ratio to shareholders' equity or maintaining the proportion of non-performing loan (NPL). If the Company is unable to satisfy the conditions specified by the financial institutions, it may result in the loan amount become due and payable may affect liquidity, business operation ability, and the performance of the Company.

From the past until present, the Company has a history of regular repayment to financial institutions and never face the problem of being called for payment of the loan before its maturity. The Company has been considered to renew the loan all along. The Company has a debt to equity ratio equal to 0.95 times as of December 31, 2020, indicating the good financial status of the Company. Moreover, the financial institutions agreed to receive the Company's loan receivables as a collateral. Therefore, the Company believe that the Company have sufficient assets to find funding sources in an emergency case that the loan be recovered.

(C) Financial Liquidity and Loan for Investment Risk.

The business operation is a factor that requires the Company to acquire loan from financial institutions or capital from the shareholders. If the Company is unable to provide funding to support the expansion of the business or there is a mismatch between the age of funds and the loan granting to the customers, the Company's credit may be exposed to financial liquidity risk.

As of December 31, 2020, the Company has short-term loans in the amount of THB 2,865.5 million or representing 34.4% of total source of funds and long-term loans in the amount of THB 963.8 million or representing 11.6% and shareholders' equity in the amount of THB 4,508.1 million or representing 54% of total source of funds. The Company has new loans provided to the customers for the year 2020 totaling THB 9,937.2 million, which is a personal loan that has a vehicle registration as collateral with specific conditions for farmers with an average contract period of about 4 months in the amount of THB 5,227.8 million representing 52.6% of total new loan provided in the year 2020 which is close to the amount of short-term loans from financial institutions, and other types of loan having the average contract period of about 12 - 36 months amounting to THB 4,709.4 million or equivalent to 47.4% of total new loans in 2020. In addition, in procuring sources of fund, the Company has good relationship with financial institutions as well as consider other funding options i.e. initial public offering, issuance of bond, which will help strengthen the liquidity of the Company to support future growth, and funding in the future.

In addition, the Company has sufficient liquidity based on loan receivables and hire purchase receivables that is due within one year, which is equal to THB 4,206.9 million, which is higher than the short-term and long-term borrowings that are due payments within one year amounting to THB 3,236.3 million.

(C) Risk from Relief Measures according to the BOT's Notification regarding to Support Debtors Affected by Thailand's Economic Situation and COVID-19 Pandemic.

In the first 6 months of 2020, the economic in Thailand has strongly slowed down. As a result of the situation of the global COVID-19 pandemic, and the BOT issued notifications to support the small and medium sized debtors affected from economy conditions and drought, including the situation of the COVID-19 outbreak. In order to be in line with the BOT's notifications, the Company issued various policies to help relief the debtor e.g. to decrease installments, to defer payment of principal and debt repayment expansion, etc. (details are shown in Section 2.4.16, Management Discussion and Analysis on the topic of relief measures of the Company which follows the BOT's notification regarding support debtors who have been affected by situations that affect Thailand's economy and COVID-19 pandemic). As at December 31, 2020, the Company has the customers who apply for relief measures representing 4% of total receivables. After the expiration of the relief measures, if the debtor who is entitled to such measures cannot repay their outstanding debts under loan contract, this may have an impact on the performance and financial status of the Company.

Strategy Risks

(A) Risk from Vehicle Title Loan Competition in the Industry.

There are many service providers in the vehicle title loan service business and the competition is high (to build customers base and expand receivables portfolio as well as to accelerate expand the number of branches and/or to reduce interest rates). Therefore, in order to maintain and to increase the Company's ability to compete, the Company has been continuously developing operational system and provision of service, developing and improving a variety of loan products in order to retain existing customers, conducting marketing to increase awareness of the public in area, expanding branch to the area that has potential for growth to meet the needs of the people and seeking joint investor who is a large financial institution.

In addition, the Company has also promoted the growth of the vehicle title loan and personal loan industry as well as want to encourage people to have access to legal, suitable, fair lending services without being exploited by lending service provider external to the system that is not regulated under governmental authorities.

Risk for Investors

Risk from Having Major Shareholders Holding Influence on Business Operation.

As of December 31, 2020, the Company's major shareholders are Mr. Phoonsak Boonsalee and Mrs. Jintana Boonsalee holding 47.8% of the total issued shares of the Company as well as being a director of the Company, and is a member of the sub-committees, as a result, they hold a decision-making authority and are able to set a guideline for the operation of the Company. Accordingly, it may result in an influence on the determination of the operation of the Company, making other shareholders at risk of not being able to collect votes to balance issues discussed at the shareholders' meeting.

However, the Company has strictly complied with the corporate governance policy in line with the regulations of the SEC and the Stock Exchange of Thailand in order to procure the business to be operated with honesty and transparency. There are processes for nomination and selection of the Board of Directors and sub-committees as well as stipulation of the roles and duties of each committee clearly. In the selection of independent directors, it will be conducted fairly which helps to balance the power of management and to supervise the operation of the Company to be transparent and verifiable in order for shareholders and stakeholders to be treated equitably and fairly.

Risk from the Price of the Company's Ordinary Shares Fluctuation.

The Company's share price traded on the Stock Exchange of Thailand may have fluctuations. It depends on a number of factors and some factors are beyond the control of the Company. The factors that may affect the price of the Company's ordinary shares are the operating results that may not meet the expectations of security analysts, perspectives, attitudes and advice from security analysts, change in laws, taxes and policies to support various industries of the government, economic and political conditions, industrial investment trends, capital market conditions in the Stock Exchange of Thailand that is uncertain, foreign currency exchange rate fluctuation, the appreciation of Baht and natural disasters, etc.

Risk from the Existing Shareholders of the Company Holding a Large Number of Shares To Sell Ordinary Shares after the Offering Newly Issued Ordinary Shares to the Public.

According to the Silent Period stipulated by the Stock Exchange of Thailand, the persons involving in management such as major shareholders, directors and executives are restricted to sell their ordinary shares at the rate of 55% of the paid-up capital of the Company after the completion of the initial public offering for a period of 1 year from the date the Company's shares start trading on the Stock Exchange of Thailand. In this regard, after 6 months, such restricted persons can sell up to 25% of the locked up shares and may sell the remaining shares in the amount equivalent to 75% of the locked up shares after 1 year from the date the Company's shares start trading on the Stock Exchange of Thailand.

However, the Company cannot predict the impact (if any) from the sale of such number of ordinary shares. The sale of such ordinary shares may adversely affect the price of the Company's ordinary shares and may cause significant losses to investors who buy the Company's increased shares during the initial public offering and such sales may cause more difficulty to the Company's fundraising by issuing equity instruments at the time and price that the Company deem suitable.

Risk from the Shareholders Having Domicile outside Thailand Having some Restriction for Subscribing the Company's New Ordinary Shares in the Future.

In the future, the Company may, from time to time, issue various instruments including newly issued ordinary shares and other types of instruments such as warrants or warrants, transferable subscription rights (TSR), or convertible bonds which may allocated to existing shareholders in proportion to their shareholding (Rights Offering).

In the event that the Company offer or grant the right to existing shareholders to purchase newly issued ordinary shares or in any rights in any forms, the Company has the right to exercise its discretion in offering the said instrument to the shareholders, whereby the Company may not offer the right to subscribe for such instruments to the shareholders residing outside of Thailand if such offering to the shareholders residing outside of Thailand causes the Company to have a duty to perform procedures or to satisfy requirements of the laws of the relevant country such as the Company may consider not offer to the shareholders who is U.S. persons as defined in Regulation S under the U.S. Securities Act of 1933 (as amended) (the "U.S. Securities Act") except if (a) having a the securities offering form applicable under the U.S. Securities Act or (b) it is a right offering under an exception under the U.S. Securities Act. Therefore, compliance with securities laws or other regulations in some countries may cause certain group of investors not be able to exercise their right to purchase such instruments on a proportional basis, which may result in the dilution of their shareholding percentage.



Corporate Sustainability

Sustainability Management Policy and Objective

The Company is determined to conduct business on the basis of good corporate governance having the Company's sustainability as an ultimate goal. The Board of Directors has established the corporate sustainability development policy as a guideline for conducting business operation by taking into account economic issues, safety, occupational health, environment and society in the business chain. All activities of the Company must be taken based on the principle of sustainability and aim for sustainable results in order to create common values for stakeholders and maintain recognition and trust of all stakeholders.

Sustainability Strategy

1. The Company established sustainable corporate development strategy covering good corporate governance, corporate risks management, projects and risks that may arise in the future.
2. The Company determined the assessment of and response to risks affecting the Company's sustainability in economic, society, environment and governance aspects and to consider it as an important issue in business planning, business decisions and operating processes in order to maintain the stability and sustainability of the corporation.

Economic Aspect

1. The Company establish additional branches to provide services every year resulting to the ability of customers and the public to access funding source more easily and conveniently. As a result, the economy at the foundation level has more flexible capital conditions as well as it help reducing informal debt intelligence.
2. The Company participated in the Debt Solution Clinic to assist debtors in collaboration with Sukhumvit Asset Management Co., Ltd. to solve debt problems and, at the same time, promote learning to plan and create good financial discipline for debtors and interested people for preventing long-term economic and social problems of the country.

Social and Communal Aspect

1. The Company hire local employees in each province as well as treat employees and labours in accordance with human rights principles such as fair employment and remuneration, training system and safety, occupational health and environment in workplace management committee. The Company has never had a labor dispute with employees and in 2020, the Company was awarded Outstanding Management in Labor Relations and Welfare.
2. The Company donates essential items for consumption to communities, society, governmental agencies and private sectors during critical situations such as floods, fires, and outbreaks of COVID-19, etc.
3. The Company always support, promote and help the community and society, such as hosting the Kathin merit-making in various provinces for preserving Thai cultures and traditions, donating to support drinking water with both public and private sectors during various festivals and set up the project "Saksiam Hand in Hand Sharing Happiness", a project that the Company donate essential items, provide fund to build and develop community including building renovation, provide facilities in temples and schools, which the Company has been practicing continuously for 10 years already.

Environmental Aspect

1. The Company is aware of energy and environment conservation by focusing on reducing the amount of greenhouse gases caused by combustion. The Company installed a GPS system in the Company's vehicle to identify the location and control the speed of the vehicle as well as having a system to maintain the vehicle condition according to the cycle to extend the service life of the engine. The Company also determined a clear plan for the implementation of such operation by taking into account the cost-effective use of fuel.
2. The Company uses electrical appliances that meet industry standards and environment friendly. In addition, the Company set the on-off time for the appliances properly.
3. The Company has installed a solar roof on the roof of the head office to convert solar energy to electricity to reduce global warming problems and economic wastage. The Company conserve energy in order to make communities a better livelihood which is one of the methods to solve energy problems in Thailand.
4. The Company promotes the reuse of single-page paper in order to reduce the use of the remaining natural resources and cutting down trees which is the main raw material for producing paper.
5. The Company focuses on purchasing and business partner evaluation methods in order to purchase products that are environmentally friendly. The Company also has a policy updated in selecting a partner and the criteria for evaluating business partners on a regular basis.

Good Governance Aspect

The Company has established a good corporate governance policy. The Company's directors, executives and all employees adhere to the principles of good corporate governance in accordance with corporate governance principles such as

1. The Company adheres to the principle of morality and transparency in conducting business and performing its work as well as complying with laws, regulations, rules, methods and standards set by the regulatory authority and that international practice.
2. The Company adheres to practice in accordance with the guidelines and practices set out in the Code of Conduct including policies, regulations, the Company's relevant order such as good corporate governance, risk management, business continuity management, accounting and finance policy, policy on shareholders, employees, society and environment, anti-fraud and corruption, safety, occupational health and working environment, etc.

Management of Impacts on Stakeholders in Value Chain

Business Value Chain

The Company has always emphasized the importance of stakeholders and realizes that it is one part of the Company's business growth. The Company therefore analyzes and assesses the impact of the business operation process as well as the value chain including sources of fund, loan granting process, service provision, price determination, advertising and after-sales service in order to know the expectations of all stakeholders on a regular basis. The business value chain consists of five main activities which are continuously connected in the Company's operation in overall business as follows:

(1) Management of production factor

The Company raised funds from borrowing from domestic financial institutions and capital from shareholders' equity. For loans from financial institutions, the Company has both short-term and long-term loans having the debtors who register business security of the Company as a collateral as well as personal guarantee from the directors.

(2) Operation

The Company provide friendly customer service in a harmonious manner, use local language, and determine credit terms and conditions with interest rates that is simple and not complicated. It will be easy for the customers to understand and can review such conditions by themselves. The customer will receive an explanation of every steps to be taken which is transparent and accountable.

(3) Distribution of products and services

The Company has 519 branches in the North, Central, Western and Northeastern region of Thailand, which can provide services thoroughly.

(4) Sales and marketing

The Company has advertised and publicized in many channels such as Line, Facebook, introductory cards, labeling, etc. The Company also focus on training staff to provide services with care, friendliness and manner in order to meet customers' needs as well as with accuracy, transparency and fairness, understanding local language, culture and traditions, occupation, customer's need being different in each area.

(5) After-sales services

The Company has several communication channels to continuously build a good relationship, such as Line, Facebook, telephone, letter, whistleblower channel, questionnaires on the service satisfaction, etc. to develop and improve the service. Therefore, the Company know the real needs of customers so that the customers recommend and suggest other acquaintances to continue to use the service.

Analysis of Stakeholders in Business Value Chain

The Company have identified two groups of stakeholders, namely individuals or authorities that are involved in the business operation of the Company, directly and/or indirectly, dividing into:

1. Internal stakeholders i.e. shareholders, employees
2. External stakeholders i.e. customers, business partners, creditors, society or communities, competitors, government

The stakeholders all have expectations that they will receive a response from the Company:

- **Shareholders** invest their money with an expectation to gain benefit from such investment.
- **Employees** dedicate to their works with an expectation to get remuneration from the Company.
- **Customers** come to get the service from the Company with an expectation to receive good service, fair conditions and interest rate.
- **Business partners** material suppliers or distributors with an expectation to be able to do business together and to be a good business partner.
- **Creditors** adhere to fair practices in accordance with the conditions and fair to creditors including repayments on due.
- **Society or communities**, there is an expectation that the Company is aware of social responsibility and has concern on the environment.
- **Competitors** expect fair competition
- **Government** expect the business organizations to operate in accordance with regulations issued by governmental sector.

The Company is aware of the expectations of the stakeholders. Therefore, the Company conduct assessment of the expectations of the stakeholders at least once a year, through a process of hearings and meetings to inform the impacts and related issues between the Company and stakeholders, both positive and negative, to reduce risks and add value to the business.



Management Discussion and Analysis : MD&A

Operations and Financial Position Analysis

Overall Operational Results and Financial Position in the Past and Significant Changes

The Company is engaged in the business of providing personal loan under supervision that has a vehicle registration as collateral, personal loan under supervision having no vehicle registration as collateral, nano finance business and other loans for general retail customers. On December 31, 2020, the Company has the loan portfolio in amount of THB 6,406 million. The business of providing personal loan under supervision that has a vehicle registration as collateral comprises of loan that has a vehicle registration as collateral and loan that has a vehicle registration as collateral with specific conditions for farmers are the Company's principal financial service which has the loan portfolio in the amount of THB 5,451.5 million or 85.1% of the Company's overall loan portfolio. The business of providing personal loan under supervision having no vehicle registration as collateral has the loan portfolio in the amount of THB 179 million or 2.8% of the Company's overall loan portfolio. Moreover, the Company has expanded its business into other types of loan business beginning on January 1, 2019 which comprises of nano finance business and hire purchase loan which, as of December 31, 2020, have the loan portfolio in the amount of THB 625 million and THB 150.5 million respectively or 9.8% and 2.3% of the Company's overall loan portfolio.

Currently, providing the service of personal loan under supervision that has a vehicle registration as collateral, personal loan under supervision having no vehicle registration as collateral and nano finance business are under supervision of the BOT in accordance with the notifications of the BOT and other relevant notifications.

The personal loan under supervision having no vehicle registration as collateral is under supervision of the BOT since 2005. On February 1, 2019, the Bank of Thailand determined that the personal loan under supervision that has a vehicle registration as collateral is one of the personal loans under supervision. As a result, during 2019, the Company amended the contract form and structure of interest rate and other fees, including other conditions of the personal loan under supervision that has a vehicle registration as collateral i.e. loan that has a vehicle registration as collateral and loan that has a vehicle registration as collateral with specific conditions for farmers to be in compliance with the notifications of the BOT and other relevant notifications. The Company started using such new contract form and interest rate and fees since May 1, 2019, with new customers as well as inviting existing customers to close their outstanding contract and renew with such new contract form and interest rate and fees. The Company had expenses due to contract renewal for existing customers for the business operation to be in accordance with the rules, conditions and requirements of relevant authorities. The Company recorded such expenses as a loss from the closing of a certain number of contracts which is a non-recurring expense. The Company has completed all amendment to existing contracts with existing customers on October 31, 2019.

In addition, the Company has expanded its lending business by providing nano finance and hire purchase loans since January 1, 2019, the Company received a nano finance business license on August 24, 2017 and began to provide services in full after having planned the criteria for determination of loan to be granted and prepared the information technology system for concise business operation.

From the Company's operating results that has been growing continuously, Bualuang Ventures Company Limited has seen the potential of the Company's business growth and decided to enter into a joint investment with the Company in 2019. The Extraordinary General Meeting of Shareholders No. 2/2019 held on May 24, 2019 resolved to approve the increase of the Company registered capital in the amount of 150,000,000 shares with par value THB 1 in order to offer such newly issued ordinary shares to Bualuang Ventures Company Limited, resulted in the Company's registered capital being raised from THB 1,400 million to THB 1,550 million,.

Material changes in financial reporting standards

The Company has adopted Thai Financial Reporting Standards 9 - Financial Instruments (TFRS9) and Thai Financial Reporting Standards 16 - Leases (TFRS16) from 1 January 2020 on the statement of its financial position and operating results. However, the financial position and operating results of the Company for the year 2018 - 2019 as shown in tables in this report are prepared in accordance with financial reporting standards prior to the adoption of the new standards, with no restatement of comparative information for the year 2018 - 2020 which is the approach permitted under the said financial reporting standards.

The impacts of first-time adoption of TFRS9 and TFRS16 on the accounting principles include the following:

Thai Financial Reporting Standards 9 – Financial Instruments (TFRS9)

- **Classification:** Under the new accounting requirements for statement of fees and service income using effective interest method, the Company is required to record the fees and service income as part of the interest income in the income statement which were previously recorded as part of the fees and service income.
- **Impairment:** Under the new accounting requirements for recognition of impairment loss, Expected Credit Loss ("ECL") from loans receivables and hire-purchase receivables must be recognized using general approach. This is different from the allowance for doubtful accounts method previously used where the allowance is calculated based on the age of outstanding accounts receivable without deducting the value of collateral.
- **Change in classification of financial liabilities** or changes in credit quality which is categorized into 3 stages as follows:
 - Stage 1 (Performing): If credit risk has not increased significantly since initial recognition, a loss allowance for financial assets equal to 12-month expected credit losses is recognized.
 - Stage 2 (Underperforming): If credit risk has increased significantly since initial recognition, a loss allowance for financial assets equal to a lifetime expected credit losses is recognized.
 - Stage 3 (Non-performing): When a financial asset is considered credit-impaired, a loss allowance for financial assets equal to a lifetime expected credit losses is recognized.

Thai Financial Reporting Standards 16 – Leases (TFRS16)

From 1 January 2020, the Company recognized lease agreements as right-of-use assets and lease liabilities where the right-of-use are depreciated over the lease term on a straight-line basis. Lease payments will be allocated for debt payments and financial costs and financial costs will be recognized in profit or loss throughout the lease term with a fixed interest rate on the outstanding lease liabilities.

Relief Measures of the Company in accordance with the BOT's Notifications regarding Support Provided for Borrowers Affected by Situation that Impact Thai Economy and COVID-19 Pandemic.

The BOT has announced notifications to assist small and medium-sized enterprises affected by economic condition, trade war, drought including the COVID-19 pandemic pursuant to the BOT's notification regarding Guidelines for Financial Assistance to Borrower Affected by Thailand's Economic Condition (Thai Economy Assistance Measure) and the BOT's notification regarding Financial Assistance to Borrower Affected by the COVID-19 Pandemic (COVID-19 Assistance Measure) 2 phases. The measures aims to assist small and medium-sized enterprises to maintain their cash flow for expenses necessary living and working and to procure appropriate repayment in the ongoing situations.

To be in accordance with the BOT's notification, the Company issued various policies in order to assist the customers having significant details as follow:

- Thai Economy Assistance Measure for the customer who applies for assistance (enforced since May 5, 2020)
 - reduction in loan installments and extension of loan repayment period.
- COVID-19 Assistance Measure Phase 1 for the customer who applies for assistance (enforced since April 1, 2020)
 - 30% reduction in loan installments for 6 months for personal loan under supervision that has a vehicle registration as collateral and having no vehicle registration as collateral.
 - suspension of principal repayment for 3 months for nano finance
 - suspension of principal repayment for 6 months for hire purchase loan
- COVID-19 Assistance Measure Phase 2 for the customer who applies for assistance (enforced since July 1, 2020)
 - 30% reduction in loan installments and not less than 22% per annum reduction in interest rate and fees for personal loan under supervision that has a vehicle registration as collateral and having no vehicle registration as collateral.
 - suspension of principal repayment for 3 months for nano finance
 - suspension of installments (principal and interest) for 3 months or reduction in loan installments by extension of loan repayment period for hire purchase loan

Accounting Guidelines of the Company according to Relief Measures under the BOT's Notifications regarding Relief Measure of the Enterprise that Provide Support for Borrowers Affected by Situation that Impact Thai Economy and COVID-19 Pandemic.

In order to comply with the abovementioned measures for assisting the borrowers, the Federation of Accounting Professions issued accounting relief measures for service providers who provide assistance to the borrowers under the BOT's measures. The Company adheres to accounting relief measure regarding age classification having significant details as follow:

Accounting relief under Thai Economy Assistance Measure

- Providing assistance to Non non-performing loans (Non-NPL) receivables. The Company can classify such receivables to be Stage 1 receivable after debt restructuring and this will not be considered as a troubled debt restructuring (TDR). As of December 31, 2020, the Company has a debtor who has applied for this relief measure for 3.3% of all debtors or equivalent to the outstanding principal amount of THB 217.8 million.

- Providing assistance to non-performing loans (NPL) receivables. The Company can classify such receivables to be Stage 1 receivable if such debtors are able to repay the amount under restructuring agreements for 3 months or 3 installments consecutively. As of December 31, 2020, the Company has a debtor who has applied for this relief measure for 0.4% of all debtors or equivalent to the outstanding principal amount of THB 29.3 million.

Accounting relief under COVID-19 Assistance Measure

- The Company remains age classification as the same before the borrowers applied for COVID-19 assistance measure. As of December 31, 2020, the Company has a debtor who has applied for this relief measure for 0.2% of all debtors or equivalent to the outstanding principal amount of THB 12.6 million.

However, the age classification according to the above accounting relief does not materially affect the aging level of the Company as well as an allowance for expected credit losses because the number of borrowers who applied for such relief measures were insignificant. In addition, such accounting relief measures does not affect interest and fees income recognized by the Company because the Company still recognize its income by effective rate method throughout the contract period until the maturity date.

Operations Analysis

Income

The Company had a continuous growth in income. During the year 2018 - 2020, the Company had total income of THB 1,256.6 million, THB 1,604.6 million and THB 1,613.7 million, respectively, or representing 27.7% growth in 2019 and 0.5% growth in 2020. The income can be classified by type according to the following table:

Income	2018		2019		2020	
	THB Million	%	THB Million	%	THB Million	%
Income from loan	1,012.2	80.6	1,575.2	98.2	1,607.0	99.6
Income from fee and services	240.1	19.1	25.0	1.5	1.8	0.1
Total income from interest and fees	1,252.3	99.7	1,600.2	99.7	1,608.8	99.7
Others	4.3	0.3	4.4	0.3	4.9	0.3
Total income	1,256.6	100.0	1,604.6	100.0	1,613.7	100.0

During the years 2018 - 2020, the Company's total income had been increasing continuously due to the expansion of the loan portfolio from the amount of THB 5,527.4 million at the end of 2018 to the amount of THB 6,406 million at the end of 2020 or equivalent to the compound annual growth rate (CAGR) of 7.7% as a result of loan expansion from existing customer base and new customer base by opening more branches from 441 branches in Northern region and some provinces in Northeastern and Central regions, a total of 22 provinces, to be 519 branches at the end of 2020 covering total 38 provinces in Northern, Northeastern, Central, and Western region. In this regard, although the average interest rate and fees of the Company decreased from 28.0% in 2018 to 24.7% in 2020 as a result of the interest rate and fees restructuring on certain types of loan to comply with various industries and relevant regulations.

The Company has a policy to consider loan approval to customers with conservatism in order to maintain liquidity of cash flow due to the uncertainty of the COVID-19 situation since March 2020. However, the Company's income in 2020 still grew by 0.5% compared to the previous year.

The Company's total income consists of income from interest and fees and other income.

1) Income from interest and fee

Interest and fee income is the main income of the Company. In 2018 - 2020, the Company had interest and fee income in the amount of THB 1,252.3 million, THB 1,600.2 million, and THB 1,608.8 million, respectively, being equivalent to 99.7% of total income.

In this regard, the Company has policy for recognizing interest and fee income for loans in effective rate throughout the contract period until the maturity date. The Company will cease to recognize such income when the customer has overdue payment for more than 90 days or 3 installments consecutively or there is uncertain repayment. For the year 2020, after the Company implemented Thai Financial Reporting Standards 9 (TFRS9), the Company was able to continue recognizing interest and fee income from the customer that has overdue payment for more than 90 days or 3 installments consecutively based on effective rate from net book value method after deduction of expected credit loss.

In addition, according to TFRS 9, the Company has to re-classify transaction. The Company combined interest and service income and disclose such combined amount as a part of interest income in profit and loss statements. Therefore, interest and service income for the year 2019 - 2020 were disclosed altogether as interest income and for other fees that does not calculated based on effective rate method, they were still disclosed as income from interest and services.

1.1) Income from loan interest

The Company collect fixed rate interest calculated on the remaining principal over the term of the contract depending on the type of loan granted to the customer, type and age of collateral and customer loan service history. In the year 2018 - 2020, the Company had interest income from loan amounting to THB 1,012.2 million, THB 1,575.2 million and THB 1,607.0 million, respectively, representing 80.6% - 99.6% of total income.

However, the growth of income from loan interest continued. This is mainly due to business expansion by opening up 101 branches in 2018, 68 branches in 2019 and 78 branches in 2020. As of December 31, 2018, there were 203,880 loan contracts having an average amount of receivables per contract approximately THB 27,111 per contract, as at December 31, 2019, there were 238,351 additional loan contracts with an average amount of receivables per contract approximately THB 27,847 and as of December 31, 2020, due to uncertainty of pandemic, the number of loan contracts decreased in a small number which were 235,306 loan contracts with an average amount of receivables per contract of approximately THB 27,224 per contract.

1.2) Income from fees and services

In 2018 - 2020, the Company had fees and services income from granting of loans amounting to THB 240.1 million, THB 25 million and THB 1.8 million, respectively, representing approximately 0.1% - 19.1% of total income. This includes fees for executing a contract and closing the contract, repayment extension fee, loan service fee, fees from providing business of personal loan under supervision that is not a loan with vehicle registration as collateral and nano finance, and debt collection fees, etc.

In addition, from May 1, 2019, the Company has started using a new form of loan contract as well as determined the new structure of fees rate to be collected in the effective rate calculated based on outstanding principal. For personal loan that has a vehicle registration as collateral, the maximum rate of interest and fees altogether must not exceed 28% per annum and for nano finance loan, must not exceed 36% (the rate before amendment in 2020) which is in accordance with the BOT's notifications and other relevant notification. After completely renew all existing loan contracts on October 31, 2019, the Company stopped collecting old fees rate except for the fees that is in accordance with the BOT's notifications such as debt collection fee which is an actual cost incurred on case by case basis and being excluded from the maximum rate of interest and fees as stipulated in the BOT's notifications.

In 2019 - 2020, the Company had fees and services income of THB 25.0 million and THB 1.8 million, respectively. The decrease of fees and services income was the result of a change in the fee structure of the former contract form and new contract form which started using from May 1, 2019.

Interests and fees income of the Company can be classified according to the type of loans as follows:

Type of business	For the fiscal year ended on December 31,					
	2018		2019		2020	
	THB Million	%	THB Million	%	THB Million	%
1. Personal loans revenue under supervision with vehicle registration as collateral	1,123.6	89.7	1,386.0	86.6	1,359.2	84.5
1.1) Loan that has a vehicle registration as collateral	758.1	60.5	940.4	58.8	948.4	58.9
1.2) Loan that has a vehicle registration as collateral for agriculture terms	365.5	29.2	445.6	27.8	410.8	25.5
2. Personal loan revenue under supervision that no vehicle registration loan as collateral	128.7	10.3	146.5	9.2	58.7	3.6
3. Revenue from nano finance loan	-	-	66.8	4.2	172.1	10.7
4. Revenue from hire purchase loan	-	-	0.8	0.1	18.8	1.2
Total income derived from lending business	1,252.3	100.0	1,600.2	100.0	1,608.8	100.0

Income from interest and fees of loan that has a vehicle registration as collateral

Loan that has a vehicle registration as collateral generates income for the Company the most, representing 58.9% of income from interest and fees in the year 2020. The Company had generated interest and fees income from vehicle title loans in the year 2018 - 2020 in the amount of THB 758.1 million, THB 940.4 million, and THB 948.4 million, respectively, with a growth rate of 24% in 2019 and 0.8% in 2020. The growth of interest and fees income was mainly due to the expansion of the business by opening more branches to cover service provision in important areas such as populated community areas. In addition, the increasing number of branches had facilitated the customers to be more convenient to bring their vehicles to inspect for loan application which increased accessibility to the potential customers for vehicle title loan.

Income from interest and fees of loan that has a vehicle registration as collateral in 2020 increased from the year 2019. Even though the Company faced with uncertainty of COVID-19 pandemic in the first 6 months of the 2020 and implemented a policy to consider loan granting by taken into account conservatism in order to maintain cash flow liquidity, the income from interest and fees continued to grow due to recurring income from the old contracts with the acceleration of lending to customers in the last six months of 2020.

Income from interest and fees of loan that has a vehicle registration as collateral with specific conditions for farmers

Loan that has a vehicle registration as collateral with specific conditions for farmers is the second type of loan that generates income for the Company the most after loan that has a vehicle registration as collateral, representing 25.5% of interest and fees income in the year 2020. In the year 2018 - 2020, had generated interest and fees income from vehicle title with specific conditions for farmers in the amount of THB 365.5 million, THB 445.6 million, and THB 410.8 million, respectively, representing a growth rate of 21.9% in 2019 and such growth rate was reduced by 7.8% in 2020. Decrease of interest and fees income was due to delay of loan granting because of the uncertainty of the COVID-19 situation during the first six months of 2020. The Company implemented a policy to consider loan granting by taken into account conservatism in order to maintain cash flow liquidity due to uncertainty of the COVID-19 as well as drought in the late 2019 which were the main causes of decrease of interest and fees income of the Company from loan that has a vehicle registration as collateral with specific conditions for farmers which decreased by 7.8% compared to the year 2019 and in line with a decrease in receivables in loan that has a vehicle registration as collateral with specific conditions for farmer.

Income from interest and fees of loan that has a vehicle registration as collateral with specific conditions for farmers consecutively increase during 2018-2020 due to business expansion by opening more branches. In addition, the Company provides loan that has a vehicle registration as collateral with specific conditions for farmers in various forms such as in 2019, the Company added new type of loan that has a vehicle registration as collateral with specific conditions for farmers which the customers can choose to repay interest in monthly installment which is different from the previous type where the customer could only repay both principal and interest amount when due as specified in contract. To add more options, the customer can choose type of loan that is suitable with them and this method will encourage more customers to use loan services of the Company.

Income from interest and fees of personal loan under supervision having no vehicle registration as collateral

The Company had generated interest and fees income from personal loan under supervision having no vehicle registration as collateral in the year 2018 - 2020 in the amount of THB 128.7 million, THB 146.5 million, and THB 58.7 million, respectively, with a growth rate of 13.8% in 2019 and reduced by 59.9% in 2020 due to the change in marketing policy of the Company.

The proportion of income from personal loan under supervision having no vehicle registration as collateral has changed during 2018 - 2020 from 10.3% of interest and fees income in 2018 to 9.2% in 2019 and to 3.6% in 2020, being in line with the Company's loan receivables portfolio structure of which a proportion of personal loan under supervision having no vehicle registration as collateral decreased from 13.8% at the end of 2019 and a 59.9% drop at the end of 2020. During 2018 - 2020, income from interest and fees of personal loan under supervision having no vehicle registration as collateral had been decreasing due to marketing policy of the Company to promote personal loan under supervision having no vehicle registration as collateral by introducing this type of loan to the customer who already had a vehicle title loan or vehicle title loan with specific conditions for farmers and had a good repayment history. The offered loan credit limit was not high and such customer had already passed the repayment ability consideration together with a loan credit limit having collateral, which is the main service.

In 2019 - 2020, the Company had interest and fees income from personal loan under supervision having no vehicle registration as collateral in the amount of THB 146.5 million and THB 58.7 million, decreased by 59.9%. The main caused of decrease of interest and fees income from personal loan under supervision having no vehicle registration as collateral is that the Company has a policy to provide loan service that better meets the customer's need and objective to use such loan. As a result, some of the customers who were granted personal loan under supervision having no vehicle registration changed their mind to apply for nano finance instead.

Income from interest and fees of nano finance and other types of loan

The Company was granted letter of approval to operate the business of nano finance under supervision on August 24, 2017. The Company has planned to determine the criteria for considering this new type of loan and prepare the information technology system.in order to operate the business in a concise manner and began to provide a full scope of services from January 1, 2019 onward for an expansion of the Company's business to be various and be able to satisfy the customers' different needs.

In 2019 - 2020, the Company had interest and fees income from nano finance in the amount of THB 66.8 million and THB 172.1 million, representing 4.2% and 10.7% of interest and fees income, respectively. The growth of interest and fees income from nano finance is because of the fact that the customers who were granted personal loan under supervision having no vehicle registration changed their mind to apply for nano finance instead in order to be in line with their occupations. The Company offers nano finance as an option to the customers. The nano finance is a loan for occupation for the customer who has no income proof documents or no assets as collateral e.g. market vendors and stalls, small entrepreneurs such as grocery stores, restaurants, and farmers. The growth of interest and fees income from nano finance is inconsistent with the structure of the receivable's portfolio with the proportion of nano finance loans increased continuously. As of December 31, 2020, the amount was THB 625.0 million, representing 9.8% of the total credit portfolio.

For the income from loan interest and fees under hire purchase loan, the Company provides hire purchase loan service since January 1, 2019. In the year 2020, the Company earned income from loan interest and fees under the hire purchase loan in the amount of THB 0.8 million and THB 18.8 million or 1.2% of the income from loan interest and fees respectively.

	Year 2018		Year 2019		Year 2020	
	THB Million	Percent	THB Million	Percent	THB Million	Percent
Loan that has a vehicle registration as collateral						
New loan credit limits during the year	3,299.7	34.8	6,101.2	44.1	3,512.3	35.3
Net Loan Receivables	3,130.4	56.6	3,729.9	56.2	3,539.4	55.3
Total remaining amount of contracts	113,372	55.6	128,438	53.9	127,699	54.3
Loan that has a vehicle registration as collateral for agriculture terms						
New loan credit limits during the year	5,246.9	55.4	6,414.5	46.4	5,227.8	52.6
Net Loan Receivables	1,800.6	32.6	2,054.8	31.0	1,912.1	29.8
Total remaining amount of contracts	33,148	16.3	34,010	14.3	28,971	12.3
Personal loan under supervision that no vehicle registration loan as collateral						
New loan credit limits during the year	925.6	9.8	544.9	3.9	236.6	2.4
Net Loan Receivables	596.3	10.8	267.7	4.0	179.0	2.8

	Year 2018		Year 2019		Year 2020	
	THB Million	Percent	THB Million	Percent	THB Million	Percent
Total remaining amount of contracts	57,354	28.1	27,476	11.5	16,940	7.2
Nano Finance Loan						
New loan credit limits during the year	0.1	-	761.5	5.5	800.9	8.1
Net Loan Receivables	0.1	-	570.9	8.6	625.0	9.8
Total remaining amount of contracts	6	-	48,372	20.3	58,076	24.7
Hire Purchase Loan						
New loan credit limits during the year	-	-	14.8	0.1	159.6	1.6
Net Loan Receivables	-	-	14.1	0.2	150.5	2.3
Total remaining amount of contracts	-	-	55	0.0	3,620	1.5
Total						
Total amount of the new loan credit Limits	9,472.2	100.0	13,836.9	100.0	9,937.2	100.0
Total amount of the net loan receivable	5,527.4	100.0	6,637.4	100.0	6,406.0	100.0
Total remaining amount of contracts	203,880	100.0	238,351	100.0	235,306	100.0

Interest income and fee from loan continues to grow during the year 2018 - 2020 at 27.8% and 0.5% respectively. The main reason was the expanding of the business by increasing 373 branches at the year ended 2018, 441 branches at the year ended 2019 and 78 branches at the year ended 2020. As a result, the Company has total amount of 519 branches at the year ended December 31, 2020. The company earns interest income and fees amounted to 1,608.8 million baht, an increase of 1,600.2 million baht from the previous year, an increase of 0.5 percent.

The expansion of branches had increased the amount of new loan credit limit during the year and loan portfolio continuously. During the year 2018 - 2020, the Company has new loan credit limit in the amount of THB 9,472.2 million, THB 13,836.9 million and THB 9,937.2 million respectively. In other words, the new loan credit limit of the Company increased by 46.1% in the year 2019 yet decreased by 28.2% in the year 2020. For 2020, the rate of decline is due to the deferral of credit from the uncertainty in the covid-19 situation. The amount of loan receivable as of the year ended 2018 - 2020 are THB 5,527.4 million, THB 6,637.4 million and THB 6,406.0 million respectively. this represents a growth rate of 20.1 percent in 2019, down 3.5 percent in 2020, with the company having new loans with vehicle registration as collateral for agriculture terms have the highest proportion of about 46.4 - 55.4 percent of total new loans. Nevertheless, since the term loan of the personal loan under supervision that has a vehicle registration as collateral with specific conditions for agriculture term is short (i.e. approximately 4 months to be in accordance with planting and harvesting period of agricultural products), therefore the ratio of personal loan portfolio under supervision that has a vehicle registration as collateral with specific conditions for farmers are 29.8% - 32.6% of the total loan receivables of the Company. The personal loan under supervision that has a vehicle registration as collateral has the second highest number of the new loan credit limit, approximately 34.8% - 44.1% of the total new loan credit limit. The highest loan portfolio are 55.3 - 55.6 percent of the total loan receivables.

The increasing amount of the new loan credit limit in the year 2019 resulting from the branch expansion and the amendment of the loan contract in May 2019. In such case, the Company persuaded that the customer close their existing contract and enter into the new standard contract.

As of December 31, 2021, the loan portfolio of the Company are THB 6,406.0 million with 235,306 remaining loan contracts. The highest ratio of personal loan under supervision that has a vehicle registration as collateral are 55.3% of the total loan receivables of the Company. Personal loan that has a vehicle registration as collateral with specific conditions for farmers are 29.8% of the total loan receivables and have personal loans under supervision that are not vehicle registered loans 2.8% of total loan receivables. For the nano finance loan, which is a new type of loan in the year 2020, the loan portfolio are 9.8 % of the total loan receivables. In this regard, the Company offers nano finance loan as an additional credit line to the existing customers, with an aim to meet with the higher demand of the customers regarding the use of loan services.

The Company recognized the income in form of the effective rate, resulting in the different numbers of income, interest and fees of the loan in each period. In this regard, the Company will recognize the income in the first year of term loan more than the following year, which is descending. The details of the income from loan interest and fees under the loan contract each year are as follows;

Income recognition from loan interest and fees under loan contract each year

Interest income and fees	Year 2018		Year 2019		Year 2020	
	Number of Contract (s)	(THB Million)	Number of Contract (s)	(THB Million)	Number of Contract (s)	(THB Million)
Arising from the loan contract in the year 2011	1	-	-	-	-	-
Arising from the loan contract in the year 2012	5	-	-	-	-	-
Arising from the loan contract in the year 2013	32	-	2	-	-	-
Arising from the loan contract in the year 2014	121	0.3	11	-	-	-
Arising from the loan contract in the year 2015	2,336	6.0	253	0.6	-	-
Arising from the loan contract in the year 2016	15,537	56.5	2,615	8.2	6	-
Arising from the loan contract in the year 2017	129,418	427.6	22,481	73.8	298	0.3
Arising from the loan contract in the year 2018	287,073	761.9	177,053	437.2	6,415	7.4
Arising from the loan contract in the year 2019	-	-	397,392	1,080.3	231,632	805.7
Arising from the loan contract in the year 2020	-	-	-	-	281,772	795.3
Total interest income and fees	434,523	1,252.3	599,807	1,600.2	520,123	1,608.8

2) Other income

Other income consists of key items which are interest income from bank deposits and bad debts returned from each type of loan, etc. In the years 2018 - 2020, the Company had other income in the amount of THB 4.3 million, THB 4.4 million and THB 4.9 million, respectively.

Operating Expenses

Operating Expenses (Unit : THB Million)	2018	2019	2020
Selling expenses	15.8	16.5	13.6
Administrative expenses	585.8	720.3	774.1
Loss on closing contracts	-	162.2	-
Expected credit loss	-	-	(5.7)
Bad debts and doubtful accounts	48.2	115.2	-
Financial costs	112.1	158.9	131.4
Total operating expenses	762.0	1,173.1	913.4
Ratio to total revenue	60.6	73.1	56.6
Ratio to total revenue if excluding loss from contract closing	60.6	63.0	56.6

In the years 2018 – 2020, the Company has a total operating expenses in the amount of THB 762 million, THB 1,173.1 million and THB 913.4 million respectively. The operating expenses increased by THB 411.1 million. In the year 2019, the operating expenses increased by 53.9% compared to total income. The operating expenses were in the amount of 60.6%, 73.1% and 56.6% of total income in years 2018 – 2020 respectively. In addition, the operating expenses increased due to an increase in administrative expenses, in line with the Company's total income growth in the year 2019.

For the year 2019, the Company had a total operating expenses in the amount of THB 1,173.1 million, which increased by THB 411.1 million or 53.9% compared to 2018. The increase was mainly due to the recording of the loss from the contract closing in the amount of THB 162.2 million, which is a non-recurring expense incurred by the Company's changing the loan contract to comply with the BOT's regulations. If the losses from contract closing were not included in the operating expenses, the proportion of operating expenses to total revenue will be reduced from 73.1% to 63%, which is close to the proportion of operating expenses to total revenues during the years 2018 - 2020.

For the year 2020, the Company had total operating expenses amounting to THB 913.4 million, decreased by THB 259.7 million compared to the operating results of the previous year. In 2020, the expenses of the Company were reduced because of the slowdown in the opening of branches of the Company and the lending and expenses control for maintaining operating cash flow from the uncertainty in the COVID-19 situation.

The operating expenses consist of selling expenses, administrative expenses, loss on closing contracts bad debts and doubtful accounts and financial costs having the details as follow:

Selling expenses

Selling expenses are the Company's marketing costs, which consist of advertising costs, premium costs and marketing costs for new customer's introduction, etc. The changes in selling expenses are in line with the Company's marketing policy to support the Company's revenue growth. In 2018 - 2020, the service expenses of the Company were amounting to THB 15.8 million, 16.5 million and 13.6 million respectively, representing 1.4% - 2.1% of total operating expenses.

Administrative Expenses

Administrative Expenses	2018		2019		2020	
	THB Million	Percent	THB Million	Percent	THB Million	Percent
Personnel expenses	400.0	68.3	479.2	66.5	512.1	66.1
Taxes and duties	48.2	8.2	66.8	9.3	63.7	8.2
Operating lease expenses	43.8	7.5	52.7	7.3	2.8	0.4
Utilities expenses	23.5	4.0	28.2	3.9	30.0	3.9
Depreciation and amortization expenses	33.1	5.7	37.8	5.2	102.5	13.2
Other expenses	37.1	6.3	55.6	7.7	63.0	8.1
Total administration expenses	585.8	100.0	720.3	100.0	774.1	100.0
Ratio to total revenue	46.6		44.9		48.0	

Administration expenses are the main operating expenses of the Company, representing 61.4% - 84.7% of the total operating expenses, or representing 44.9% - 48.0% per total revenue. In the years 2018 - 2020, the significant administration expenses consist of employee expenses such as salary, position allowance, bonus, performance remuneration and other employee benefits, representing 66.1% - 68.3% of total administrative expenses, tax such as special business tax at 3.3% of the interest and fees paid by the customers, building and land rental expenses for use as the Company's head office and branches. The Company entered into several building lease agreements for the branches office to carry on lending business provided that such lease agreements has an average period of 1 - 3 years and able to extend the lease term for an average of 1 - 3 years at a time, utilities expenses and depreciation and amortization expenses.

In the years 2018 - 2020, the Company had administrative expenses equal to THB 585.8 million, THB 720.3 million and THB 774.1 million respectively. In 2019, the administrative cost increased by THB 134.5 million, representing 22.9% and by THB 53.8 million, representing 7.5 percent in 2020. The administrative expenses continued to increase during 2018 - 2020, which were in line with the expansion of the Company's branches from 441 branches at the end of 2019 to 519 branches at the end of 2020, resulting in increase of operating expenses of the branches such as rental expenses, utility expenses, and employee expenses from hiring permanent employees at the branches. As a result, the number of employees of the Company increased from 1,582 persons at the end of 2019 to 1,596 persons at the end of 2020.

Loss from contract closing

Since May 1, 2019, the Company has changed the form of loan contracts to comply with the regulations of the BOT and has invited existing loan customers to close the existing contract and renewed contract. The Company has had expenses due to the change of contract for existing loan customers to incentivize operations to be in accordance with the criteria and conditions and requirements of the relevant agencies. The contract closing expense is a non-recurring expense and in 2019, the Company recorded a loss from the contract closing of THB 162.2 million. In this regard, the Company completely changed the existing loan contract in 2019 to a new form of loan contract on October 31, 2019.

Bad debts and doubtful accounts

In 2018 - 2020, the Company had bad debts and doubtful accounts and expected credit losses amounting to THB 48.2 million, THB 115.2 million and THB (5.7) million respectively. The bad debts and doubtful accounts are accounting estimates of the Company whereby the Company set up an allowance for doubtful accounts based on the outstanding period of the outstanding loan receivables without deducting the collateral value from the calculation and taking into account the chances of receiving repayment from the borrower, experiences and actual damage statistics in the past as well as considering the impact of economic damage that may affect the payment capacity of the borrowers. The criteria for setting up an allowance for doubtful accounts that the Company has adhered to are in line with the criteria for setting up an allowance for doubtful accounts set by the BOT. The details are as follow:

Aging months	Percentage of Allowance
Current	1
Overdue :	
Less than 1 month	1
more than 1 month to 3 months	2
more than 3 months to 6 months	100
more than 6 months to 12 months	100
more than 12 months	100

In addition, as of December 31, 2019, the Company has considered to set up the allowance for doubtful accounts to be higher than the criteria to set the allowance for doubtful accounts prescribed by the BOT, in which the Company used the conservative basis to comply with Thai Financial Reporting Standards No.9 (TFRS9). As of December 31, 2018 - 2019, the Company set the allowance for doubtful accounts at the amount of THB 109.0 million and THB 188.0 million respectively, following the criteria to set the allowance for doubtful accounts prescribed by the BOT. Moreover, on December 31, 2020, the Company also set the allowance for doubtful accounts at the amount of THB 162.3 million, recognizing the loss based on the TFRS9 which was effective from January 1, 2020 onwards.

In 2018 - 2019, for the provision for bad debt that is increased by the expansion of the loan portfolio, the loan receivable net which is the deferred interest plus the accrued interest receivables of the Company has increased from THB 5,654.3 million as of the end of 2018 to THB 6,825.4 million as of the end of 2019. Moreover, the credit portfolio has decreased to THB 6,568.3 million as of the end of 2020. The provision for the allowance for doubtful accounts as of 2019 as mentioned above amounted to THB 79 million baht, and as of 2020 decreased to THB 25.7 million, representing the ratio of the allowance for doubtful accounts to the total credit which is 1.9% - 2.8% when compared with the total outstanding loan receivables during the same period. The Company has the ratio of account receivable that are not yet due to the account receivable that are overdue for less than 1 month which is equal to 90.9% - 95.3%

of the total credit in 2018 - 2020, which demonstrates the Company's good receivable management ability. In the meantime, the proportion of the accounts receivable that are overdue for more than 3 months or the non-performing loan is equal to 0.9%, 1.4%, and 2.2% of the total credit in the end of 2018 – 2020 respectively. The Company has the ratios of the allowance for doubtful accounts to non-performing loan at the end of 2018 – 2020 are as the following: 214.6%, 193.8%, and 113.3% respectively.

From January 1, 2020 onwards, the Company applied the TFRS9 for the first time. Therefore, the Company has to consider and realize the expected credit loss (ECL) on the loan receivables and the hire purchase receivables by using the General Approach to evaluate the ECL. There are 3 levels of the change in credit quality under the General Approach, in which different level will prescribe different evaluations of ECL and realization of interest. The General Approach is different from the allowance method. Furthermore, the changes in the impairment of credit will be displayed as the “expected credit loss” instead of “bad debts and doubtful accounts” in the statement of the comprehensive income.

According to the Thai Financial Reporting Standards No.9 being effective on January 1, 2020, the Company has the expected credit loss in the amount of THB 188.0 million, including the provision that can be calculated according to TFRS9. This also includes Management Overlay and incremental reserve which has the total value equal to the allowance for doubtful accounts according to the previous accounting standard.

As of December 31, 2020, the Company disclosed the expected credit loss or the allowance for doubtful accounts in the amount of THB 162.3 million, which consists of the provision for bad debts according to the ECL Model and Management Overlay with the proportion of the non-performing loan accounted for 2.2% of the total loan credit.

The Company believes that the allowance for doubtful accounts or the expected credit loss is appropriate and sufficient since 87.4% of the Company's credit portfolio is secured. Therefore, if the borrower is unable to pay the debt under the contract, the Company can confiscate the collateral from the borrower and sell the collateral to repay the outstanding debt even though the collateral may deteriorate, which may result in the decrease of the value of the collateral. Nevertheless, the Company has considered that the allowance for doubtful accounts or the expected credit loss is sufficient and appropriate for the Company's business operations.

In 2018 - 2020, the Company write-off bad debts in the amount of THB 14.7 million, THB 36.2 million, and THB 28.2 million respectively, representing 0.3%, 0.5%, and 0.4% of loan receivables balance at the end of the year 2018 - 2020 respectively. The Company has the policy of write-off accounts receivable and realize bad debts as an expense when the Company had requested for payment of debt accordingly and as suitability to such situation, with clear evidence of request for payment of debt and does not receive any payment.

(For further details please consider Net loan receivable appeared in Page 13)

Financial cost

The Company had financial cost in 2018 – 2020 in the amount of THB 112.1 million, THB 158.9 million, and THB 131.4 million respectively, representing growth rate 41.7% in 2019 and decreasing 17.3% in 2020. Increase of financial cost comes from expansion of loan for business operation to accommodate growth of the Company's loan portfolio which lead to increase of interest-bearing debt from THB 3,610.8 million in 2018 to THB 4,132.2 million in 2019 to THB 4,071.8 million in 2020.

In 2020, the Company had financial cost in the amount of THB 131.4 million, comprises of financial cost from loan from financial institution THB 123.6 million, and financial cost of debt under lease agreement according to Thai Financial Reporting Standards No.16 (TFRS 16) in the amount of THB 7.7 million. The Company's total financial cost decreasing from the former year which was THB 158.9 million representing reduction rate of 17.3% which correlated with lower rate of interest paid.

Profitability

Interest margin

Unit: percentage	Year 2018	Year 2019	Year 2020
Interest rate and fees received	27.1	26.3	24.7
Rate of interest paid	3.8	4.1	3.2
Interest margin	23.2	22.2	21.5

Interest rate and receiving fees of the Company were equal to 27.1%, 26.3%, and 24.7% in 2018 - 2020 respectively. The interest income rate of the Company has decreased due to the interest rate restructuring and fees for certain types of loans to comply with the industry and relevant regulations.

The rate of the interest paid of the Company is equal to 3.8%, 4.1%, and 3.2% in 2018 - 2020 respectively. The interest expense rate changes according to the conditions of the market in each period because the interest rate under the loan from the financial institution is a floating interest rate. However, if calculating the rate of interest paid without taking into account TFRS16, the interest expense rate will be equal to 3.1%.

During 2018 - 2020, the Company will have the interest margin equal to 23.2%, 22.2%, and 21.4% respectively if the interest margin is calculated without taking into account TFRS16.

The interest margin will have a tendency to be considered based on interest rate, receiving fee, and rate of interest paid. Interest rate and receiving fees of the Company will be according to the notifications of the BOT and relevant notifications - in which nowadays has prescribed interest rate and fees received of personal loan under supervision that has a vehicle registration as collateral and personal loan under supervision that having no vehicle registration as collateral not exceeding 24% and 25% per year respectively, as well as nano finance loan not exceeding 33% per year. Moreover, competition from competitors might affect interest rate and fees received. The rate of interest paid of the Company depends on the conditions of the market and the economy as well as the collateral used to obtain loan from financial institution. Furthermore, the rate of interest paid of the Company tends to decrease from other factors, which includes obtaining credit limit from Government Saving Bank's soft loan project for non-bank operators being affected by the COVID-19 pandemic as well as registering the ordinary shares of the Company in the Stock Exchange of Thailand, increasing the opportunity to access to capital or bond issuance that has financial cost less than the current rate of interest paid - such as corporate bond.

Net Profit

From the above operating results, the Company's net profit continued to grow provided that in 2018 - 2020, the Company had a net profit in the amount of THB 398.5 million, THB 345.9 million and THB 561.9 million, respectively, representing the growth rate equivalent to 62.4% in 2020.

For the year 2019, the Company's net profit amounted to THB 345.9 million, representing 21.6% net profit margin. The net profit decreased in 2019 due to the loss from contract closing of THB 162.2 million, which is a non-recurring expense incurred from changing the loan contract to comply with the BOT's regulations and setting up a special allowance for doubtful accounts (Normalized Profit) that is a loss from the contract closing which resulted in the net profit of the Company be THB 476.0 million, increasing from the year 2018 at the rate of 19.4%. In addition, the Company has a 14.1% return on equity in the year 2019, if calculating the net profit after adjusting the special item (Normalized Profit), the return on equity in 2019 will increase to 19.4%, which is close to return on equity for the past 3 years. In 2020, the Company has a 15.4% return on equity.

The Company has a policy to pay dividends at the rate of not less than 40% of the net profit after corporate income tax and the allocation of legal reserves from the separate financial statements, however, the Company may consider paying dividends differ from the policy set forth depending on the operating results, financial liquidity and the need of working capital for business management and the expansion of the Company's business as well as economic conditions.

Analysis of Financial Positions

Assets

The Company had assets as of December 31, 2018 - 2020 in the amount of THB 5,926.6 million, THB 7,157.6 million and THB 8,777.8 million respectively. The most significant asset of the Company is loan receivables amounting to THB 5,527.4 million, THB 6,637.4 million and THB 6,406.0 million at the end of 2018 - 2020, respectively, representing 93.3%, 92.7% and 73.0% of total assets respectively, followed by cash and cash equivalent and land, building and plant, etc.

As of December 31, 2018 - 2020, the Company had total current assets of THB 3,981.2 million, THB 4,573.2 million and THB 6,123.9 million respectively, representing 67.2%, 63.9% and 69.8% to total assets.

The significant current assets is loan receivables due within one year amounting to THB 3,756.8 million, THB 4,302.6 million and THB 4,206.9 million, representing 94.4%, 94.1% and 68.7% of assets respectively.

The Company had non-current assets totaling THB 1,945.4 million, THB 2,584.4 million, and THB 2,653.9 million as of December 31, 2018 - 2020, respectively, representing 32.8%, 36.1% and 30.2% of total assets.

The significant non-current asset is net loan receivables due more than one year, amounting to THB 1,770.5 million, THB 2,334.8 million and THB 2,199.1 million as of December 31, 2018 - 2020, respectively, representing for 91.0%, 90.3% and 82.9% of total non-current assets, respectively.

The Company's total assets were classified as follows:

Loan Receivables

The Company had loan receivables of THB 5,527.4 million, THB 6,637.4 million and THB 6,406.0 million as of December 31, 2018 - 2020, respectively, representing a growth rate of 20.1% in 2019 and decreased by 3.5% in 2020. As of December 31, 2020, the Company's loan receivables were divided into loan receivables due within 1 year, which amounted to THB 3,756.8 million, THB 4,302.6 million and THB 4,206.9 million, respectively, representing 68%, 64.8% and 65.7% of total loan receivables, and loan receivables due more than 1 year, which amounted to THB 1,770.5 million, THB 2,334.8 million, and THB 2,199.1 million respectively, representing 32%, 35.2% and 34.3% of total loan receivables. The loan receivables in the years 2018 - 2020, had been growing in line with the expansion of branches and the number of loan credit customers increased while the number of loan receivables was decreasing. This was mainly due to the policy in considering credit approval on the conservative basis to customers in order to maintain liquidity of cash flow due to the uncertainty of the COVID-19 situation in the first six months of 2020. However, by the end of 2020, after the situation of the COVID-19 pandemic in Thailand has eased, the Company was able to visit the area in the community for marketing as well as the customers can contact for services normally, the loan receivables as of December 31, 2020 increased from loan receivables as of September 30, 2020.

However, the portion of loan receivable that is due more than 1 year decreased slightly due to the Company's policy in considering credit approval on the conservative basis to customers in order to maintain liquidity of cash flow due to the uncertainty of the COVID-19.

Net Loan Receivable	At the end of 2018		At the end of 2019		At the end of 2020	
	THB Million	Percent	THB Million	Percent	THB Million	Percent
Current portion due within 1 year	3,756.8	68.0	4,302.6	64.8	4,206.9	65.7
Portion due later than 1 year	1,770.5	32.0	2,334.8	35.2	2,199.1	34.3
Total	5,527.4	100.0	6,637.4	100.0	6,406.0	100.0

Receivables structure classified by collateral

Net Loan Receivable	At the end of 2018		At the end of 2019		At the end of 2020	
	THB Million	Percent	THB Million	Percent	THB Million	Percent
Pickup truck	2,179.4	39.4	2,630.2	39.6	2,573.1	40.2
Motorcycle	1,372.1	24.8	1,491.2	22.5	1,363.6	21.3
Car for agricultural use	682.0	12.3	813.7	12.3	807.3	12.6
Passenger car	471.3	8.5	608.2	9.2	605.0	9.4
Truck car	187.9	3.4	209.9	3.2	203.6	3.2
Other vehicles	38.4	0.7	45.6	0.7	49.4	0.8
No collateral	596.3	10.8	838.6	12.6	804.0	12.6
Total	5,527.4	100.0	6,637.4	100.0	6,406.0	100.0

If considering receivables classified by collaterals, it is shown that as of December 31, 2018 - 2020, the Company has collateral receivables in the proportion of 89.2%, 87.3% and 87.4% of total loan receivables, respectively. As of December 31, 2020, the Company has the receivable having pick-up as collateral in the highest rate of 40.2% of total loan receivables with an average loan term of 15 - 21 installments, followed by the receivable having motorcycle as collateral in the rate of 21.3% of total loan receivables with an average loan term of 15 - 17 installments. In light of the receivable having car for agricultural use as collateral which is the third largest proportion equal to 12.6% of total loan receivables with an average loan term of 7 - 10 installments. The Company has unsecured loan receivables, namely personal loan under supervision having no vehicle registration as collateral and nano finance loan in the total proportion of 12.6% of total loan receivables with an average loan term of 18 - 20 installments.

If considering average loan term categorized by type of loan, the Company has approximately 12 - 36 months for vehicle title loan, approximately 4 months for vehicle title loan with specific conditions for farmers, approximately 18 - 20 months for personal loan under supervision having no vehicle registration as collateral and nano finance loan, and approximately 38 - 54 months for hire purchase loan.

An overview of the receivable aging for the years 2018 - 2020 were as shown in the following table:

Age Classification	At the end of 2018		At the end of 2019		At the end of 2020	
	THB Million	%	THB Million	%	THB Million	%
Current or overdue not over than 1 month	5,388.2	95.3	6,202.1	90.9	6,152.2	93.6
Overdue for more than 1 - 3 months	215.4	3.8	526.3	7.7	272.7	4.1
Overdue for more than 3 - 6 months	38.8	0.7	85.9	1.3	77.8	1.2

Age Classification	At the end of 2018		At the end of 2019		At the end of 2020	
	THB Million	%	THB Million	%	THB Million	%
Overdue for more than 6 - 12 months	9.9	0.2	8.2	0.1	34.4	0.5
Overdue for more than 12 months	2.1	-	2.8	-	31.1	0.4
Total loan receivables net from deferred interest and accrued interest income	5,654.3	100.0	6,825.4	100.0	6,568.3	100.0
Less : allowance for doubtful accounts	(109.0)	(1.9)	(188.0)	(2.8)	(162.3)	(2.5)
Plus : Accrued fees	4.8		-		-	-
Less: Deferred fees	(22.8)		-		-	-
Total loan receivables, net	5,527.4		6,637.4		6,406.0	

For the years 2018 - 2020, when considering the information in the receivable aging table above, it is shown that most of the receivables of the Company are not yet reached due payment and their outstanding receivables is not more than 1 month, which representing 95.3%, 90.9% and 93.6% of total loan receivables as of December 31, 2018 - 2020, respectively, showing that most of the Company's credit receivables is a quality receivable and the Company has a good debt tracking ability. In addition, the Company has receivables outstanding for more than 3 months or Non-Performing Loans (NPL) at 2.2% in the same period, which is in a low level being resulted from a strict credit review policy, including an efficient debt control and tracking system.

As of December 31, 2019, the Company had receivables that are not yet due and outstanding receivables not more than 1 month in the amount of 90.9% of net loan receivables from deferred interest and accrued interest. An increase from 95.3% at the end of 2018 was a result of the change in the old contract receivable aging system to a new type of contract which the Company has started using from May 1, 2019 onwards. However, the change in the aging recording system did not result in the measurement of the quality of the Company's credit receivables as of 31 December 2019 significantly changed considered from the ratio of non-performing loans to total loans. The Company had non-performing loans (NPL) as of December 31, 2019 in the proportion of 1.4%. The Company has set aside an allowance for doubtful accounts as of December 31, 2018 - 2020 in the amount of THB 109.0 million, THB 188.0 million and THB 162.3 million, respectively, representing 1.9%, 2.8% and 2.5% of loan receivables before deducting allowance for doubtful accounts, respectively.

In this regard, since January 1, 2020, the Company implemented Thai Financial Reporting Standards No. 9 Re: Financial Instrument (TFRS9) for the first time which resulting in the Company to change the classification of debt from classify by age of receivables to alteration in credit quality which has 3 stages (Staging):

- Stage 1 (Performing) : Group of receivables which credit risk does not significantly increase or receivables is not due yet, or overdue for less than 1 month, totaling THB 6152.3 million.
- Stage 2 (Under-performing) : Group of receivables which credit risk significantly increase or overdue for more than 1 - 3 months same as former criteria, totaling THB 272.7 million.
- Stage 3 (Non-performing) : Group of receivables with credit impairment losses or debtor who is overdue for more than 3 months, same as former criteria, totaling THB 143.3 million.

As of December 31, 2020, the Company had Stage 1 receivables or receivables that have not yet been due and overdue for not more than 1 month at the rate of 93.6% of net loan receivables from deferred interest and accrued interest, and had Non-Performing Loan (NPL) in the proportion of 2.2%. The increase of Non-Performing Loans was as a consequence of the COVID-19 outbreaks since late first quarter of 2020 until the second quarter of 2020, which affects livelihoods of people including the operations of the Company and customers of the Company such as the customers cannot travel to pay installments as well as the management of debt collection of the Company that there were obstacles from closure of the route across the province. As a result, Non-Performing Loans (NPL) increased as of June 30, 2020, however, in the fourth quarter of 2020 after the COVID-19 epidemic in Thailand has eased, the customers can travel to pay their installments as usual and the management of debt collection of the Company can be proceeded normally. Nevertheless, this has not yet resulted in a decrease in the Non-Performing Loans (NPL) as of December 31, 2020 compared with as of December 31, 2019.

Cash and Cash Equivalent

Cash and cash equivalents of the Company at the end of 2018 - 2020 amounted to THB 214.7 million, THB 252.6 million and THB 306.6 million respectively, representing 3.6%, 3.5% and 3.5% of total assets respectively.

Foreclosed Asset

The Company's non-performing asset at the end of 2018 - 2020 amounted to THB 2.5 million, THB 5.6 million and THB 3.8 million respectively, representing 0.04%, 0.08% and 0.04% of total assets respectively. As of December 31, 2020, the Company's non-performing asset consist of 27 motorcycles worth THB 0.4 million and 34 cars, total value THB 3.4 million, being increased when compared with non-performing asset at the end of 2019 having 79 motorcycles worth THB 1.7 million and 42 cars total value THB 5.6 million.

The increase of non-performing asset in the years 2018 - 2020 is in line with the expansion of the debtor with collateral portfolio. The Company had loan receivables with collateral in the amount of THB 4,931.1 million or 89.2% of total receivables. As of the end of 2019, the Company had loan receivables with collateral in the amount of THB 5,798.8 million, representing 87.4% of total receivables. As of the end of 2020, the Company had loan receivables with collateral in the amount of THB 5,601.9 million, representing 87.4% of total receivables.

As of December 31, 2020, the Company had non-performing asset amounting to THB 3.8 million or 0.04% of total assets with 27 motorcycles worth THB 0.4 million and 34 cars total value THB 3.4 million which decreased from non-performing asset at the end of 2019.

Property, Plant and Equipment

The Company had property, plant and equipment as of the end of 2018 - 2020 in the amount of THB 142.9 million, THB 165.8 million and THB 109.4 million. The proportion of total assets was 2.4%, 2.3% and 1.2% respectively. The number of property, plant and equipment of the Company has increased due to the investment in appliances and office equipment to support the expansion of branches, renovation of branches and extension of the head office of the Company. This is because most of the Company's operating branches are in the form of lease premise therefore, most of the Company's assets are appliances and office equipment and vehicles.

As of December 31, 2020, the Company has property, plant and equipment in the amount of THB 109.4 million, equal to 1.2% to the Company's total assets. The property, plant and equipment decreased from the end of 2019 due to the Company's adoption of TFRS16 for the first time, resulting on January 1, 2020, the Company had to separate assets that are vehicles under the original finance lease that were included in "Property, plant and equipment" to be disclosed in "Right-of-Use Assets" amounting to THB 47.2 million.

Right-of-use-assets

From January 1, 2020, the Company has adopted Thai Financial Reporting Standard No. 16 Lease Agreement (TFRS16) for the first time, resulting in the Company to recognize the lease agreements as a right-of-use assets for high-value leases having lease term for more than 12 months. The amount of the lease liability is recognized from the initial value measurement deducted by Deferred Interest Expense. The right-of-use assets are depreciated over the term of the lease on a straight-line method while the Company recognize lease agreement liabilities at the present value of the payment that has to be made over the lease term, discounted with incremental borrowing rate. The book value of the lease liability will decrease when the rent is paid. The rent will be allocated as a debt settlement and financial cost being recognized in profit or loss over the lease term at a fixed interest rate calculated based on the outstanding lease liability.

For rent paid under short-term agreements and low value leases, they are recognized as expenses on a straight-line basis. The short-term lease is a lease with a term of less than or equal to 12 months and low-value assets e.g. photocopier, etc.

Record of right-of-use assets and liabilities under the lease agreements can be summarized as follows:

(Unit : THB Million)	As of December 31, 2019	As of January 1, 2020	As of December 31, 2020
Assets			
Property, plant and equipment	165.8	118.6	109.4
• vehicle	63.6	16.4	15.9
• Other fixed assets	102.2	102.2	93.5
Right-of-use-assets	-	214.4	262.3
• Vehicle under financial Lease	-	47.2	49.5
• Leasehold property	-	167.2	212.8
Liabilities			
Lease liabilities ^{1/}	26.7	193.9	242.5
• Vehicle under financial Lease	26.7	26.7	27.7
• Leasehold property	-	167.2	214.8

Note: ^{1/} The original lease liability was recorded as finance lease liability before January 1 2020, period to the first implementation of TFRS 16.

As of January 1, 2020, the Company recorded THB 214.4 million of assets and rights of use, divided into vehicles under financial lease which was originally classified as "Property. Plant and equipment" amounting to THB 47.2 million and real estate under the lease agreement of THB 167.2 million, and as of December 31, 2020, the right-of-use assets have a net increase of THB 262.3 million and THB 47.9 million.

For lease liabilities as of January 1, 2020, were recorded in the amount of THB 193.9 million, classified as vehicle under financial lease of THB 26.7 million, which was originally classified as a "Liabilities under financial lease" and property under lease agreement of THB 167.2 million, with the liability under the lease increased from the additional lease agreement and the renewal of the original lease agreements, and decreased from the allocated rental payment which was the payment of debt and financial costs.

In addition, if comparing the total expenditures in 2020 as if there is no adoption of TFRS16, the Company will have rental expenses according to the operating lease of THB 61.3 million, which is compared with the total expenses after the adoption of TFRS16, which consists of depreciation and financial costs total THB 64.3 million, will result in the Company's total expenses increased approximately THB 3.3 million.

Liabilities

The Company had total liabilities as of December 31, 2018 – 2020 in the amount of THB 3,787.2 million, THB 4,382.0 million and THB 4,269.6 million, respectively. The main liabilities of the Company are short-term loans and long-term loans from financial institutions being approximate 89.7% - 94.7% of total liabilities. Therefore, the increase in total liabilities in 2018 – 2020 and 2020 is mainly due to an increase in borrowing from such financial institutions. Credit limit and outstanding debt balance of borrowings from financial institutions as of 31 December 2020 appears as follows:

Type of loan from financial institution (Unit: THB Million)	As of December 31, 2020		
	Credit loan limit	Outstanding debt	Outstanding balance that has not been drawn
Short-term loan	3,385.0	2,865.50	519.5
• Bank Overdraft	20.0	0.01	19.9
• Promissory note	3,365.0	2,865.50	499.5
Long-term loans	1,422.0	963.80	458.2
Total loan from financial institution	4,807.0	3,829.30	977.6

Short-Term Loans from the financial institutions

The Company has short-term loans from financial institutions as of December 31, 2018 - 2020 in the amount of THB 3,088.0 million, THB 3,332.9 million and THB 2,865.5 million, respectively, which representing 81.5%, 76.1% and 67.1% of total liabilities respectively, with an increase of 6.6% in 2019 and a decrease of 11.8% in 2020, respectively. While short-term loans as of December 31, 2020 decreased due to the repayment of loans to financial institutions because the Company has excess liquidity from the policy in considering credit approval on the conservative basis to customers being used from the beginning of the first quarter of 2020 until the end of the second quarter of 2020 in order to maintain the liquidity of the cash flow under the uncertainty of the COVID-19 situation and during the fourth quarter in 2020, the COVID-19 situation has eased as well as the Company's gain by capital increase shares selling to the public under initial public offering transaction (IPO). Therefore, the Company has repaid some of the short-term loans to financial institutions in order to reduce the interest burden.

Long-Term Loans from the financial institutions

Long-term loans from financial institutions	At the end of 2018	At the end of 2019	At the end of 2020
	(THB Million)	(THB Million)	(THB Million)
Current portion due within 1 year	372.0	464.7	371.0
Portion due later than 1 year	126.0	307.9	592.8
Total long-term loans from financial institution	497.9	772.6	963.8

The Company has long-term loans from financial institutions as of December 31, 2018-2020 in the amount of THB 497.9 million, THB 772.6 million and THB 963.8 million respectively. The mentioned long-term loans were one of the funds used for expanding the number of loan agreements to the Company's customers, the same as applies to short-term loans from financial institutions. The Company has started using the long-term loans since 2018 to be in line with the growth of the collateral loan customers with longer average repayment periods.

Shareholder Equity

The Company has shareholder equity as of December 31, 2018-2020 in the amount of THB 2,139.5 million, THB 2,775.6 million and THB 4,508.1 million respectively. The increase in the shareholder equity was resulted from the continually increase in the Company's profit from the operating result which made an increase in the retain earning. Additionally, the Company has increased its paid-up registered capital to expand its business in 2018 in the amount of THB 400.0 million. The Extraordinary General Meeting of Shareholders No.1/2018 held on May 23, 2018 resolved to approve the increase in the registered capital in the amount of THB 250.0 million by issuing 250 million new ordinary shares with the par value of THB 1 per share by offering to the existing shareholders proportionate to their respective shareholding. Moreover, the Extraordinary General Meeting of Shareholders No.2/2018 held on July 26, 2018 has resolved to approve the increase in the registered capital in the amount of THB 150.0 million by issuing 150 million new ordinary shares with the par value of THB 1 per share by offering to the existing shareholders proportionate to their respective shareholding. In 2019, the Company has increased its paid-up registered capital in the amount of THB 150.0 million by issuing 150 million new ordinary shares with the par value of THB 1 per share offered to Bualuang Ventures Company Limited. As a result, as of May 27, 2019, Bualuang Ventures Company Limited holds 9.68% of the Company's paid-up capital after the capital increase.

As of December 31, 2020, the Company has a shareholder equity in the amount of THB 4,508.1 million which increased from the end of 2019 as the Company has offered the ordinary shares, which were approved by the Extraordinary General Meeting of Shareholders to make an initial public offering in the amount of 546 million shares. Therefore, the registered and paid-up capital is THB 2,096.0 million.

The analysis of liquidity and the source of fund of the Company

Cash Flow

Cash Flow (Unit: THB Million)	2018	2019	2020
Net cash received (Used in) from operating activities	(1,306.4)	(717.0)	865.7
Net cash received (Used in) from investing activities	(27.7)	(46.7)	(1,626.7)
Net cash received (Used in) from financing activities	1,414.2	801.6	815.0
Net increase (decrease) in cash and cash equivalents	80.0	37.8	54.0

In 2018, the net cash flows were used in the business operation in the amount of THB 1,306.4 million as a result of the increase in the money for loans in the amount of THB 1,825.8 million, the cash interest inflow in the amount of THB 983.7 million and cash inflow fees and services in the amount of THB 156.9 million. The cash flows used in the investment activities in the amount of THB 27.7 million were from the purchase of equipment and renovation of branch's buildings in the amount of THB 24.2 million and the intangible assets in the amount of THB 3.5 million. The cash flows used in the financing activities were in the amount of THB 1,414.2 million consisting of the main transaction i.e. cash inflow from the short-term loans from the financial institutions in the amount of THB 1,715.6 million and repayment of the short-term loans to the financial institutions in the amount of THB 858.6 million. In 2018, the Company has additional long-term loans from the financial institutions to support the growth Company's loan base, therefore, there was the cash inflow from the long-term loans from the financial institutions in the amount of THB 594.0 million and the transaction of the repayment of the long-term loans from the financial institutions in the amount of THB 98.1 million in the same year. Additionally, there was a cash inflow from the issuance of the new ordinary shares in the amount of THB 400 million which were the cash inflow from the increase of the registered capital according to the resolution of the Extraordinary General Meeting of Shareholders No.1/2018 held on May 23, 2018, in the amount of THB 250 million

by issuing 250 new ordinary shares with the par value of THB 1 per share and from the increase of the registered capital according to the resolution of the Extraordinary General Meeting of Shareholders No.2/2018 held on July 26, 2018, in the amount of THB 150 million by issuing 150 new ordinary shares with the par value of THB 1 per share by offering to the existing shareholders proportionate to their respective shareholding. Meanwhile in 2018, the Company has made dividend payments in the total amount of THB 330 million, classifying into 2 payments i.e. the dividend payment in the amount of THB 30 million according to the resolution of the 2018 Annual General Meeting of Shareholders held on April 20, 2018 and the interim dividend payment in the amount of THB 300 million according to the resolution of the Board of Directors Meeting No.5/2018 held on November 15, 2018. However, the mentioned transactions resulted in the increase in the cash and the transaction comparable to the cash of the Company in the amount of THB 80.0 million in 2018.

In 2019, the net cash flows were used in the operating activities in the amount of THB 717.0 million, having main causes from the increase in the number of the loan debtors in the amount of THB 1,200.0 million, meanwhile, there was cash interest inflow in the amount of THB 1,020.2 million and cash inflow fees and services in the amount of THB 489.0 million. The cash flows used in the investment activities were in the amount of THB 46.7 million were from the purchase of the office equipment and headquarter building renovation in the amount of THB 42.9 million and intangible assets in the amount of THB 4.1 million, having the main causes from the branches expansion. The cash flows used in the financing activities were in the amount of THB 801.6 million consisting of the main transactions i.e. cash inflow from the short-term loans from the financial institutions in the amount of THB 1,560.0 million and cash inflow from the long-term loans from the financial institutions in the amount of THB 952.0 million and repayment of the short-term loans and long-term loans to the financial institutions in the amount of THB 1,315.1 million and THB 680.7 million respectively. Additionally, the Company has increase its registered capital according to the resolution of the Extraordinary General Meeting of Shareholders No.2/2019 held on May 24, 2019, which resolved to approved the increase in the registered capital to make an offer through private placement under the notification of the Capital Market Supervisory Board by issuing 150 million new ordinary shares with the par value of THB 1 per share. In 2019, the Company has made dividend payments in the total amount of THB 342.0 million, which were the dividend payment in the amount of THB 42 million according to the resolution of 2019 Annual General Meeting of Shareholders held on April 19, 2019 and the interim dividend payment in the amount of THB 300 million according to the resolution of the Board of Directors Meeting No.8/2019 held on November 12, 2019, the mentioned dividend payments resulted in the increase in the cash and the transaction comparable to the cash of the Company in the amount of THB 37.8 million.

In 2020, the Company has the net cash flows from the operations in the amount of THB 865.7 million which was significantly caused by the policy of consideration credit approval on the conservative basis to customers to maintain the liquidity of the cash flows due to uncertainty of COVID-19 situation. As a result, the Company has the cash inflow from debtors decreased in the amount of THB 115.3 million and the cash interest inflow in the amount of THB 1,624.6 million. The cash flows used in the investment activities were in the amount of THB 1,626.7 million were from the purchase of the office equipment and branch's building renovation in the amount of THB 21.4 million and intangible assets in the amount of THB 5.8 million, having the main causes from the branches expansion. The cash flows used in the financing activities were in the amount of THB 815.0 million consisting of the main transactions i.e. cash inflow from the short-term loans from the financial institutions in the amount of THB 1,431.0 million and cash inflow from the long-term loans from the financial institutions in the amount of THB 1,294.6 million and repayment of the short-term loans and long-term loans to the financial institutions in the amount of THB 1,898.4 million and THB 1,104.1 million respectively. In 2020, the Company has made dividend payments in the total amount of THB 792.2 million, which were the dividend payment for the year 2019 in the amount of THB 42 million according to the resolution of 2019 Annual General Meeting of Shareholders held on April 21, 2020 and the interim dividend payment in the amount of THB 750.2 million according to the resolution of the Board of Directors Meeting No.5/2020 held on August 11, 2020, the mentioned dividend payments resulted in the increase in the cash and the transaction comparable to the cash of the Company in the amount of THB 54.0 million.

Sources of Fund

As of the end of 2018 - 2020, the Company has details of loans from financial institutions and shareholders' equity as follows:

Source of fund	For the year ended December 31,					
	2018		2019		2020	
	THB Million	%	THB Million	%	THB Million	%
Loan from financial institution						
Short term loan	3,088.0	53.9	3,332.9	48.4	2,865.5	34.4
Long term loan	497.9	8.7	772.6	11.2	963.8	11.6
Total loan from financial institution	3,585.9	62.6	4,105.5	59.7	3,829.3	46.0
Total shareholder's equity	2,139.5	37.4	2,775.6	40.3	4,508.1	54.0
Total source of fund	5,725.4	100.0	6,881.1	100.0	8,337.4	100.0

The Company's main source of funds derived from loans from financial institutions which is in proportion of 43.6% - 62.6%. Most of the borrowings are in short-term loans in the form of promissory notes. The principal repayment is due within 12 months from the date of loan withdrawal which the Company has been using long-term loans since 2018 to conform the growth of the Company's collateral loans portfolio with the longer average repayment periods.

In this regard, The Company's short-term sources of funds such as short-term loans from financial institutions which is accounted for 34.4% of the total source of fund. As of December 31, 2020, the proportion of the Company's short-term loans provided that most of which are vehicle title loans with specific conditions for farmers conditions in the proportion of 52.6% of total loan credit amount in 2020.

The suitability of the capital structure

The Company has a debt to equity ratio of 1.8 times, 1.6 times and 0.9 times as of December 31, 2018 - 2020, respectively. This demonstrates the strong capital structure of the Company. The decrease in debt to equity ratio during 2018 - 2020 were mainly due to borrowings from financial institutions in order to expand the Company's loan credit portfolio provided that the Company mainly applied for the short-term loan and started to apply for a long-term loan in 2018 as well as the Company has a total dividend payment of THB 330.0 million in 2018, which leads to increase of the debt to equity ratio to 1.8 times at the end of 2018. For 2019, the debt to equity ratio has decreased as a result of an increase in paid-up capital of THB 150.0 million from shares offered to and subscribed by Bualuang Ventures Company Limited in May 2019. In 2020, the debt to equity ratio has decreased to 0.9 times due to the initial public offering of shares of which the Company gained payment from the increased paid-up capital of THB 546 million in December 2020.

In this regard, after the Company raised funds from such public offering. As a result, the debt to equity ratio reduced to 0.9 times and be able to support the expansion of borrowing from financial institutions including other sources of bonds or debt instruments as well as the expansion of the Company's loan credit portfolio and other actions in the future.

Major factors and influences that may impact future operations or financial status

1. Changes in government policies and laws

The Company's main business are personal loan under supervision and nano finance under supervision. The businesses must be under the regulations of the BOT, if there is a change in the policy in the future including a reduction in the ceiling interest rates and fees that the Company will receive or limitation on the customer's loan credit limit. This may cause the Company to have lower income and profit.

2. Changes in economic conditions

The economic condition of the country affects the ability to earn income and the ability to pay debts of the people. In the economic slowdown, the Company may increase overdue borrowers and bad debts, which will result in decrease of the Company's operating result. In this regard, the Company therefore take into account selection of customer and debt management by stipulating the criteria for loan credit granting consideration such as allowing customers to do questionnaires for loan credit granting consideration and verifying the identity and information provided by the applicant, etc. However, the Company's executives has considered the overall economic situation and taken into account loan credit granting consideration in order to ensure that the approved loan credits can generate income, not bad debt that may affect the operation of the Company in the future.

3. The effects of the COVID-19 pandemic

In the first six months of 2020, there has been an epidemic of COVID-19 in Thailand and around the world. The government has released strict control measures from April to June 2020, which affected the economy in Thailand severely and occupation which leads to a large number of customers default on their debt.

The Company must implement a policy to delay the approval of loan credit to customers to maintain the liquidity of the cash flow due to the uncertainty of the COVID-19 situation, from the end of the first quarter of 2020 until the second quarter of 2020, together with the debt collection policy to manage the Company's liquidity during such period to collect overdue payment from the debtor who has defaulted payment of installments, resulting in decrease of the loan credit portfolio in early 2020.

For the beginning of the third quarter of 2020, the situation of the COVID-19 epidemic in Thailand has eased. The government therefore has relived the enforcement of anti-epidemic measures of COVID-19. The Company believes that the Thai economy will recover in the first half of 2020 due to the government's relief on such strict measures. As a result, the Company started considering new loan credit limit in the third quarter of 2020, for which the Company can support the demand for loan from customers more comparing to the second quarter of 2020.

Although the situation of the outbreak is getting better in the last six months of 2020, but after December 31, 2020, the COVID-19 pandemic is still ongoing, with a steady increase in the number of infected cases detected, and spreading in every region of the country which is the area of business operation of the Company. Moreover, the Company's debtor is not in the area announced to be highly controlled areas by the government. In light of overall economy, people such as merchants, employees, workers generate lower income. However, most of the Company's debtors are farmers so that the debtor are still be able to generate income from seasonal agricultural products, which still has the ability to repay to the Company.

General Information and other Significant Information

General Information

Saksiam Leasing Public Company Limited

Name of the company	บริษัท ศักดิ์สยามลิสซิ่ง จำกัด (มหาชน)
Name of the company (English)	SAKSIAM LEASING PUBLIC COMPANY LIMITED
Type of business	providing services of personal loan under supervision and other loans
Company registration number	0107559000290
Address of the head office	49/47 Chetsada Bodin Road, Tha It Sub-district, Muang Uttaradit District, Uttaradit Province 53000
Telephone	0 5544 4495
Facsimile	0 5544 0371
Website	www.saksiam.com
Registered capital as of	
December 31, 2020	THB 2,096,000,000
Paid-up capital as of	
December 31, 2020	THB 2,096,000,000

Securities Registrar

Name of the company	Thailand Securities Depository Co., Ltd.
Address of the head office	93 Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400
Telephone	0 2009 9000
Facsimile	0 2009 9991

Auditor

Name of the company	PricewaterhouseCoopers ABAS Ltd.
Address of the head office	179/74-80, 15 th Floor Bangkok City Tower, South Sathorn Road, Thung Maha Mek Sub-district, Sathorn District, Bangkok 10120
Telephone	0 2844 1000
Facsimile	0 2286 5050

Internal Audit

Name of the company	Dharmniti Internal Audit Co., Ltd.
Address of the head office	178 Soi Permsap (Pracha Chuen 20), Pracha Chuen Road, Bangsue Sub-district, Bangsue District, Bangkok 10800
Telephone	0 2596 0500
Facsimile	0 2596 0539

Legal Advisor

Name of the company	Kudun and Partners Company Limited
Address of the head office	127, Gaysorn Tower, 23 rd Floor, Units C&F, Ratchadamri Road, Lumpini Sub-district, Pathum Wan District, Bangkok 10330
Telephone	0 2838 1750
Facsimile	0 2838 1795

Financial Advisor

Name of the company	Thanachart Securities Public Company Limited
Address of the head office	444, MBK Tower Building, 18th 19th and 20 th Floor, Phaya Thai Road, Wang Mai Sub-district, Pathum Wan District, Bangkok 10330
Telephone	0 2217 8888
Facsimile	0 2217 8501

Company Secretary

Name	Mrs. Tippamas Lamcharoen
Address of the head office	49/47 Chetsada Bodin Road, Tha It Sub-district, Muang Uttaradit District, Uttaradit Province 53000
Telephone	0 5544 4495
Facsimile	0 5544 0371

Head of Internal Audit

Name	Mr. Kittisak Pannaraj
Address of the head office	49/47 Chetsada Bodin Road, Tha It Sub-district, Muang Uttaradit District, Uttaradit Province 53000
Telephone	0 5544 4495
Facsimile	0 5544 0371

Additional Information

Information that could have a Significant Impact on Investment Decision

- None -

Foreign Shareholders Limitation

- None -

Legal Disputes

As of December 31, 2020, the Company is not the party of any legal disputes as follows;

- (1) As of December 31, 2020, there is no legal dispute cases which may have a materially adverse effect on the Company's or the Company's subsidiaries asset in the amount over 5% of shareholder equity;
- (2) Legal disputes which significantly impact the business operation of the Company or the Company's subsidiaries, but such impact cannot be estimated in number; and
- (3) Legal disputes which do not arise from nature of business operation of the Company's or the Company's subsidiaries.

Secondary Market

- None -

Frequently Contacted Financial institutions

- None -



Corporate Governance Policy

Overall of the policy and the principle of Corporate Governance

The Board of Directors has managed the Company by upholding the principle of Good Corporate Governance Code for listed companies 2017 of the Securities and Exchange Commission and the Stock Exchange of Thailand with recognition in the importance of good Corporate Governance and the development of the existing Corporate Governance for the sustainable growth of the business in the long run. With this principle, it does not only create a trust to the shareholders, investors and the interested person, it also provides benefits and good performances of the Company, including the ability to compete and the sustainable growth of the Company.

In addition, the Company prioritizes the rights of the shareholders, the responsibility to the shareholders and the interested persons, the equitable treatment of the shareholders, the role of the interested persons, the disclosure of information and transparency. The Board of Directors also prioritize the roles and responsibilities and the compliances with the good Corporate Governance in order to provide trust to the shareholders, investors and all relevant parties.

The key principle of the Corporate Governance of the Company could be divided into 8 principles, as follows:

- | | |
|--------------------|--|
| Principle 1 | Recognition to the role and responsibility of the Board of Directors as a leader of the organization to build the sustainable business |
| Principle 2 | Determination of the objectives and main purposes of the business in order to be sustainable |
| Principle 3 | Encouragement of the efficiency of the Board of Directors |
| Principle 4 | Nomination and Development of the senior executives and human resources |
| Principle 5 | Conducting business with responsibility |
| Principle 6 | Maintenance of the risk management system and internal control system |
| Principle 7 | Maintenance of the financial creditability and disclosure of information |
| Principle 8 | Encouragement of the participation and communication with the shareholders |

Policy and the principle in relation to the Board of Directors

The Board of Directors has the policy of corporate governance which includes the significant principles starting from the structure of roles, responsibilities and duties of the Board of Director to the transparency in the management of the executives to be examinable in accordance with the principle of Good Corporate Governance Code for listed companies 2017 of the Securities and Exchange Commission to ensure that every transaction of the Company has conducted with righteousness and recognition to the interest of the shareholders and any interested persons.

1) The nomination and the consideration of the remuneration of the directors and the executives

The Company recognizes the nomination and the consideration of the remuneration of the directors and the sub-committees and the executives of the Company which is suitable for their duties and responsibilities including recognizing the Company's progress to its achievement to be in line with the performance of the Company and the details of other companies with the similar size or industry. The Board of Directors, therefore, appointed the Nomination and Remuneration Committee to be responsible for determining the policy, rule, or method to nominate and consider the remuneration or other benefits to the directors, the sub-committees and the executives including the structure of remuneration prior to proposing to the Board of Directors and the meeting of the shareholders for further approval.

The determination of the remuneration will consider from the overall performance of the Company, the performance and responsibility and the assessment to performance of each person and the details comparing from the payment of the remuneration in the same or relevant business or industry of the Company.

In this regard, the payment of the remuneration of the directors and the sub-committees must be approved by the meeting of the shareholders. With respect to the remuneration of the executives, it must comply with the principle and policy of the executive officer specified by the Board of Directors in page 91 which will consider from duties and responsibilities including the performance of each executive and the performance of the Company. The directors, the sub-committees and the senior executives will receive the remuneration at the rate appropriate to his duties and responsibilities according to the resolution of the meeting of the shareholders.

2) The independence of the Directors and the definition of the Independent Directors

The Independent Directors must have the qualification specified by the Company and be in line with the Notification of the Capital Market Supervisory Board and must provide the benefits to the shareholders equally, without any conflict of interest. Moreover, the Independent Directors must be independent to attend and give the opinion in the meeting of the Board of Directors. Thus, the Independent Directors must be qualified as follows:

- (1) Holding share not more than 1% of all voting shares of the Company, the Company's subsidiary, the associated company, the majority shareholder, the controlling person of the Company. In this case, the number of shares held by the related person of each Independent Director shall also be included;
- (2) Neither being nor used to be a director who participated in operating business, employee, advisor with monthly-salary or any controlling person of the Company, the Company's subsidiary, the associated company, unless vacant from such position not less than 2 years prior to taking the position;
- (3) Neither being the relatives by birthright nor legal registration as a father, mother, spouse, sibling and offspring including the spouse of the executives, the majority shareholder, the controlling person or any person who nominated to be the executive or controlling person of the Company or the Company's subsidiaries;
- (4) Neither having, nor used to have any business relationship with the Company, the Company's subsidiary, the associated company, the majority shareholder, the controlling person of the Company in the manner that may hinder the making of a decision in free will, and neither be, nor used to be a key shareholder or controlling person of the person who has a business relationship with the Company, the Company's subsidiary, the associated company, the majority shareholders, the controlling person of the Company, unless vacant from such position not less than 2 years prior to taking the position;
- (5) Neither being, nor used to be the auditor of the Company, the Company's subsidiaries, the associated companies, the majority shareholder, the controlling person of the Company and not being the key shareholder, the controlling person or the partner in the audit firm which the auditor of the Company, the Company's subsidiary, the associated company, the majority shareholders, the controlling person of the Company is employed, unless vacant from such status not less than 2 years prior to taking the position;
- (6) Neither being, nor used to be the professional service provider, which includes the legal or financial service provider who received the service fee exceeding THB 2 Million per annum, from the Company, the Company's subsidiary, the associated company, the majority shareholder, the controlling person of the Company and not being the key shareholder, the controlling person or the partner in the firm of such service provider, unless vacant from such status not less than 2 years prior to taking the position
- (7) Not being the director who is appointed to be the representative of the Company, the majority shareholder or the shareholder who relating to the majority shareholder;
- (8) Neither conduct any business with the same nature which significantly competing with the Company, the Company's subsidiary nor being a key partner in the partnership or the director participating in managing business, employee, officer, advisor with monthly-salary or holding share more than 1% of all voting shares of other companies which operating business with the same nature which significantly competing with the Company; and
- (9) Having no other matters which could not give opinion independently in relation to the operation of the Company.

3) The Development of the directors and the executive of the Company

The Board of Directors has the policy to encourage and facilitate the training and the knowledge sharing to the directors and all relevant parties who involved in the Corporate Governance system of the Company i.e. the directors, the Audit Committee and the executives in order to improve and develop the performance efficiently and continuously, the directors are required to pass the director training courses namely, Director Accreditation Program (DAP) and/or Director Certification Program (DCP) from Thai Institute of Directors Association: IOD.

Policy and the guideline in relation to the shareholders and the interested person

1) The equitable treatment of the shareholders

The Company recognizes the importance of the disclosure of information to be correct and complete. Thus, the Board of Directors will be responsible for providing the financial report and the disclosure of key information to be correct, sufficient and punctual in compliance with the rules, standards and relevant practices. Such disclosure includes the financial statement, Registration Statement for Securities Offering/ the annual report (Form 56-1 One Report) which reflects the financial status and the operating performance, and will encourage the Company to provide the explanation and the analysis of the Management (Management Discussion and Analysis or MD&A) to support that disclosure of financial statement in every quarter.

In addition to the disclosure of information above, the Board of Directors will supervise and assess the financial status of the Company. In the event that there is any signal indicating the difficulty in liquidity or the ability to pay the debt, or in the event that the Company experiences or likely to experience the financial crisis, the Board of Directors, together with the management team, will address the issue immediately. The Board of Directors will consider diligently to ensure that the Company has the solution to solve or any mechanism to tackle the financial issue.

Last but not least, the Board of Director will supervise the management team that there is a sector or any person who is responsible for the investor relations in order to communicate with the shareholders and the interested person appropriately and punctually, such as investors or analyst in the proper media such as via the channel of the Stock Exchange of Thailand or website of the Company. The Company will ensure that the shareholders are treated with equality and the shareholders can enjoy their basic rights as the shareholders, for example, the right to purchase or transfer shares, the right to receive profits of the Company, the right to receive sufficient relevant information, the right to freely attend the meeting and casting the vote to appoint or dismiss the directors, to consider the directors' remuneration, the appointment of the auditor, the payment of dividend, the capital increase and the issuance of the new shares, including the right to question the Board of Directors regarding the minutes of the Board of Directors or any agenda proposed to the meeting for consideration and approval, and the right to propose agenda of the meeting in advance and the nomination of the candidates to be elected as the director and participating in making decision in the important matters of the Company.

Further to the above, the Board of Directors will arrange the meeting of shareholders to be in good order, transparent, effective and friendly to the shareholder to exercise their rights and disclose the resolution of the meeting, and prepare the minutes of the meeting to be correct and complete.

2) The usage of internal information and the prevention of the conflict of interest

In order that the directors, the executives and the employees of the Company have the principle in conducting duties with integrity, not seeking for self-interest and/or related person, the Company, therefore, specifies the policy and principle relating to the conflict of interest to protect the best benefit of the Company and the shareholders. There are 2 relevant polices, namely, the related transactions and the other circumstances which may cause the conflict of interest, detailed as follows:

2.1 Connected Transaction

The Company will consider the suitability of every connected transaction including the determination of value and condition of the connected transaction as if it is conducted with an outsider on the arm's length basis. Once the Company has conducted the connected transaction, in case that it is the transaction specified in the Notification of the Board of Directors of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand (SEC Office) in the disclosure of information and the practices of the listed company in the connected transaction, the Board of Directors will ensure that any of such connected transaction is strictly complied with the regulations, conditions and the methods provided in such notification, including disclosure such transaction in the annual report and the Registration Statement for Securities Offering (Form 56-1) for the transparency of conducting the related transaction and end the conflict of interest issue.

2.2 The other circumstances which may cause the conflict of interest

The Company has policies to prevent the conflict of interest issues which may arise from other circumstances other than the related transactions, as follows:

2.2.1 General Investment

The Company will not allow any person in the Company who are the shareholders or receivers of the benefits of competing company or traders/seller, which the Company conducting the business with, to participate in making decision on the matter relating to such business relationship, unless approved by the Chairman of the Executive Committee. With respect to the purchasing shares of the listed company in the Stock Exchange of Thailand, or investing in the mutual fund or investment unit, it will not be considered as the conflict of interest, unless such action causes a negative impact on the operation of the Company.

2.2.2 Gifts Acceptance

Any person in any level should not accept gifts, transportation ticket, sport ticket, vacation proposal or any personal proposal which may lead to the decision engaging the Company or losing the Company's profit or not receiving its best benefit.

2.3 Being a spokesman for academic seminar, public service or any position

Any person at any level of the Company may seek for an approval of the managing director to accept the proposal in academic institute, public service to be spokesman or any positions such as director, advisor which will expand his vision and gain experience which must not harm the duties owned to the Company.

The Company has the policy and the guideline for the directors, the executives and the employees of the Company for the usage of internal information of the Company for self-interest or others, as follows:

1. The directors, the executives and employees will not trade the security of the Company by using the confidential and/or internal information and/or conduct any legal transaction which may cause the damages to the Company either directly or indirectly;
2. The directors, the executives and employees who receive internal information of the Company must not use such information prior to such information disclosed to the public;
3. The employees are not allowed to interfere with internal information to trade the security of the Company by himself, spouse, underage offspring either directly or indirectly (such as nominee in the private fund) within 1 month prior to or 3 days after the date of submission of the quarter financial statement and annual financial statement to the Stock Exchange of Thailand;
4. The directors, the executives and employees are not allowed to use the computer system to exploit the information for self-interest or other.
5. The employee who is negligent to the aforementioned regulation shall be subject to the disciplinary offense according to the regulation of the Company, as consider appropriated.

3) Anti-Corruption

The Company recognizes the importance of conducting business with integrity to uphold the responsibilities for society and all interested persons with the good governance, business ethics and compliance with the laws. Therefore, the Company determines the anti-corruption policy, and provides the guideline, approved by the Board of Directors, in writing for not taking, paying, or conducting the business with any individuals or legal entities who involving in corruption. The Company has communicated and promoted such policy to educate the importance of the anti-corruption policy to the directors, the executives and the employees of the Company to participate in complying with this guideline in conducting business.

Business Ethics

The Company recognizes the importance of conducting business in good governance. The Board of Directors have the enthusiasm to comply with the good corporate governance, business ethics and anti-corruption policy including any relevant laws and regulations to maintain the transparency, fair and recognition to the benefits of the interested persons in order to build the sustainable business and trust to the shareholders, investors and any interested persons. Therefore, the Company has specified the business ethics as the guideline to the moral practices to the directors, the executives, and the employees to lead the sustainable organization with good governance and without any corruption.

Vision

The expectation that will have or happen in the near future in order to point out the direction of the Company to the Board of Directors, the executives and the general employees, which this vision is practical and possible in the reality.

Missions

is an obligation, agreement, mission which the Company must conduct in accordance with the set-up vision, which is the actions detailed as follows:

1. must manage the Company to be stable and growing constantly, which such stability and growth must be under the public company limited in the supervision of the Stock Exchange of Thailand
2. must be assessable to all public people for loans as defined in the business plan
3. must be comfortable to the public people in providing services of the Company
4. must be transparent with the good Corporate Governance
5. must be reliable to the investors to hold shares with confidence
6. must provide the quality of life to the employee, which is the essential asset to the Company, to have the good conduct, business ethics and be reliable to public.

Objectives

is the indication of will or expression of behavior which the organization must comply unquestionably, it must support all visions and obligations of the Company, therefore, every action of any activities of the Company must response to the following actions:

1. Managing the Company to be stable, reliable all the time, providing the inspection system, internal control system to be rid of the risk, having the transparency which is examinable in order that the shareholders will trust
2. Opening the branch or units where the public people, with or without collateral, could assess
3. Having ready-to-serve service mind with the efficient informative system
4. Creating the growth in the quantity of the customer and the loan as per the business plan in order to gain profits that please the investors

5. Regulating the debt management to be in the standard and reserving the fund in case of non-performing loan
6. Behaving the employees to respect and comply with the code of conduct and the business ethics, being cultured, having good quality of life within the principle of good governance
7. Behaving the employees to know their rights and duties under the democratic system in the constitutional monarchy
8. Arranging religious activities, supporting any religion activities to maintain the status as being the moral person
9. Being responsible for community, society and environment.

Core Value and Corporate Culture

Core Value

Core Value means the direction to guide the organization's behavior and the expectation of people, determining to adopt such direction because of its value. Therefore, the Company has announced their Core Value that

"We will uphold the integrity and morality to maintain the pride and the dignity of human being."

Corporate Culture

Corporate Culture is the culture which the people in the organization has conduct similarly until it becomes the distinctive character of the Company. It is the combination between philosophy, attitude, core value, policy, objective and purpose from the actions of the people directing in the same way constantly. There are 7 consciousness, detailed as follows:

1. Having Principle
2. Behaving in comply with the Organizational Behavior
3. Being diligent, enduring and determining to achieve goal
4. Having awareness in managing time
5. Being determining in Corporate Governance
6. Having Corporate Social Responsibility
7. Having self-development (Knowledge Management)

In this regard, the details and other information in relation to the business ethics appeared in the Attachment 5.

The significant changes and the development of the policy, guideline and the corporate governance system in the previous year.

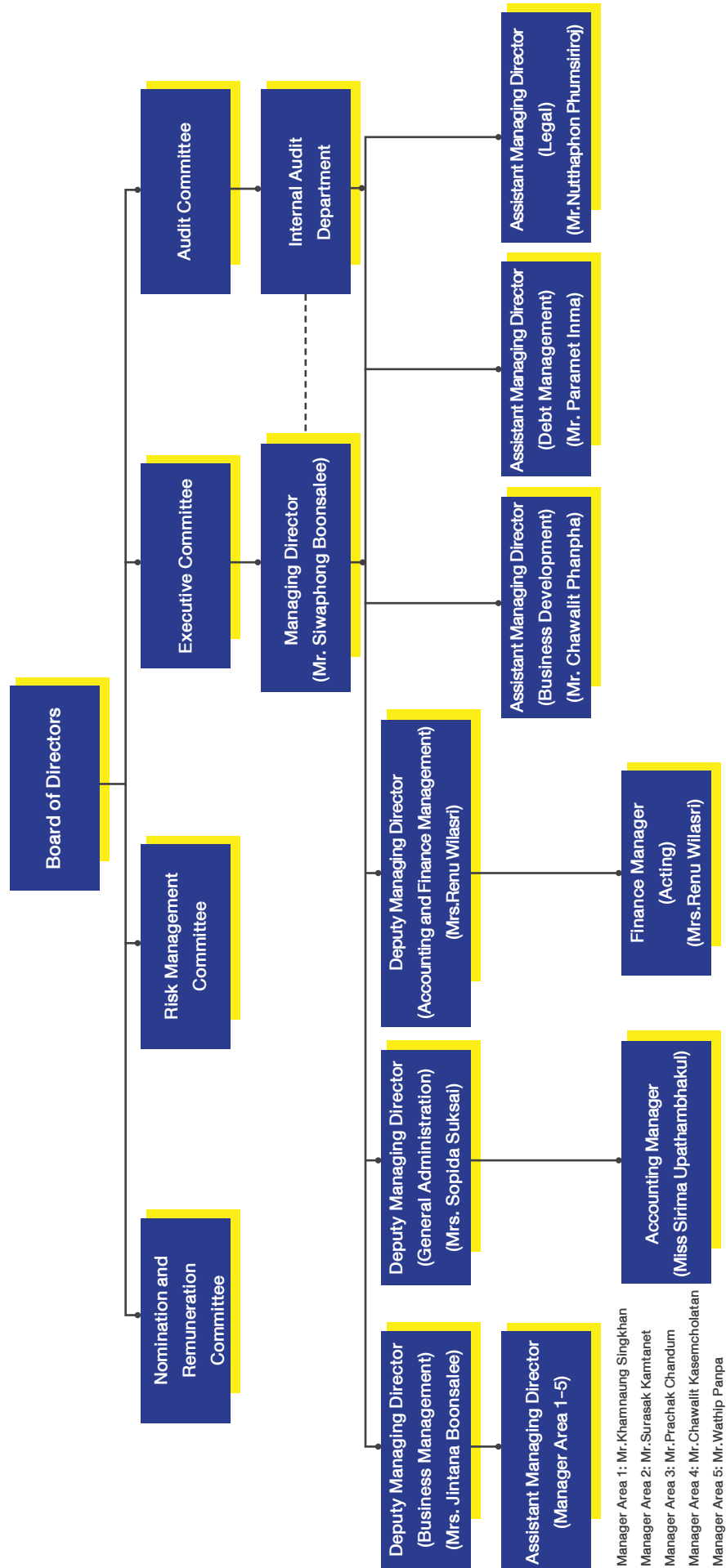
The details of the significant changes and the development regarding the reviewing of the practical policy

The Company reviewed the guideline regarding the corporate governance, policy and the charter of the directors including any significant principle on 12 November 2020, the Company has considered that there is no changes in the previous year. In this regards, the Company has adopted all principles provided in the principle of Good Corporate Governance Code for listed companies 2017.

Management structure and key information relating to the Board of Committees the Board of Sub-Directors, the Executives, the Employees and others

Management structure of Corporate Governance of Saksiam Leasing Public Company Limited

As at December 31, 2020, the management structure of the Company composes of the Board of Directors and the 4 sub-committees namely, Executive Committee, Audit Committee, Nomination and Remuneration Committee and Risk Management Committee including the board of executives and the significant department who plays the key role in the corporate governance of the Company, as follows:



Details of the Board of Directors and the Controlling persons of the Company

The composition of the Board of Directors

As of 31 December 2020, the Board of Directors consists of 11 persons, detailed as follows:

Name		Position
1.	Mr. Suphot Singhasaneh	Chairman of the Board of Directors and Independent Director
2.	Mr. Phoonsak Boonsalee	Director
3.	Mrs. Jintana Boonsalee	Director
4.	Mr. Siwaphong Boonsalee	Director
5.	Mrs. Sopida Suksai	Director
6.	Mrs. Renu Wilasri	Director
7.	Mr. Chawalit Phanpha	Director
8.	Mr. Yanchai Tantiratapong	Director
9.	Mrs. Nantana Sangkavichitr	Independent Director
10.	Miss Somboon Supasiripinyo	Independent Director
11.	Mrs. Woranutchanan Phongsurang	Independent Director

In addition, the meeting of the Board of Directors No. 1/2016 which held on July 29, 2016 resolved that Mrs. Tippamas Lamcharoen was appointed to be the Company Secretary.

In this regard, the details and related information in relation to the Board of Directors and the Controlling Persons of the Company appeared in Attachment 1.1.

With respect to the structure of the Board of Directors of the Company, the Company adheres to the principle of Good Corporate Governance in order to establish the management structure which is transparent, balanced and examinable. The ratio and the details of the Board of Director's structure, are as follows:

The ratio and the details of the board of director's structure	
The Board of Directors who is the executives	54.55%
The Board of Directors who is the non-executives	45.45%
The Board of Directors who is the independent directors	36.36%
Is the chairman of the Board of Directors is the independent director	Yes
Is the chairman of the Board of Directors is the different person with the Managing Director	Yes
How many female in The Board of Directors	54.55%

The Company has Independent Directors totaling 4 persons at the ratio of 36.36%, or 1 out of 3 of the all directors, and the Company has the Audit Committee totaling 3 persons being Independent Directors. The Audit Committee is the sophisticated and experienced person to conduct due diligence on the reliability of the financial statement and other duties as the Audit Committee. Details of the Audit Committee appeared in page 84.

Furthermore, the Board of Directors and the Management has authorized each other evidently.

The Directors with Signing Authority

Any director of group 1 directors signs together with any directors of group 2 directors, totaling 2 directors jointly sign with the Company's seal affixed.

In this regard, the group 1 directors consist of

- 1) Mr. Phoonsak Boonsalee President
- 2) Mrs. Jintana Boonsalee Deputy Managing Director (Business Management)
- 3) Mr. Siwaphong Boonsalee Managing Director

And the group 2 directors consists of

- 1) Mrs. Sopida Suksai Deputy Managing Director (General Administration)
- 2) Mr. Chawalit Phanpha Assistant Managing Director (Business Development)

The role of the Board of Directors and Managing Director

In addition to the responsibilities stipulated in the Articles of Association of the Company, the Board of Directors resolved that charter of the Board of Directors of the Company is approved. With the objectives that the directors of the Company will understand their roles, duties and responsibilities to the shareholder and the Company could conduct the business efficiently, the meeting of the Board of Directors No. 6/2019 held on August 9, 2019 resolved to approve the charter of the Board of Directors of the Company in order to set the scope of duties and responsibilities of the Board of Directors. The detail of the scope and responsibilities of the Board of Directors in accordance with the Article of Association and the Charter are as follows:

(1) Performing duties and managing the Company to be in compliance with the laws, objectives and Article of Association of the Company including the resolution of the shareholders with honesty and care to protect the best interest of the Company and have the accountability to all shareholders

(2) Determining the policies and visions for the operation of the Company including monitoring and supervision to ensure that the Management performs in accordance with the policies and regulations of the Company efficiently and effectively under the good corporate governance to maximize economic value and shareholders' wealth

(3) Regulating and supervising the management to comply with the interested persons with ethics and equity

(4) Each director has the responsibility to report his interest or his related person which involved in the management of the business of the Company or the Company's subsidiary which must be examinable in order to uphold the transparency of the operation

(5) Determining vision, policies, objectives, strategies, operation plans, and annual financial budget of the business operation of the Company to review the concordance with the changes of any factors that may affect the business, manage the Management and allocate the significant resources in order to conform with the determined policies efficiently

(6) Monitoring and supervising the report regarding the progress of the determined operation to be in accordance with the goals, indications and strategies under the budget approved by the Board of Directors of the Company, including the policies of improvement and enhancement the ability to compete

(7) Determining the principle of the good corporate governance, code of ethics and conduct of the employees such as the equitable treatment of shareholders, anti-corruption, anti-money laundry, the prevention and management of conflict of interest, the usage of internal data, the maintenance of confidentiality and the acknowledgment of complaints by reviewing the management policy, code of ethics and conduct of the employees annually

(8) Determining the internal control system to be adequate and appropriate and following up the efficiency of such system to be in accordance with the recognized standard by disclose the adequacy of the internal control system and the audit report in the annual report

(9) Determining the policies of risk management and the scope of the decency of risk management, including following up the efficiency of the risk management regularly by disclose the adequacy of the risk management system in the annual report

(10) Determining the conflict of interest diligently with a clear perspective and best interest of the Company and shareholders by excluding the interested person from such decision

(11) Considering and approving the performance and the annual operation of the Company, and comparing with the plan and the financial budget of the upcoming year

(12) Considering and approving any transactions or any actions having significant effect to the financial status, debt, the performance of business and reputation of the company, including following up the sufficiency of financial liquidity and the ability to settle the debt

(13) Determining the policies relating to the management of information technology and the security of information technology system to be in accordance with the recognized standard, reviewing and improving such system to properly be in line with the information technology

(14) Supporting and enhancing the implementation of innovation and apply such innovation and technology to increase the value of the business, and supervise the management of the information technology system to conform to the need of the Company

(15) Supervising the operation of the Company to have financial stability in order to conduct the business continuously

(16) Providing the accounting system, financial report and reliable audit, supervising the disclosure of the financial statement including the annual report and Annual Registration Statement (Form 56-1) which is correct, complete, duly on time and reflected to the performance and financial status in accordance with the accounting standard by laws relating to the accounting, including disclose the key information in accordance with the relevant rules and regulations

(17) Determining the policies relating to the disclosure of the confidential information to prevent the leakage of information, the maintenance of confidentiality and information which may affect the price of the security

(18) Determining the rules and recruitment process of the senior executives with clear and transparent, setting the remuneration, and assessing the performance annually, and following up the process of recruitment the replacement or successor of the senior executive (Succession Plan) annually

(19) Appointing and determining the responsibility of the sub-committees namely Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Executive Committee to perform efficiently for the best interest of shareholders

(20) In the event that the Company has not appointed the sub-committees as specified in the management structure, the Board of Directors may assign the duty of the sub-committees to the Executive Committee or any qualified person, and following up the performance and providing the report of such performance to the Board of Directors or shareholders

(21) Appointing the President, the Managing Director, the company secretary, including approving the authorization to be given to the President, the Managing Director and amend such authorization as deem appropriated

(22) Providing a proper method to communicate with the shareholders and the interested person, and ensuring that the shareholders will participate in making decision on the significant matters of the Company

(23) Providing the clear instructions for any person or any interested person who would like to complain on the website or report directly to the Company by setting up the channel for report through the Board of Directors, Executive Committee and Audit Committee, and instruct investigation on such complaint as per the process indicated by the Company and report to the Board of Directors

(24) Considering and approving and/or considering and opining to propose to the meeting of the shareholder to consider conducting the key transaction of the Company and the related transaction as required by regulations, conditions and the relevant laws, and/or Article of Association of the Company, and/or resolution of the shareholders.

(25) Having an authorization, duty and responsibility as required in the relevant laws and regulations, Article of Association of the Company and the resolution of the shareholders

In addition, the meeting of the Board of Directors of the Company No. 6/2019 which held on August 9, 2019 had resolved to approve the charter of the Managing Director to determine the scope of duties and responsibilities of the Managing Director, as follows:

- 1.1 Providing business plans and business strategies to conduct the business of the Company in order to seek for an approval from the Executive Committee
- 1.2 Managing the business of the Company as per the business plans and business strategies approved by the Executive Committee
- 1.3 Managing human resources, finance, financial transaction with financial institution, general administration, sale and purchase and the land registration, operating the project approved by the Board of Directors or the Executive Committee and any matters for benefits of the operation of the Company as specified in the operational manual and scope of the authorization approved by the Board of Directors
- 1.4 Making decision on key matters of the Company, determining the objectives, plans and policies of the Company including the controlling of the management of any field
- 1.5 Being the authorized person to command, contact, instruct, and sign the legal transaction, instruction documents or any notification letter as specified in the operational manual
- 1.6 Being the authorized person to sign on the hire agreement, appointment, transfer any person as deemed appropriate, including, setting up the scope of duties and the suitable remuneration, and considering the termination of employees as deem appropriated for the level of each employee as specified in the operational manual
- 1.7 Acting on behalf of the Company in communicating with other parties
- 1.8 Being the authorized person to set the commercial conditions for the benefits of the Company
- 1.9 Considering the investment in new business or the shutting down the business and propose to the Executive Committee and/or the Board of Directors
- 1.10 Preparing and proposing the operational report of the Company on the significant matter to the Board of Directors and the Executive Committee regularly, and preparing the report in any as the Board of Directors or the Executive Committee requires
- 1.11 Sub-authorizing and/or authorizing any person to act on his behalf on specific matters within the scope provided in the regulations, provisions or orders that the Board of Directors and/or the Executive Committee authorized
- 1.12 Conducting any other duties as authorized by the Board of Directors and/or the Executive Committee

In this regard, the authorization of duties and responsibilities of the managing director shall not include the authorization and/or the sub-authorization in any transaction that he or the sub-attorney or the interested person who may have conflicts (defined in the Notification of the Capital Market Supervisory Board) of interest in any way that contradicts to the Company. The transactions must be proposed to the meeting of the Board of Directors and/or the meeting of the shareholder (in any case) to consider the approval of such transaction as specified in the article of association of the Company or relevant laws.

Details of the Sub-committees

Sub-committees

The Board of Directors appointed 4 sub-committees, namely Executive Committee, Audit Committee, Nomination, Remuneration Committee and Risk Management Committee to conduct the specific matters as assigned by the Board of Directors, in order to operate the business efficiently and in accordance with the principle of good corporate governance. In this regard, the Board of Directors has prepared the charter of the sub-committees to establish the composition and the responsibility of the sub-committees for the purpose that the Sub-committees will understand and conduct their roles, duties and responsibilities to the shareholders and the Company effectively and transparently. The scope of their duties are as follows:

- The scope of duties of Executive Committee, approved by the meeting of the Board of the Directors No. 6/2019 held on August 9, 2019
- The scope of duties of Audit Committee, approved by the meeting of the Board of the Directors No. 6/2019 held on August 9, 2019
- The scope of duties of Nomination and Remuneration Committee, approved by the meeting of the Board of the Directors No. 6/2019 held on August 9, 2019
- The scope of duties of Risk Management Committee, approved by the meeting of the Board of the Directors No. 6/2019 held on August 9, 2019
- The scope of duties of the managing directors, approved by the meeting of the Board of the Directors No. 6/2019 held on August 9, 2019

(A) Audit Committee

As of December 31, 2020, the Audit Committee consists of totaling 3 persons, as appointed by the meeting of Board of Directors No. 2/2019 held on February 14, 2019, detailed as follows

Name		Position
1. Mr. Suphot	Singhasaneh	Chairman of Audit Committee, Independent Director
2. Mrs. Nantana	Sangkavichitr	Audit Committee, Independent Director
3. Miss Somboon	Supasiripinyo	Audit Committee, Independent Director

In this regard, the Audit Committee is sophisticated and sufficiently experienced to conduct the reliable audit of the financial statement of the Company.

The meeting of the Board of Directors No. 2/2019 which held on February 14, 2019 appointed Mr. Kittisak Pannaraj as the secretary of Audit Committee.

The scope and responsibility of the Audit Committee, detailed as follows:

- 2.1 Reviewing the Company's financial report to ensure the accuracy and reliability as well as adequate disclosure by coordinating with external auditors and executives responsible for the quarter and annual financial report

- 2.2 Reviewing the Company's internal control system and the internal audit to ensure appropriateness and efficiency including the independence of the internal audit department. The Audit Committee may approve the appointment, relocation or termination the head of the internal audit department or any related department which is responsible for internal audit, and may suggest the reviewing or examining any items deemed necessary and important and recommend the ways to improve the internal control system to the Board of Directors, by jointly conducted with external auditors and internal audit manager
- 2.3 Reviewing the Company's compliance with the Securities and Exchange Act, or any regulations of the Stock Exchange of Thailand, and other policies, rules, regulations and laws related to the Company's business
- 2.4 Selecting and nominating an independent person to perform as a Company's auditor, and proposing remuneration of the auditors to the Board of Directors as well as attending the meeting with the auditor without the Management at least once a year
- 2.5 Reviewing the internal audit plan of the Company in accordance with generally accepted auditing standards
- 2.6 Considering related transactions or transactions with potential conflicts of interest to ensure compliance with the laws and regulations of the Stock Exchange of Thailand and ensuring that such transactions are correct and complete for the best interest of the Company. Disclosure of information must be done accurately and fully
- 2.7 Ensuring that an appropriate and efficient risk management system is in place
- 2.8 Reporting the Audit Committee's performance to the Board of Directors at least four times a year
- 2.9 Preparing the Audit Committee's corporate governance report and publishing it in the annual report. Such report must be signed by the Chairman of the Audit Committee and contain at least the following information
 - 2.9.1 Opinion on the accuracy, completeness, and reliability of the financial report
 - 2.9.2 Opinion on the adequacy of the Company's internal audit system
 - 2.9.3 Opinion on the compliance with Securities and Exchange Act, regulations of the Stock Exchange of Thailand, or laws related to the Company's business
 - 2.9.4 Opinion on the suitability of the auditor
 - 2.9.5 Opinion on related transactions and transactions with potential conflicts of interest
 - 2.9.6 Number of the Audit Committee's meetings and number of meetings attended by each member of the Audit Committee
 - 2.9.7 Opinion or overview observation obtained by the Audit Committee from its performance in accordance with the charter
 - 2.9.8 Any other matter that shareholders and general investors should know within the scope of duties and responsibilities assigned by the Board of Directors
- 2.10 Providing opinions on appointment, dismissal, and evaluation of internal audit's officers
- 2.11 The Audit Committee is entitled to invite the Management, the executive, or employees to attend the meeting to discuss issues or give opinions or documents as deemed necessary
- 2.12 The Audit Committee is entitled to hire a consultant or outsider under the Company's regulations to provide opinions or advices as necessary

2.13 The Audit Committee must conduct a self-assessment and report the assessment results as well as problems that may cause the Audit Committee to be unable to achieve its objectives to the Board of Directors every year

2.14 Revising and improving the charter of the Audit Committee

2.15 Performing any other task assigned by the Board of Directors within the scope of duties and responsibilities of the Audit Committee

(B) Executive Committee

As at 31 December 2020, the Executive Committee consists of totaling 13 persons, as follows:

Name		Position
1.	Mr. Phoonsak Boonsalee	President of the Executive Committee
2.	Mr. Siwaphong Boonsalee	Executive Committee
3.	Mrs. Jintana Boonsalee	Executive Committee
4.	Mrs. Sopida Suksai	Executive Committee
5.	Mrs. Renu Wilasri	Executive Committee
6.	Mr. Chawalit Phanpha	Executive Committee
7.	Mr. Surasak Kamtanet	Executive Committee
8.	Mr. Prachak Chandum	Executive Committee
9.	Mr. Chawalit Kasemchولاتan	Executive Committee
10.	Mr. Wathip Panpa	Executive Committee
11.	Mr. Khamnaung Singkhan	Executive Committee
12.	Mr. Paramet Inma	Executive Committee
13.	Mr. Nutthaphon Phumsiroj	Executive Committee

The scope and responsibility of the Executive Committee, detailed as follows:

- 2.1 Regulating the management of the Company to be compliance with policies designated by the Board of Directors, laws, regulations of the Company, including the Stock Exchange of Thailand with the duty of loyalty, duty of care, accountability and ethics
- 2.2 Formulating the Company's business plan, annual budget plan, and investment plan to propose for an approval from the Board of Directors and regulate the budget approved by the Board of the Company
- 2.3 Regulating and managing the investment of the Company efficiently for the best interest of the shareholders
- 2.4 Considering an approval of any expenses as authorized in the operational manual;
- 2.5 Considering the conducting of any agreements to bind the Company as authorized in the operational manual
- 2.6 Being responsible for providing any essential information of the Company for making the Board of Director's decision

- 2.7 Considering the investment in the new business or the shutting down the business to propose to the Board of the Directors
- 2.8 Regulating and supervising the procedures of the operators to report any circumstances or any unusual or illegal actions to the Executive Committee immediately. Also, if such event has any significant effect to the Company, the Executive Committee must report to the Board of Directors to address such issues within the reasonable time
- 2.9 Conducting any transactions to support the aforementioned transactions or any opinions or any assignment from the Board of Directors
- 2.10 Proposing to the meeting of the Board of Directors in any matters which resolved and/or approved from the Executive Committee in the next meeting of the shareholders
- 2.11 Supervising and following up the management of the Company to be in line with the policies, strategies plan and annual budget that the Board of Directors approved, and reporting to the Board of Directors regularly
- 2.12 Analyzing that matter which the chairman of the Executive Committee proposed in order to consider whether such matter should be approved
- 2.13 Recruiting, appointing, dismissing or relocating the senior officer ranked Deputy Managing Director or equivalent to such position, and determine the salary, remuneration or any other benefits to such person
- 2.14 Assigning or recommending the managing director to consider or conduct any matters as the Executive Committee consider appropriated
- 2.15 Appointing the working to consider any matters the Executive Committee consider appropriated
- 2.16 Considering any matters, or conduct any duties as assigned by the Board of Directors
- 2.17 Supervising and following up the operation of the Risk Management Committee

In this regard, the authorization of the Executive Committee or any sub-authorization to any person who the Executive Committee consider appropriated shall not include the authorization or the sub-authorization in any transaction that he or any interested person who may have conflicts of interest or benefits in any ways that contradict to the Company or the Company's subsidiaries. The transactions must be proposed to the meeting of the Board of the Directors and/or the meeting of the shareholder (in any case) to consider the approval of such transaction as specified in the Article of Association of the Company or relevant laws.

(C) The Nomination and Remuneration Committee

As of December 31, 2020, the Nomination and Remuneration Committee consists of totaling 3 persons, as follows:

Name		Position
1. Miss Somboon	Supasiripinyo	Chairman of Nomination and Remuneration Committee, Independent Director
2. Mr. Phoonsak	Boonsalee	Nomination and Remuneration Committee
3. Mrs. Woranutchanan	Phongsurang	Nomination and Remuneration Committee and Independent Director

The scope and responsibility of Nomination and Remuneration Committee, detailed as follows:

1. The nomination of the directors of the Company:

- 1.1 Determining the procedures to recruit the candidate, who is suitable with the nature and operation of the Company, to take a position of director by specifying the qualification and expertise in each area.
- 1.2 Nominating the director of the Company once there is the agenda to nominate the director of the Company for the Board of Directors' consideration. The nomination of the directors may consider the previous director to maintain in the position or the candidate nominated by the shareholders or the usage of the external agency to recruit or the consideration of the person from the office of the occupational committee or the person who the Board of Directors consider appropriated.

In this regard, the nomination of the director of the Company, the Nomination and Remuneration Committee will consider at least one expertise for the position such as finance, business management, marketing, human resources, legal, management including the ability to assist the operation of the Company to be more precisely, the ability to make up a reasonable decision, and the ability to provide critical thinking. Also, the Nomination and Remuneration Committee will consider the leadership, the high level of professional expertise and integrity, along with the suitable personality.

- 1.3 considering the list of candidates and select the candidate whose qualification is in accordance with the eligible qualification.
- 1.4 reviewing whether the nominated candidate is qualified by laws or regulations of relevant officials.
- 1.5 recruiting the person who has the qualification conforming to the specified criteria, in order to ensure that such person will be willing to take a position of the director of the Company in case of the appointment by the shareholders.
- 1.6 nominating the candidate with suitable qualification to the Board of Directors and enlist in the candidate's name in the notice to convene the meeting of the shareholders in order to have the meeting of the shareholder consider the appointment of the director of the Company.
- 1.7 recruiting the senior manager as assigned by the Board of Directors.
- 1.8 supervising the Board of Directors and the sub-committees to have the size and the composition that suitable to the organization and the adaptation to the environment. Thus, the Board of Directors and the Board of the Sub-Directors must comprise of the person who has knowledgeable, capable, experienced and skillful any areas which necessary to conduct the business.
- 1.9 disclosing the policy and details of the nomination process in the annual report of the Company.
- 1.10 reviewing, summarizing the succession plan and the continuity of management for the senior manager annually, and report to the Board of Directors.
- 1.11 conducting any transaction assigned by the Board of Directors or by the determined policies from the Board of Directors.

2. The consideration of the remuneration

- 2.1 Considering the criteria for the remuneration of the Board of Directors and the senior manager by reviewing the current criteria comparing to the details of the remuneration of the other companies which is in the same industry, and revise the proper criteria
- 2.2 Reviewing any payment of the remuneration i.e. the regular remuneration, the operational remuneration, the meeting allowance by considering from the procedures used by the companies in the same industry, performance and size of the Company, the responsibility and the experience of the directors and the senior executives

- 2.3 Considering the criteria to assess the performance of the senior executive as assigned by the Board of Directors
- 2.4 Determining the annual remuneration of the Board of Directors and the senior executive as specified in the approved plan and propose to the Board of Directors to approve. In respect of the directors of the Company, the Board of Directors must propose to the meeting of the shareholders
- 2.5 Considering the condition in case that the Company will offer the newly issued security to the directors of the Company or the employees in order to motivate the directors and employees to perform their duties for the best benefits of the shareholder in the long-term and sustain the employees with quality
- 2.6 In conducting the duties, the Nomination and Remuneration Committee may hire an outsider expert to consult and attend the meeting of the Nomination and Remuneration Committee, and to consider the remuneration within the approval from the Board of Directors or any person assigned by the Board of Directors
- 2.7 Conducting any transaction assigned by the Board of Directors or by the determined policies from the Board of Directors

(D) Risk Management Committee

As of December 31, 2020, the Risk Management Committee consists of totaling 3 persons, as appointed by the meeting of the Board of Director No. 2/2019 held on 14 February 2019, detailed as follows:

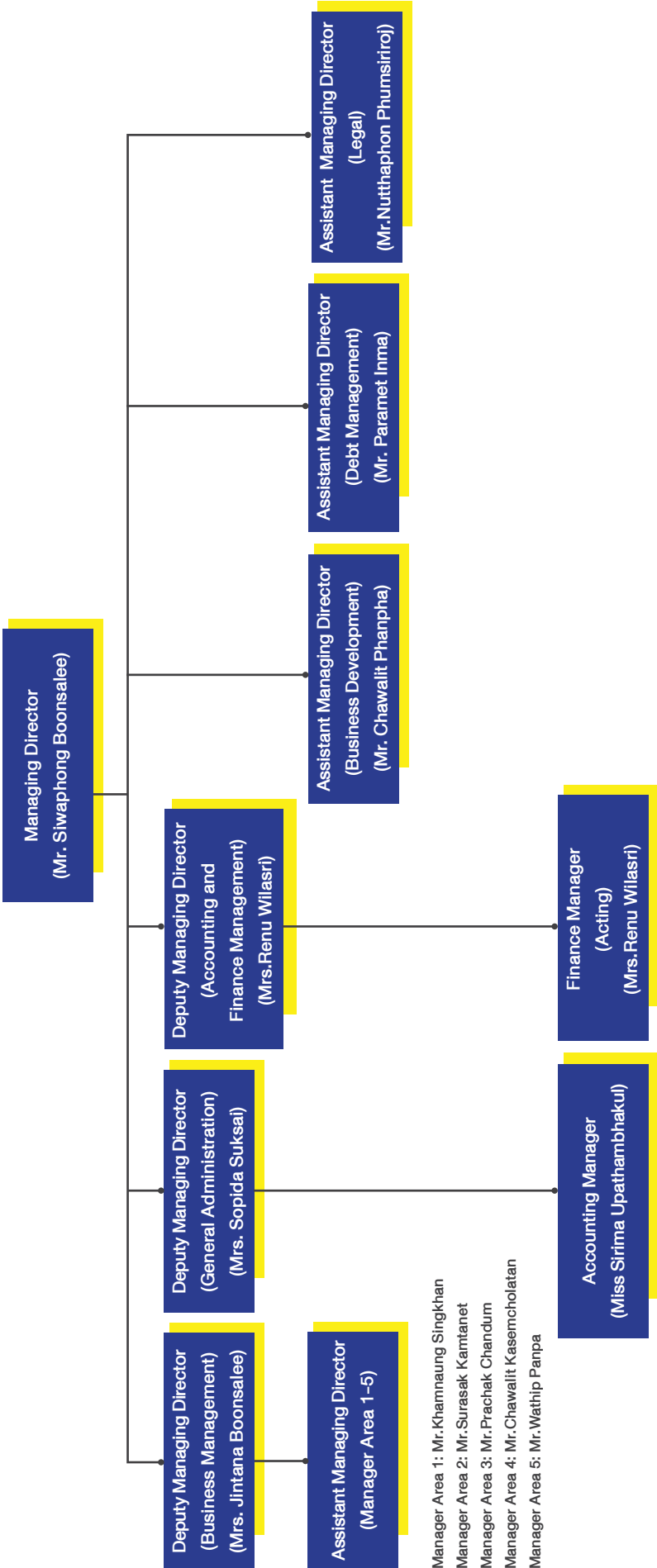
Name		Position
1. Mrs. Nantana	Sangkavichitr	Chairman of Risk Management Committee, Independent Director
2. Mr.Siwaphong	Boonsalee	Risk Management Committee
3. Mr.Chawalit	Phanpha	Risk Management Committee

The scope and responsibility of Risk Management Committee, detailed as follows:

1. Determining and reviewing the risk management framework throughout the organization, suggest the risk management plan relating to the business's operation to be in line with the strategies, business plans, and surrounded situation.
2. Supervising, encouraging and developing the risk management in every aspect of the organization, promote the risk management culture throughout the organization.
3. Assessing and analyzing the potential risk in any aspect to be in line with the current situation systematically and continuously to ensure that such assessment covers all steps of business operation, introduce the solution to prevent or lessen the risk to be on the acceptable level.
4. Considering the result of the assessment report prepared by the Management, opine the potential risk that may arise, provide the measures in controlling, lessening and developing the risk management system to be more efficiently.
5. Reporting the results of the potential risk management to the Board of Directors. In case that there is important factor or situation that may significantly affects the Company, immediately notify the Board of Directors.
6. Performing any other task as assigned by the Board of Directors.

Details of the executive
The Executive

(1) Management structure



(2) The details of the Executive Committee

As of December 31, 2020, the Company has the executive totaling 13 persons, as follows:

Name		Position
1.	Mr. Siwaphong Boonsalee	Managing Director
2.	Mrs. Jintana Boonsalee	Deputy Managing Director (Business Management)
3.	Mrs. Sopida Suksai	Deputy Managing Director (General Administration)
4.	Mrs. Renu Wilasri	Deputy Managing Director (Accounting and Finance Management)
5.	Mr. Khamnaung Singkhan	Assistant Managing Director (Manager Area 1)
6.	Mr. Surasak Kamtanet	Assistant Managing Director (Manager Area 2)
7.	Mr. Prachak Chandum	Assistant Managing Director (Manager Area 3)
8.	Mr. Chawalit Kasemcholatan	Assistant Managing Director (Manager Area 4)
9.	Mr. Wathip Panpa	Assistant Managing Director (Manager Area 5)
10.	Mr. Chawalit Phanpha	Assistant Managing Director (Business Development)
11.	Mr. Paramet Inma	Assistant to Managing Director (Debt Management)
12.	Mr. Nutthaphon Phumsiroj	Assistant to Managing Director (Legal)
13.	Miss Sirima Upathambhakul	Accounting Manager

Remarks: ¹the definition of the executives of the Notification of the Securities and Exchange Commission at Gor.Jor. 17/2551 re: the definition of the notification in relation to the issuance and offering of the security (as amended)

The policy in relation to the remuneration of the Executive Committee and the executives

The Company has determined the remuneration of the Executive Committee and the executives by considering the responsibilities in driving the organization to its achievement in accordance with the performance and the details of the other companies which has the same size or in the same industry by setting the indicator and the standard value for the management in each year.

Type of the remuneration of the executives, detailed as follows:

1. Fixed remuneration, which is salary, position allowance, performance fee, which is the regular compensation by using the performance assessment system.

2. Variable remuneration, variable by the performance, which is bonus, contribution, allowance assessed by the performance for achieving the goal.

The remuneration of the Executive Committee and the executives

The Company shall pay the remuneration to the Executive Committee and the executives by considering the responsibilities and the suitability of the business industry at the same level.

(1) Monetary compensation

Type	2019		2020	
	Total (persons)	Remuneration (THB Million)	Total (persons)	Remuneration (THB Million)
Salary	14	11.1	14	12.0
Bonus	14	2.2	14	3.3
Other remuneration	14	1.5	14	1.9
Total	14	14.8	14	17.2

Remarks: ^{1/} the total remuneration of Mr. Phoonsak Boonsalee who is the President of Executive Committee

(2) Other remuneration

The Company has provided the provident fund under the management of BBL Asset Management Company Limited. In this regard, the Company shall contribute at the rate of 5% of the salary to the provident fund. In 2020, the Company has contributed to the provident fund for the executives totaling 10 persons, in the total amount of THB 239,992.

In addition, the Company has allocated the ordinary increased shares to the Executive Committee and the executives who is not the director of the Company, at the amount of not exceeding 3,500,000 shares or equivalent to 0.17% of the total sold shares with the similar offering price made to the public. In this regard, any executive who is also a director of the Company will not be entitled to the allocation of such ordinary increased shares as the executive, but shall be entitled to the ordinary increased shares allocated to him as the director of the Company.

Details of the Employees

Number of employee

As of December 31, 2020, the Company has total employees in the amount of 1,596 persons which could be grouped by work field as follows:

Work Field	Number of Employee (Person(s))	
	As of December 31, 2019	As of December 31, 2020
1. Management Department	14	14
2. Branch Department	511	535
3. Credit Analysis	609	603
4. Debt Collection Department	39	40
5. Accounting Department	46	44
6. Finance Department	270	263
7. Information Technology Department	9	10
8. Legal Department	3	6
9. Administration Department	7	7
10. Human Resource Department	14	14
11. Marketing Department	12	13
12. Internal Audit Department	26	26
13. Procurement Department	4	4
14. Building Department	18	17
Total	1,582	1,596

In 2020, the Company has the total number of resigned employees in the amount of 153 persons or equivalent to 9.59 percent of total employees. Most employees who resigned have work experience with the Company for less than 1 year, equivalent to 54.25 percent of total resigned employees.

In this regard, there is no significant change to the number of employees in the last 3 years.

Employee Remuneration

The Company determines the payment of remuneration of employees by taking into account job position, work experience, achievement of work, by having an evaluation system for determining work target, planning, progress tracking, development and individual performance review to ensure human resource management is administered in the same direction, accurately and fairly and to incentivize those working employees.

1. Monetary Remuneration

In 2019 and 2020, the Company has paid monetary remuneration to the employees with details as follows:

Type of Remuneration	Remuneration (THB Million)	
	2019	2020
1. Salary	327.5	372.4
2. Bonus	59.0	59.9
3. Other Remunerations ^{1/ 2/}	73.6	55.9
Total	460.1	488.2

Remarks: ^{1/} Other remunerations namely provident fund contribution, social security fund contribution, allowance, post-employment benefits, other employee welfare, meeting attendance fee, pioneering cost, human resource development cost, accommodation and traveling expense, petrol cost, lodging rental, and group accident insurance.

^{2/} Other remunerations which were reduced from last year, namely, post-employment benefit, human resource development cost, petrol cost and social security fund contribution as a result of economic condition, the outbreak of Covid-19 and government policy.

2. Provident Fund

The Company has established the provident fund in accordance with the Provident Fund Act B.E. 2530 (1987) managed by BBL Asset Management Company Limited for encouraging and incentivizing employees to work with the Company in a long run. The Company and the employees shall make a voluntary contribution to provident fund on monthly basis at the rate of 3% - 5% of salary.

As of December 31, 2020, the total number of the Company's employees joining the provident fund is 1,368 persons, equivalent to 85.71 of the total employees.

3. Employee Welfare

The Company has arranged for employee welfare pursuant to the laws and also arranged for additional welfare and certain benefits such as:

- 3.1 Accident insurance in case of decease or permanent disability
- 3.2 Funeral expenses payment in case of the decease of employee or family member
- 3.3 Subvention for property damage incurred by accident
- 3.4 Subvention for the employee's suffering from natural disaster or accident etc.

4. Labour Dispute

The Company does not have any labour dispute which may affect its business operation.

Human Resource Development Policy

The Company has a policy with respect to human resource development and quality of life enhancement, as follows:

1. Encouraging an employee to comply with business and work ethics
2. Enhancing employee's potential by constantly provide development of knowledge, skill and attitude towards work to build confidence and ensure of the good result
3. Arranging for methods of employee's competency and performance evaluation in a fairness manner and in line with their work role and to apply such method to evaluate the employee for allocation of appropriate remuneration
4. Reviewing employee's income annually and arranging for appropriate employee welfare
5. Evaluating employee's satisfaction to the work annually
6. Planning in relation to appropriate and sufficient manpower for the work and recruiting employee who has suitable qualification
7. Supporting employees to maintain and participate in organizational and social culture.

Other Material Information

Information related to persons who were appointed to control or perform certain positions in the Company

- 1) The person who was directly assigned for accounting management

The Board of Directors hereby assigned Miss Sirima Upathambhakul to directly handle the accounting management of the Company. The qualification of the person who was assigned to directly handle the Company's accounting management appears in Attachment 1.

- 2) Company's Secretary

The Board of Directors resolved to assign Mrs. Tippamas Lamcharoen to be the Company's secretary commencing from July 29, 2019. The qualification of the Company's secretary appears in Attachment 1.

- 3) Chief of Internal Audit

The Board of Directors hereby assigned Mr. Kittisak Pannaraj to be the chief of internal audit for supervising of compliance with the government authority's regulations. The qualification of the chief of internal audit appears in Attachment 3.

Information of Investor Relations

Company's Name	Saksiam Leasing Public Company Limited Mrs. Renu Wilasri, Deputy Managing Director (Accounting - Finance Management)
Office Location	49/47 Chetsada Bodin Road, Tha It Sub-District, Muang Uttaradit District, Uttaradit Province 53000
Tel No.	0 5544 4495
Fax No.	0 5544 0371

Auditor Remuneration

Since 2016 until the present, the Company has engaged PricewaterhouseCoopers ABAS Ltd. to conduct the audit and provide consultation. In 2019, the Company has paid audit fee and non-audit fee in the total amount of THB 3,850,000 to PricewaterhouseCoopers ABAS Ltd. Such fee could be divided into the Company's audit fee in the amount of THB 3,850,000 and out-of-pocket expenses such as traveling costs and accommodation costs for conducting accounting and finance audit at the Company's head office at Uttaradit Province and photocopying costs, etc. Apart from those fees, the Company has no other fees to pay to the auditor, the audit firm of which the auditor is employed, and any person or related business of the auditor.

Report on the Significant Performance regarding Corporate Governance

Summary of the performance of the Board of Directors in last year

The Board of Directors performs their duties in accordance with roles and responsibilities which are important for determining policies and strategies, driving competitive capacity, building culture and value of the organization, procuring the adequate internal control system and managing risks of the organization. The scope of duties and responsibilities of the Board of Directors and Managing Director appeared in page 81.

Nomination, Development and Performance Assessment of the Board of Directors

(1) Nomination of the independent director

In respect of appointment of the Independent Director, the Nomination and Remuneration Committee shall consider qualification of the Independent Director in order to delegate and propose to the meeting of Board of Directors and the shareholders for approval, the details of the qualifications of independent director appeared in Attachment 1.

(2) Nomination of the directors and senior executives

The Nomination and Remuneration Committee consists of 3 members provided that two of them shall be an independent director. With respect to nomination of the directors of the Company and the Managing Director, the Nomination and Remuneration Committee shall be responsible for nominating and selecting qualified persons pursuant to the Company's requirement in order to procure the professional and various expertise of director. The number of independent directors to be proposed shall be equivalent to one-third (1/3) of total number of directors. The Nomination and Remuneration Committee shall propose nominated independent directors, including appropriate remuneration, to the meeting of Board of Directors and shareholders for approval respectively. In this regard, pursuant to the public limited company laws, the shareholders are able to allocate their votes to appoint each of directors (cumulative voting). The appointment of directors shall be approved by a simple majority vote of shareholders attending the meeting and casting their votes.

For nomination of the senior executives, the Board of Directors considered and assigned the Nomination and Remuneration Committee to determine in accordance with rules and procedures to nominate qualified persons to be the senior executives and shall propose more than one qualified person together with reasons to the Board of Directors for approval. Such qualified persons shall possess qualifications, knowledge, suitability expertise and experiences which are useful for the Company's operation and understand the Company's business as well as be able to achieve the objectives and goals determined by the Board of Directors.

(3) Assessment of the Board of Directors' Performance

The Board of Directors determined to assess their performance (Board Self-Assessment) annually at least once a year in order to review their performance, occurred problems and obstacles and to assess their performance in last year as well as to find a direction to develop the efficiency of the operation of the Board of Directors in next year. The forms to be used for assessment are as follows:

1. Self-Assessment of the Board performance
2. Self-Assessment of the individual performance of directors

3. Self-Assessment of the sub-committee performance.

Details and criteria set out in such 3 Self-Assessment forms are line with the sample forms provided by the Securities and Exchange Commission's Self-Assessment, issued on February, 2015 which were applied to be compatible with the Company's business.

For the procedures of the performance assessment of the Board of Directors, sub-committee and individuals, the Board of Directors assigns the Company's Secretary to collect all filled forms and submit to the Board of Directors as well as to analyze performance results from the assessments and report to the Board of Directors for further improvement and development of the operation.

The assessment were conducted in 3 aspects i.e. structure and qualification of the directors, the meeting of the Board of Directors, and roles, duties and responsibilities of the directors. For the year 2020, the assessment results are as follows:

1. Result of Self-Assessment of the Board of Directors, which has 6 topics assessed i.e. structure and qualification of the directors, the meeting of the Board of Directors, roles, duties and responsibilities of the director, performance of the directors, relationship with the management team, self-development of the directors and development of executives:

The summary of self-assessment of the Board of Directors results is 1,425 scores, equivalent to 91.94% and considered as Excellent.

2. Result of Self-Assessment of individual performance of directors, which has 3 topics assessed i.e. structure and qualification of the directors, the meeting of the Board of Directors, and roles, duties and responsibilities of the director:

The summary of self-assessment of the Board of Directors results is 530 scores, equivalent to 96.36% and considered as Excellent.

3. Result of Self-Assessment of the sub-committee:

3.1 The score of Audit Committee is 298 scores, equivalent to 99.33% and considered as Excellent

3.2 The score of Nomination and Remuneration Committee is 277 scores, equivalent to 97.17% and considered as Excellent

3.3 The score of Risk Management Committee is 260 scores, equivalent to 96.29% and considered as Excellent.

Meetings Attendance and Remuneration

1) Meetings Attendance

List of the Directors	Position(s)	The meetings (January 1, 2020 – December 31, 2020)		
		The Meeting of the Board of Directors	The 2020 Annual General Meeting of Shareholders	The Extraordinary General Meeting of Shareholders
1. Mr. Suphot Singhasaneh	Chairman of the Board of Directors	8/8	1/1	-
2. Mr. Phoosak Boonsalee	Director	8/8	1/1	-
3. Mrs. Jintana Boonsalee	Director	8/8	1/1	-
4. Mr. Siwaphong Boonsalee	Director	8/8	1/1	-
5. Mrs. Sopida Suksai	Director	8/8	1/1	-
6. Mrs. Renu Wilasri	Director	8/8	1/1	-
7. Mr. Chawalit Phanpha	Director	8/8	1/1	-
8. Mr. Yanchai Tantiratapong	Director	7/8	1/1	-
9. Mrs. Nantana Sangkavichitr	Independent Director and Member of the Audit Committee	8/8	1/1	-
10. Miss Somboon Supasiripinyo	Independent Director and Member of the Audit Committee	8/8	1/1	-
11. Mrs. Woranutchanan Phongsurang	Independent Director, Member of Nomination and Remuneration Committee	8/8	1/1	-

Monetary Remuneration

The remuneration of the directors comprises of meeting allowance which is paid per a meeting as follows:

List of the Directors' names	Position	Remuneration of the Directors					
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Total
1. Mr. Suphot Singhasaneh	Chairman of the Board of Directors, Independent Director and Chairman of Audit Committee	320,000	150,000	-	-	-	470,000
2. Mr. Phoonsak Boonsalee	Director, President of Executive Committee and member of Nomination and Remuneration Committee	120,000	-	-	-	-	120,000
3. Mrs. Jintana Boonsalee	Director and member of Executive Committee	120,000	-	-	-	-	120,000
4. Mr. Siwaphong Boonsalee	Director, member of Executive Committee and member of Risk Management Committee	120,000	-	-	-	-	120,000
5. Mrs. Sopida Suksai	Director and member of Executive Committee	120,000	-	-	-	-	120,000
6. Mrs. Renu Wilasri	Director and member of Executive Committee	120,000	-	-	-	-	120,000
7. Mr. Chawalit Phanpha	Director, member of Executive Committee and member of Risk Management Committee	120,000	-	-	-	-	120,000
8. Mr. Yanchai Tantiratapong	Director	105,000	-	-	-	-	105,000

Other remunerations

The Company has allocated the ordinary increased shares to the directors at the amount of not exceeding 12,000,000 shares or equivalent to 2.2% of the total sold shares with the similar offering price made to the public. In this regard, any executive who is also a director of the Company will not be entitled to the allocation of such ordinary increased shares as the executive, but shall be entitled to the ordinary increased shares allocated to him as the director of the Company.

The details of Executive Committee and other remunerations appeared in page 92.

Corporate Governance on the Subsidiary, Associate Company

The Company does not invest in any subsidiary or associate company.

Monitoring Compliance of Good Corporate Governance Policy and Guidelines

The Company places important on good corporate governance by determining relevant policies and guidelines in the Company's Corporate Governance Policy and Business Ethics, including encouraging to comply with such policies and guidelines for building confidence to all stakeholders.

During the past year, the Company has monitored the compliance of the good corporate governance that covered the following topics:

- 1) Employee supervision and non-discrimination;
- 2) Protection against unfair trade competition;
- 3) Protection of environment, hygiene and safety in the organization; and
- 4) Information security.

Pursuant to the monitoring measure, it is shown that the Company has completely complied with all guidelines of each topic.

Furthermore, the Company has also monitored the following issues to comply with the good corporate governance:

(1) Prevention against the Conflict of Interests

The Company has the prevention against the conflict of interests' policy for maximizing benefit to the Company and shareholders by determining 2 relevant policies which are Connected Transaction and other circumstances which may cause the conflict of interest. The details of which appeared in Policy and the guideline in relation to the shareholders and the interested person, page 75.

In 2020, the Company has monitored the compliance of such prevention against the conflict of interests policy which can be summarized as follows:

1. Connected Transaction

The Company will consider the suitability of every connected transaction including the determination of value and condition of the connected transaction as if it is conducted with an outsider on the arm's length basis. Once the Company has conducted the connected transaction, in case that it is the transaction specified in the Notification of the Board of Directors of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand (SEC Office) in the disclosure of information and the practices of the listed company in the connected transaction, the Board of Directors will ensure that any of such connected transaction is strictly complied with the regulations, conditions and the methods provided in such notification, including disclosure such transaction in the annual report and the Registration Statement for Securities Offering (Form 56-1/One Report) for the transparency of conducting the related transaction and end the conflict of interest issue.

2. The other circumstances which may cause the conflict of interest

The Company has policies to prevent the conflict of interest issues which may arise from other circumstances other than the related transactions, as follows:

2.1 General Investment

The Company will not allow any person in the Company who are the shareholders or receivers of the benefits of competing company or traders/seller, which the Company conducting the business with, to participate in making decision on the matter relating to such business relationship, unless approved by the Chairman of the Executive Committee. With respect to the purchasing shares of the

listed company in the Stock Exchange of Thailand, or investing in the mutual fund or investment unit, it will not be considered as the conflict of interest, unless such action causes a negative impact on the operation of the Company.

2.2 Gifts Acceptance

Any person in any level should not accept gifts, transportation ticket, sport ticket, vacation proposal or any personal proposal which may lead to the decision engaging the Company or losing the Company's profit or not receiving its best benefit.

2.3 Being a spokesman for academic seminar, public service or any position

Any person at any level of the Company may seek for an approval of the managing director to accept the proposal in academic institute, public service to be spokesman or any positions such as director, advisor which will expand his vision and gain experience which must not harm the duties owned to the Company.

(2) The usage of internal information of the Company

In order to ensure that the operation of the Company is efficient and transparent which will build trust to every relevant party and to promote the Company's sustainable business growth, the Company sets forth the usage of internal information of the Company policy including securities holding report policy. The details of which appeared in Policy and the guideline in relation to the shareholders and the interested person, page 75.

In 2020, the Company has monitored the compliance of the internal information application's policy which can be summarized as follows:

Securities Holding Report Policy

The directors, executives and auditors of the Company shall be responsible for submitting a report on their holding of shares, convertible securities or futures contracts (collectively referred to as the "Securities") and their (1) spouse or cohabiting couple, (2) minor child, (3) juristic person wherein oneself and the persons in (1) and (2) hold shares at an aggregate amount exceeding 30 percent of the total voting shares of such juristic person and such aggregate shareholding is the largest proportion thereof in accordance with the Notification of the Office of the Securities and Exchange Commission No. Sor Jor. 38/2561 (2019) to the SEC Office at all time when there is Securities purchasing, selling or transferring pursuant to Section 59 of the Securities and Exchange Act B.E. 2535 (1992).

When being in the position of the directors or executives, such persons shall inform all Securities holding to the SEC Office in Form 59 within 7 business days from the date of the Securities purchasing, selling, transferring or receiving in the case that the persons with the duty to report are the Company's directors or executives and within 3 business days from the date of the Securities purchasing, selling, transferring or receiving for any other cases. In this regard, the directors and executives are prohibited to purchase and sell the Securities whether directly or indirectly within 1 month prior to and 3 business days after the date of submitting the quarterly financial statements and the annual financial statements to the Stock Exchange of Thailand.

Internal Information Usage Policy

The Company has the policy to prohibit the directors, the executives and employees to trade securities of the Company by using the confidential and/or internal information and/or conduct any legal transaction which may cause the damages to the Company either directly or indirectly. The directors, the executives and employees who receive internal information of the Company must not use such information prior to such information disclosed to the public as well as the employees are not allowed to interfere with internal information to trade the security of the Company by himself, spouse, underage offspring, either directly or indirectly, within 1 month prior to and 3 business days after the date of submitting the quarterly financial statements and the annual financial statements to the Stock Exchange of Thailand. In addition, the directors,

the executives and employees are not allowed to use the computer system to exploit the information for self-interest or other, either directly or indirectly, within 1 month prior to and 3 business days after the date of submitting the quarterly financial statements and the annual financial statements to the Stock Exchange of Thailand.

(3) Prevention and Anti-Fraud and Corruption Policy

The Company intends to operate the business with honesty and transparency and in accordance with the good corporate governance. The Company realize that such honesty is the key factor of and the good practice under the code of conduct for business. Therefore, the Company shall oppose all types of fraud and corruption as well as established the Code of Conduct and Ethics of Business for the directors, executives and employees of the Company to use as guidelines in operating business fairly with involving parties and all stakeholders in order to build stability and growth continuously and sustainably to the organization and shareholders and to set the standard for transparent and clean business operation.

In 2020, the Company has monitored the compliance of the Prevention and Anti-Fraud and Corruption Policy which can be summarized as follows

1. Duties and Responsibilities of the Involving Persons

- 1.1 The Board of Directors shall consider and approve anti-fraud and corruption policy and measures, including guidelines and any operations for considering the problems arise from compliance of this policy. In this regard, in case of improving or revising this policy to be in line with relevant regulations, the Board of Directors assigned the Executive Committee to do so and to propose to the Audit Committee for consideration and report such policy and risk assessment results to the Board of Directors for acknowledgement.
- 1.2 The Board of Directors assigned the Audit Committee to monitor the internal control, financial report and other procedures relevant to the anti-fraud and corruption measures.

2. Policies and Guidelines for Prevention and Anti-Fraud and Corruption

2.1 General Provisions

The Company cooperates with external organizations to encourage and support all forms of the anti-fraud and corruption and brings the preventive measures in to action for opposing the fraud and corruption. The directors, executives and employees of the Company are prohibited to conduct, agree with, or support all forms of fraud and corruption whether directly or indirectly, including acceptance of consumption goods, or any actions with other relevant contractors or subcontractors. The Company gives precedence to this policy by regularly reviewing and revising relevant procedures to be in compliance with the policies, rules, regulations, notifications, laws and change of the business.

This anti-fraud and corruption measure forms a part of the business operation and the Board of Directors, executives, supervisors, all employees, hirers or subcontractors are responsible for complying with such measures in order to achieve objectives of the policy.

2.2 Political Contributions

The Company is a politically neutral organization and shall make a decision or perform without politic aspect and shall not have a policy to support any finances, resources or properties to politicians, political parties or political groups whether directly or indirectly for such persons' benefit.

2.3 Offering or Receiving Gifts, Prizes and Holding Receptions

The Company has a policy on offering or receiving gifts, prizes and holding receptions that it should be done only for the cases that the objective is transparent and such action is deemed as a normal business service and no effect being caused to the Company's business operation as well as not being a risky channel for corruption.

2.4 Conflict of Interest

The Company determines that the directors, executives and employees of the Company shall perform their duties by taking into account the utmost benefits of the Company and avoid performing their duties by virtual of authorities to bind any other obligations for acquisition of personal benefits and/or avoid any actions causing damages or benefit loss to stakeholders.

2.5 Risk Management

The Company shall assess the risks on the Company's transactions which its process or procedure may be considered as bribery and corruption. In this regard, the Company shall review overall risk management policies of the Company regularly at least once a year, including reviewing the current risk management measures to be appropriate to prevent or mitigate risks in the acceptable level.

2.6 Internal Control

The Company determines to have the internal control system for fraud and corruption management covering finance, accounting procedures, the Company's information collection, performance in sales, marketing, procurement and other procedures in the Company which may be related to fraud and corruption.

2.7 Financial Audit and Report

The Company has a procedure to review financial report and appropriate approval prior to record such accounting transactions. The review shall be done in accordance with policies of the Company, regulations of the governmental sector, relevant laws, contracts or agreements and shall be in accordance with accounting standard and policy appropriately. The expenses for operation, investment shall have complete and accurate supporting evidences and shall be approved according to level of credit limit determined by authorized persons in policies of such expenses for operation, investment.

2.8 Development of Anti-Fraud and Corruption Measures

The Company determines that the anti-fraud and corruption measures shall be in compliance with the relevant laws, including moral practice by providing risk assessment in the relevant or risky activities to conduct corruption and providing practice guideline for relevant persons.

2.9 Training and Communication

The company shall publish and announce anti-fraud and corruption policy through the Company's website and determine that the directors, executives and all employees shall be trained or acknowledged the anti-fraud and corruption consecutively for realizing on this policy.

2.10 Human Resource Management

The Company shall use this policy as a part of the Company's human resource management, including all processes of human resource management such as nomination, training, evaluation, remuneration, promotion.

2.11 Inquiries on the Fraud and Corruption

In the case that any directors, executives and employees has an inquiry that which acts may be qualified as fraud and corruption or in case of having other questions or uncertainty, such persons should consult with the supervisors directly or report the findings and complaints through channels specified in in Clause 2.12 below.

2.12 Reporting the Findings and Complaints

- (1) In the case that the directors, executives and employees have any inquiries or evidences that any of other the directors, executives and employees or other persons acting on behalf

of the Company participates in fraud and corruption, such person acknowledging the fraud and corruption shall report or filing the findings or complaints to the Company through this following channels:

(A) Telephone : 0 5544 4495, 0 5544 0372, 0 5583 0777, 09 8282 0321

(B) Facsimile : 0 5544 0371

(C) Mail : Saksiam Leasing Public Company Limited

No. 49/47, Chetsada Bodin Road, Tha It Sub-District,

Muang Uttaradit District, Uttaradit, 53000

(D) Email : saksiam@saksiam.co.th, secretary@saksiam.co.th

(E) Website : www.saksiam.com

- (2) The Company shall keep the information of the whistleblowers confidential. The Company shall use such confidential information only for management and internal performance's purposes or for disclosure pursuant to the legal order, court's order and/or the order of the SEC Office, governmental sectors and/or relevant monitoring organizations.
- (3) The whistleblowers will be seriously responded and will be protected from abuse of power or unfair practice as a result of reporting report or filing the findings or complaints.
- (4) If the Company found that the findings or complaints are reported to the Company with an intention to cause others to damages, discredit, insult, hated, or embarrassment, the Company shall take an action as deemed appropriate.

2.13 Protection on the Directors, Executives and Employees

The Company shall ensure the directors, executives and employees that no one shall be demoted, punished or had any effects on rejection on receiving bribes. Moreover, the Company shall not allow others to threaten, abuse or detent the directors, executives and employees complying with this policy. If the relevant persons or stakeholders do not comply with guideline in this policy, the Company may consider to terminate the transactions with such persons as deemed appropriate.

2.14 Monitoring and Reviewing the Policy and Relevant Regulations

The Company shall procure to review this policy consecutively from time to time (at least once a year) by considering the change of circumstances and risks, and shall propose to the Audit Committee to consider the adequacy and efficiency of the anti-fraud and corruption measures and shall report such results to the Board of Directors to acknowledge the risk assessment results and the proposal regarding guideline for risk management. The Company shall have the Internal Audit Department being responsible for monitoring the internal control system and procedures regularly and for reporting issues found urgently in order to ensure the efficient of internal control system to tackle with anti-fraud and corruption. The Internal Audit Department shall report to the senior executives and the Audit Committee for acknowledgement.

In this regard, the directors, executives and employees shall acknowledge and understand the Company's policies and other guidebooks as follows:

- (1) Code of Conduct and Business Ethic
- (2) Rules and notifications regarding penalties for fraud.

Report on the Performance of Audit Committee

Meetings of Audit Committee

On December 31, 2020, the Audit Committee comprises of 3 members which are appointed by the Board of Directors' meeting No. 2/2019 which was held on February 14, 2019.

In the year of 2020, the meeting of Audit Committee was held 5 times having all members of the Audit Committee attended every meeting. The details are as follow:

Name	Position	Number of time attending the meeting/ Numbers of the meetings	
		2019	2020
1. Mr. Suphot Singhasaneh	Chairman of Audit Committee	4/4	5/5
2. Mrs. Nantana Sangkavichitr	Member of Audit Committee	4/4	5/5
3. Miss Somboon Supasiripinyo	Member of Audit Committee	4/4	5/5

Performance of Audit Committee

The Audit Committee is directly responsible for monitoring the internal control system, risk management and the Executive Officers' procedures in all aspects including accounting, finance, legal relevant rules and regulations compliance in order to have the effective inspection mechanism and internal control organization to audit the operation of all divisions to be compliance with audit plan which is considered in accordance with organization risks, and also provide consultation on such matters.

In this regard, the Audit Committee has considered the audit plan to control and monitor the operation of the internal audit division to be independent and able to audit and balance in accordance with the determined standard and to directly report to the Audit Committee at least once quarterly for ensuring that the internal control system is adequate and the internal audit operation is efficient and shall decrease the potential damage which may cause to the organization.

The Audit Committee has the meeting to discuss the adequacy and efficiency of the internal control system. Then, the Audit Committee has clarified and reported the internal audit results in the year 2020 to the Board of Directors to acknowledge on February 23, 2021 as specified in the Audit Committee's report which the details are shown in Attachment 6. In this regard, the Board of Directors has the same opinion regarding such internal control system as the Audit Committee.

Report on the Performance of other Sub-committees

(A) Executive Committee

As of December 31, 2020, the Executive Committee comprises of 13 members having Mrs. Tippamas Lamcharoen acts as a Secretary of the Executive Committee.

The numbers of the meetings and attendances of the Executive Committee

Name	Position	Number of time attending the meeting/ Numbers of the meetings	
		2019	2020
1. Mr. Phoosak Boonsalee	President of Executive Committee	13/14	15/15
2. Mr. Siwaphong Boonsalee	Member of Executive Committee	12/14	15/15
3. Mrs. Jintana Boonsalee	Member of Executive Committee	12/14	11/15
4. Mrs. Sopida Suksai	Member of Executive Committee	12/14	14/15
5. Mrs. Renu Wilasri	Member of Executive Committee	14/14	15/15
6. Mr. Chawalit Phanpha	Member of Executive Committee	13/14	14/15
7. Mr. Surasak Kamtanet	Member of Executive Committee	13/14	15/15
8. Mr. Prachak Chandum	Member of Executive Committee	13/14	15/15
9. Mr. Chawalit Kasemchولاتan	Member of Executive Committee	13/14	15/15
10. Mr. Wathip Panpa	Member of Executive Committee	12/14	14/15
11. Mr. Khamnaung Singkhan	Member of Executive Committee	13/14	15/15
12. Mr. Paramet Inma	Member of Executive Committee	13/14	15/15
13. Mr. Nutthaphon Phumsiroj	Member of Executive Committee	8/14	14/15

Performance of Executive Committee

The Executive Committee performed in accordance with authorities, duties and responsibilities for monitoring the operation of the management division to be in compliance with the policies, plans and objectives of the business operation which is determined by the Board of Directors.

(B) Nomination and Remuneration Committee

As of December 31, 2020, the Nomination and Remuneration Committee comprises of 3 members.

The numbers of the meetings and attendances of the Nomination and Remuneration Committee

Name	Position	Number of time attending the meeting/ Numbers of the meetings	
		2019	2020
1. Miss Somboon Supasiripinyo	Chairman of Nomination and Remuneration Committee	2/2	2/2
2. Mr. Phoosak Boonsalee	Member of Nomination and Remuneration Committee	2/2	2/2
3. Mrs. Woranutchanan Phongsurang	Member of Nomination and Remuneration Committee	1/1	2/2

Performance of Nomination and Remuneration Committee

1. Considering and approving to propose the Board of Directors' meeting prior to propose to the Annual General Meeting of Shareholders to consider and approve the appointment of 4 directors who are retire by rotation at the 2021 Annual General Meeting of Shareholders to be re-elected to return to their positions as they are qualification, experienced, knowledgeable and competent which useful to the Company.
2. Considering the remuneration consideration's rule of the remuneration of the Board of Directors and the Sub-committee in comparison with other companies in the same industries to be proper with duties and responsibilities of the directors and connecting with overall operating results of the Company which will be considered as the rules.
3. Considering the rules of share allocation to the Directors, Executive Officers and Employees (Employee Stock Option (ESOP)) at the price of the Initial Public Offering (IPO) as registered in the Stock Exchange of Thailand.

To be concluded, the Nomination and Remuneration Committee performed their duties in accordance with such roles and responsibilities assigned by the Board of Directors and resolved that, for the year 2020, the Company's Directors and the Sub-committee are persons who have knowledge and capabilities and considered that their remuneration and other benefits specified in the annual report are proper with their duties and responsibilities and correspond to current economic circumstance and overall operating results.

(C) Risk Management Committee

As of December 31, 2020, the Risk Management Committee comprises of 3 members as appointed by the Board of Directors' meeting No. 2/2019 held on February 14, 2019.

Numbers of the meetings and attendances of the Risk Management Committee

Name	Position	Number of time attending the meeting/ Numbers of the meetings	
		2019	2020
1. Mrs. Nantana Sangkavichitr	Chairman of Risk Management Committee	4/4	4/4
2. Mr. Siwaphong Boonsalee	Member of Risk Management Committee	4/4	4/4
3. Mr. Chawalit Phanpha	Member of Risk Management Committee	4/4	4/4

Performance of Risk Management Committee

During the year 2020, the Risk Management Committee continuously held the meeting every quarter to monitor the plan establishment and the operation from the risk management plan provided by Risk Management Division from the cooperation of Executive Officers of each division of the Company. In each meeting, the Risk Management Committee has considered the significant risk issues in accordance with risk management guideline throughout the organization, created mapping on consistency of the risk information with organizations which related to the organization's risk such as follow-up the internal control's issue which is not performed or completed (Outstanding Follow-up items) and the non-Compliance issue of the compliance organization. Furthermore, the Risk Management Committee has monitored and reported the incident and occurred problems which are considered as the organization's significant risks as well as considered the effect on the Company's business operation from any change in the previous quarter. Moreover, the Risk Management Committee reviewed the risks on the operation results for considering whether the Risk Management Committee has determined comprehensive risks, assessed intensity and prioritized risks and determined risk management methods adequately and appropriately to decrease the risks to be at the acceptable level.

The Risk Management Committee resolved that the Company has adequate and appropriate policies to manage risks.

Internal Control and Connected Transaction

Internal Control

The meeting of the Board of Directors No. 1/2021 held on February 23, 2021 having 3 independent directors attended the meeting had evaluated the adequacy of the internal control system by considering the assessment form from the SEC Office provided by the management division together with the Audit Committee's report. As a result of the evaluation for the Company's internal control system in 5 parts as follows:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information & Communication
5. Monitoring Activities

The Board of Directors resolved that the Company had adequate and efficient internal control system. The Company has procured adequate personnel to efficiently operate and comply with the system. In addition, the Company had adequately internal control system to monitor the business operation of the Company in order to protect the Company's asset from illegal or unauthorized usage of the directors or the executives, including entering into transactions by persons who may have a conflict of interests and related parties. For other parts of internal control system, the Board of Directors resolved that the Company also has adequate internal control.

Furthermore, the meeting of Audit Committee No. 1/2020 held on January 7, 2020 had resolved to appoint Mr. Kittisak Pannaraj to be a Head of Internal Audit Department and Secretary of the Audit Committee as he is knowledgeable and understand the Company's business and he had attended the internal auditing certificate program (IACP) held by the Thailand Federation of Accounting Professions, the Audit Committee considered that he is qualified to perform in such position.

The consideration and approval of the appointment, dismissal or removal of the Company's Head of Internal Audit Department shall be approved by the Audit Committee. The qualification of the Head of Internal Audit Department appeared in Attachment 3.

Connected Transaction

(a) List of persons who may have a conflict of interest with Saksiam Leasing Public Company Limited (the “Company” or “Saksiam”)

The Company made a connected transaction with persons who may have a conflict of interest the Company which can be summarized as follows:

Person with potential conflict of interests	Types of relationship
1. Mr. Phoosak Boonsalee	Mr. Phoosak Boonsalee, a spouse of Mrs. Jintana Boonsalee, is the Company’s Director, President of Executive Committee, a member of Nomination and Remuneration Committee and a major shareholder of the Company, holding 23.90% of total shares of the Company.
2. Mrs. Jintana Boonsalee	Mrs. Jintana Boonsalee, a spouse of Mr. Phoosak Boonsalee, is the Company’s Director, a member of Executive Committee, Deputy Managing Director (Business Management) and a major shareholder of the Company, holding 23.90% of total shares of the Company.
3. Mr. Siwaphong Boonsalee	Mr. Siwaphong Boonsalee, a son of Mr. Phoosak Boonsalee and Mrs. Jintana Boonsalee, is the Company’s Director, a member of Executive Committee, a member of Risk Management Committee, Managing Director and a major shareholder of the Company, holding 9.66% of total shares of the Company.
4. Mrs. Sopida Suksai	Mrs. Sopida Suksai is the Company’s Director, a member of Executive Committee and Deputy Managing Director (General Administration).
5. Persons having relationship with the Company’s Executives	Persons having relationship with Executives of the Company according to the Notification of the Securities and Exchange Commission No. 17/2551 regarding definition of persons who may have a conflict of interest.

(b) Details of Connected Transactions and Potential Connected Transactions

1. Land and Office Lease from Persons who may have a Conflict of Interest

Person who may have a Conflict of Interest	Type of Transactions	In the fiscal year ended December 31, 2019 (unit: THB million)	In the fiscal year ended December 31, 2020 (unit: THB million)	Necessity and Reasonableness of the Transaction
1.1 Mrs. Jintana Boonsalee	(1) Land and building lease fee (Head office) • Lease fee • Accrued lease fee • Depreciation • Financial cost • Right of use asset • Debt under lease agreement (2) Building lease fee (Head office) • Lease fee • Accrued rental fee • Depreciation • Financial cost • Right of use asset • Debt under lease agreement (3) Utility Expenses • Utility expenses • Accrued utility expenses	1.95 - - - - - 4.64 - - - - 0.58 -	- - 0.91 0.27 6.74 6.97 - - 5.74 1.13 26.66 27.78 - -	1. The Company leased the land and building for using as a head office, located in Muang Uttaradit District, Uttaradit Province: 1.1 A lease agreement for additional construction of the head office building with a monthly fixed lease rate, ten-year lease contract, extendable 1 time (5 years per time) which can adjust the lease fee in every 3 years up to 10% of the current lease fee. In the 15 th year, the lessee can purchase the building at the price as agreed in agreement. 1.2 A lease agreement for additional construction of the head office building with monthly fixed lease rate, ten-year lease contract, extendable 1 time (15 years per time) which can adjust the lease fee in every 3 years up to 10% of the current lease fee. In the 25 th year, the lessee can purchase the building at the price as agreed in agreement. 1.3 Three land and building lease agreements for using as the Company's office and parking lots, three-year lease agreement, extendable from time to time (3 years per time) which can adjust the lease fee up to 10% of the current lease fee in each agreement. 2. The Company leased 35 buildings for using as its branch office with monthly fixed lease rate, extendable from time to time (3 years per time) which can adjust the lease fee up to 10% of the current lease fee. 3. Utility expenses i.e. electricity and water bills are ordinary course expense of business operation which are directly paid monthly according to their invoices from service organizations.

Person who may have a Conflict of Interest	Type of Transactions	In the fiscal year ended December 31, 2019 (unit: THB million)	In the fiscal year ended December 31, 2020 (unit: THB million)	Necessity and Reasonableness of the Transaction
				Details of the Building Lease Agreement according to Part 1 Business Operation Clause 4.4 Summary of significant Agreements related to the Company's Properties. Price Determination 1. Head Office - the land lease fee is the fee per square wah and the land and building lease fee is the fee per square wah which is comparable to the market price by independent appraisers approved by the SEC. 2. Branch Office - the building lease fee is comparable to the market price by independent appraisers approved by the SEC or the market price which is referred from the lease fees according to normal trade conditions as third parties. 3. Utility expenses are actual expenses according to invoices from the service organizations. Trends of future transactions Land and building lease transactions tend to be continuously in the future. Opinions of the Audit Committee Lease of lands and buildings for using as the head office and branch offices in the rate, which is comparable to the market price by independent appraisers or the market price, which is referred from the lease fees according to normal trade conditions as third parties. In addition, the lease of land and buildings is the transaction supporting the Company's core business operation, which is necessary and reasonable.

Person who may have a Conflict of Interest	Type of Transactions	In the fiscal year ended December 31, 2019 (unit: THB million)	In the fiscal year ended December 31, 2020 (unit: THB million)	Necessity and Reasonableness of the Transaction
1.2 Mr. Phoonsak Boonsalee	Lease fee of branch office building - Lease fee - Accrued rental fee - Depreciation - Financial cost - Right of use asset - Lease agreement loan	0.08 - - - - -	- - 0.08 0.02 0.36 0.38	The Company leased the building with area of 235 square meters, located at Lampang-Maemoh Road, Phra Bat Sub-District, Muang Lampang District, Lampang Province, for using as a branch office. Such agreement has monthly fixed lease rate for 3 years, extendable from time to time (3 years per time) which can adjust the lease fee up to 10% of the current lease fee as agreed in each agreement. Details of the building lease agreement according to Part 1 Business Operation Clause 4.4 Summary of significant Agreements related to the Company's Properties. Price Determination The building lease fee is the fee per square meter which is comparable to the market price by independent appraisers approved by the SEC. Trends of future transactions Such building lease transactions for using as branch office tend to be continuously in the future. Opinions of the Audit Committee Lease of building for using as the Company's branch office in the rate which is comparable to the market price by independent appraisers is the transaction supported the Company's core business operation. Thus, this transaction is necessary and reasonable.

2. Loan Guarantee of the Company by Persons who may have a Conflict of Interest

Person who may have a Conflict of Interest	Type of Transactions	In the fiscal year ended December 31, 2019 (unit: THB million)	In the fiscal year ended December 31, 2020 (unit: THB million)	Necessity and Reasonableness of the Transaction
2.1 Mr. Phoonsak Boonsalee	Being a personal guarantor and providing personal properties to be used as loan collateral with commercial banks. • Loan credit • Draw down amount	4,723.85	4,807.00	The Company entered into loan agreements with certain commercial banks for working capital of its business operation. In this regard, Mr. Phoonsak Boonsalee, Mrs. Jintana Boonsalee and Mr. Siwaphong Boonsalee are s guarantor and providing their personal properties to be used as loan collateral subject to the commercial banks’ conditions, without any compensation. However, the Company is in the process of requesting for withdrawal of personal collateral and personal guarantee, which is estimated to complete within quarter 2/2021.
2.2 Mrs. Jintana Boonsalee		4,106.20	3,829.31	
2.3 Mr.Siwaphong Boonsalee				
				Opinions of the Audit Committee
				The personal guarantee and personal properties of the major shareholders to be used as loan collateral without compensation are useful transactions for the Company.

3. Leasing Guarantee of the Company by Person who may have a Conflict of Interests

Person who may have a Conflict of Interest	Type of Transactions	In the fiscal year ended December 31, 2019 (unit: THB million)	In the fiscal year ended December 31, 2020 (unit: THB million)	Necessity and Reasonableness of the Transaction
3.1 Mr. Phoonsak Boonsalee	Being a personal guarantor			The Company entered into car hire-purchase agreements in 2019 with total number of 87 cars, and on December 31, 2020, with total number of 105 cars to be used in the Company's business operation. In this regard, Mr. Phoonsak Boonsalee, Mrs. Jintana Boonsalee, Mr. Siwaphong Boonsalee and Mrs. Sopida Suksai are a guarantor under car hire-purchase agreements without compensation. However, the Company is in the process of requesting for withdrawal of such personal guarantee.
3.2 Mrs. Jintana Boonsalee	under hire-purchase agreements			
	• Loan credit	39.53	45.59	
	• Balance	24.04	25.34	
3.3 Mr. Siwaphong Boonsalee	Being a personal guarantor			Opinions of the Audit Committee The personal guarantee by the major shareholders without compensation are useful transactions for the Company.
	under hire-purchase agreements			
	• Loan credit	50.63	56.33	
	• Balance	26.56	27.70	
3.4 Mrs. Sopida Suksai	Being a personal guarantor			
	under hire-purchase agreements			
	• Loan credit	-	2.36	
	• Balance	-	1.84	

4. Lending to Person who may have a Conflict of Interests

Person who may have a Conflict of Interest	Type of Transactions	In the fiscal year ended December 31, 2019 (unit: THB million)	In the fiscal year ended December 31, 2020 (unit: THB million)	Necessity and Reasonableness of the Transaction
4.1 Persons who are relevant to the Company's Executive Officers	(1) Loan - Interest income - Fee income - Interest income accrued - Interest income received - Fee income accrued - Fee income received - Debt balance - Other expenses (2) Other expenses - Expenses - Uncertain debits	0.03 0.01 - - 0.09 - -	0.005 0.003 - - 0.03 0.006 -	1. The Company engages in personal loan business under supervision with a vehicle registration as collateral, personal loan business under supervision without vehicle registration as collateral and other loan to general retail customers. The Company's compensations are interest income and fee income from five persons who are relevant to the Company's Executive Officers according to the definition of person who may have a conflict of interests. Interest rate and fee of five persons are in equivalent rate to general customers, and such persons are good debtors who pay their loan on the due date. In this regard, the Company determined rules regarding lending to employees and persons who may have a conflict of interests and/or persons who are relevant to the Company's Directors and Executive Officers that the related Executive Officers shall not have authorities to approve such transactions. 2. Such transactions are ordinary business transactions in order to accommodate other services since in the period of inadequate employees, the Company is necessary to employ persons who are relevant to the Company's Executive Officers instead. Price Determination 1. The Company determines interest rate, fees and conditions in accordance with the normal business practice, which is the same as other loan agreements with general customers. 2. Expenses are in the same price as the allowance rate, which are comparable to general customers' price. Trends of future transactions Such transactions tend to be continuously in the future. Opinions of the Audit Committee Lending transactions are the normal business transactions which have general conditions and are the same as third party's transactions and are reasonable.

Opinion of the Audit Committee on Connected Transaction

The meeting of the Board of Directors' Meeting No. 1/2021, held on February 23, 2021, which the Audit Committee who is the independent directors also attending the meeting, viewed that the connected transactions are necessary for the business operation of the Company. The conditions and values of the transaction are in accordance with the market price and the price as agreed in the agreement, which is fair and reasonable for the operation of the business.

Connected Transaction Policy

The meeting of the Board of Directors No. 8/2019, held on November 12, 2019, resolved to approve the Connected Transaction Policy. When the Company enters into the connected transaction, the Company shall comply with the measures and approval process relating to the connected transaction under the policies and laws of the securities and exchange, notifications, or requirements of the Stock Exchange of Thailand and the Notification of the Capital Market Supervisory Board re: Rules on Connected Transactions and disclosure of the information of connected transactions.

The disclosure of the information of connected transactions of the Company shall be in accordance with laws and regulations of the SEC Office and the Stock Exchange of Thailand, as well as relevant Thai Accounting Standard of the Thailand Federation of Accounting Professions. Such information shall be disclosed in the auditor's notes in the audited or reviewed financial statements of the Company, Annual Registration Statements and Annual Report.

Measures and Procedures for Approving the Connected Transaction

When the Company enter into business transactions with related parties, the Audit Committee shall consider and provide suggestion on necessary and appropriateness of the price and conditions of such transactions in order to ensure that the price and condition of such transactions with related parties are in accordance with the ordinary course of business of the similar business operators. The Audit Committee shall compare the price and conditions with the market price or the price that the Company entered into with the third party before proposing to the Board of Directors or the shareholders' meeting of the Company, as the case may be. In the case when the Audit Committee does not have expertise to consider any connected transaction, the Company shall procure the independent expert or the Company's auditor to provide suggestions on such matter for the consideration of the Audit Committee, the Board of Directors and/or the shareholders' meeting, as the case may be. In this regard, any person having interest in such connected transaction shall have no right to vote for such transaction. The Company shall therefore disclose the connected transactions in the Annual Registration Statement, the Annual Report and the auditor's notes in the audited or reviewed financial statements of the Company.

If the connected transaction is the ordinary course of business or is the transaction similar to the transaction the Company made for supporting their normal business, with the fair price and commercial conditions and does not cause misappropriation of benefits, this shall also include the following transaction having:

1. The price and conditions of the transaction which the Company and its subsidiary gain or offer in general
2. The price and conditions of the transaction which the Company can prove that the similar business operators have offered in general as well
3. The price and conditions which connected person offer in general
4. Transaction which is made only with the connected person but having standard price, goods and services with multiple sellers and buyers, having the same price, conditions and agreements.

The Company has imposed guideline for entering into the connected transaction for normal business transactions, or normal business-support transactions having commercial condition and bargaining power in the reasonable person standard of the same circumstance without influence from person holding position as a director, executive or related persons. In this regard, the Audit Committee has considered, made suggestion and proposed to the Board of Directors to consider and approve the guideline, which authorizes the management department to approve the transactions under the Delegation of Authority (DOA). In such case, any department initiating transaction shall propose reasons necessary for entering into such transaction as well as the comparison of the market price and general commercial conditions under the guideline determined by the Board of Directors. In other words, the management department has authority to comply with the terms and conditions throughout the duration of the agreement if such connected transaction has explicitly made in writing, specifying the price and condition equivalent to the general commercial condition e.g. land or building lease agreement in which the rental fee is equivalent to the price appraised by an independent appraiser, or normal business transaction with related party under general commercial condition. The Company shall prepare report summarizing the connected transactions and propose to the Audit Committee and/or the Board of Directors' meeting quarterly.

Furthermore, the Audit Committee also appointed the Deputy Managing Director to monitor and prepare a report summarizing the connected transactions and propose to the Audit Committee or the Board of Directors' meeting quarterly. The Audit Committee also determined that the Internal Audit Department or Internal Audit shall examine the connected transactions and propose to the Audit Committee annually. In this regard, in case if the Audit Committee and the Board of Directors consider that any connected transaction is not in accordance with the Connected Transaction Policy, the Audit Committee and the Board of Directors shall discuss and propose the solution accordingly.

For other type of connected transaction, the Company shall comply with the policies, measures and procedures regarding connected transaction as well as relevant regulations and requirements of the SEC Office, the Capital Market Supervisory Board and the Stock Exchange of Thailand in order to ensure that such transaction will not cause any misappropriation of benefits among the Company and other person who might have conflict of interest. The Company shall, at all time, take into an account the interest and benefit of all shareholders when entering into connected transaction.



Independent Auditor's Report

To the Shareholders and the Board of Directors of
Saksiam Leasing Public Company Limited

My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Saksiam Leasing Public Company Limited (the Company) as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2020
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Key audit matter

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. I determine one key audit matter: estimate allowance for expected credit losses of hire-purchase receivables and loan receivables. The matter was 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 the matter.

Key audit matter	How my audit addressed the key audit matter
<i>Estimated allowance for expected credit losses of hire-purchase receivables and loan receivables</i> On 1 January 2020, the Company adopted TFRS 9 - Financial instruments, and performed a collective assessment and recognised impairment based on an expected credit loss ('ECL') model. The model used historical loss data, adjusted by current observable data. As at 31 December 2020, total hire-purchase receivables and loan receivables balance reported in the financial statements were Baht 153.44 million and Baht 6,414.83 million respectively. The balance of allowance of expected credit losses of hire-purchase receivables and loan receivables were Baht 2.96 million and Baht 159.35 million, which represents 1.93% and 2.48% of hire-purchase receivables and loan receivables respectively. Relevant references in the notes to financial statements for allowance of expected credit losses of hire-purchase receivables and loan receivables are as follows; • Note 4.1: Adoption of new financial reporting standards and changes in accounting policies • Note 8.1.1: Estimates and assumptions on impairment • Note 12: Allowance for expected credit losses I focused on this area because of the following reasons; 1) The balance of expected credit losses is significant to the financial statements and management also exercised significant judgment and assumptions that relate to; • expected lifetime • staging threshold and criteria for the significant increase in credit risk • expected future cash flows 2) The Company was assisting customers affected by the impacts of the COVID-19 pandemic by following the Bank of Thailand's COVID-19 relief program. This included loan and interest payment delays and term extensions. As disclosed in Note 2, management adopted the accounting treatment guidance of Federation Accounting Professions on "the temporary relief measures for entities supporting their debtors who are effected from the situations that affected Thailand's economy". The adoption of these relief measures impacted the accounting treatment for staging, using of new effective interest rate and consideration of expected credit losses.	I discussed the adoption of TFRS 9 with management and asked questions to understand the expected credit loss model. I selected samples and performed testing of collective assessment using these procedures: • Assessed the methodologies inherent within the collective assessment ECL models applied against the TFRS 9 requirements; • Evaluated the design and tested the operating effectiveness of the controls relating to: - model development, including model build, model approval and model validation; - completeness and accuracy of critical external and internal data input into the ECL calculations; - completeness and accuracy of data transfer from source systems to ECL calculation model and the accounting record of output to the general ledger; - accuracy and timeliness of staging based on significant increase in credit risk. • Assessed and tested the significant model assumptions in calculation of probability of default and exposure at default and considered reasonableness and the appropriateness of assumptions from managements by challenging management and tracing with historical data of receivables report and expected credit loss worksheet; • Tested the accuracy of staging including the customers under COVID-19 temporary relief measures programs of the Company; • Tested the accuracy of calculation of ECL and agreed the results to the general ledger. Based on the above procedures, I consider the allowance for expected credit losses of hire-purchase receivables and loan receivables to be appropriate based on the available supporting evidence. I found no material exceptions in the tests.

Emphasis of matter

I draw attention to note 2 to the financial statements, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2021. My opinion is not modified in respect to this matter.

Other information

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

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

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

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

Responsibilities of directors for the financial statements

Directors are responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as directors 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, directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

PricewaterhouseCoopers ABAS Ltd.



Sakuna Yamsakul

Certified Public Accountant (Thailand) No. 4906

Bangkok

23 February 2021

Saksiam Leasing Public Company Limited
Statement of Financial Position
As at 31 December 2020

		2020	2019
	Notes	Baht	Baht
Assets			
Current assets			
Cash and cash equivalents	9	306,566,181	252,557,946
Financial assets measured at fair value through profit or loss	13	1,600,074,056	-
Current portion of hire purchase receivables	10	53,587,505	2,270,446
Current portion of loan receivables	11	4,153,289,440	4,300,322,664
Other receivables		2,930	117,285
Foreclosed assets		3,847,586	5,585,445
Other current assets	14	6,503,389	12,330,087
Total current assets		6,123,871,087	4,573,183,873
Non-current assets			
Hire purchase receivables	10	96,891,575	11,824,784
Loans receivables	11	2,102,192,578	2,322,983,377
Property, plant and equipment	15	109,420,847	165,832,047
Right-of-use assets	16	262,359,865	-
Intangible assets	17	29,038,603	26,860,429
Deferred taxes assets	18	44,939,125	48,106,916
Other non-current assets	19	9,059,648	8,795,434
Total non-current assets		2,653,902,241	2,584,402,987
Total assets		8,777,773,328	7,157,586,860

The accompanying notes are an integral part of these company financial statements.

Saksiam Leasing Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2020

	Notes	2020 Baht	2019 Baht
Liabilities and equity			
Current liabilities			
Short-term borrowings from financial institutions	20	2,865,508,002	3,332,900,000
Current portion of long-term borrowing from financial institutions	20	371,000,000	464,684,625
Trade and other payables	21	77,666,224	69,955,081
Current portion of lease liabilities		67,814,440	11,266,819
Income tax payable		55,712,823	90,896,814
Other current liabilities	22	5,827,915	38,035,347
Total current liabilities		3,443,529,404	4,007,738,686
Non-current liabilities			
Long-term borrowings from financial institutions	20	592,800,000	307,930,000
Lease liabilities		174,649,921	15,433,092
Employee benefit obligations	23	58,661,393	50,850,207
Total non-current liabilities		826,111,314	374,213,299
Total liabilities		4,269,640,718	4,381,951,985
Equity			
Share capital	24		
Authorised share capital			
Ordinary shares, 2,096,000,000 shares at par value of Baht 1 each (2019: Ordinary shares, 2,096,000,000 shares at par value of Baht 1 each)		2,096,000,000	2,096,000,000
Issued and paid-up share capital			
Ordinary shares, 2,096,000,000 shares paid-up of Baht 1 each (2019: Ordinary shares, 1,550,000,000 shares paid-up of Baht 1 each)	24	2,096,000,000	1,550,000,000
Premium on paid up capital ordinary shares	24	1,902,427,997	487,500,000
Retained earnings			
Appropriated			
Legal reserve	25	100,000,000	71,000,000
Unappropriated		409,704,613	667,134,875
Total equity		4,508,132,610	2,775,634,875
Total liabilities and equity		8,777,773,328	7,157,586,860

The accompanying notes are an integral part of these company financial statements.

Saksiam Leasing Public Company Limited
Statement of Comprehensive Income
 For the year ended 31 December 2020

			Reclassified
		2020	2019
	Notes	Baht	Baht
Revenue			
Interest income	5	1,606,998,039	1,575,159,389
Fee and service income		1,803,180	25,003,206
Other income		4,910,287	4,434,420
Total revenue		1,613,711,506	1,604,597,015
Expenses			
Selling expenses		13,623,069	16,520,559
Administrative expenses		774,103,335	720,276,437
Loss on closing contracts	11	-	162,162,258
Expected credit loss		(5,697,222)	-
Bad debts and doubtful accounts		-	115,224,035
Finance costs	29	131,407,696	158,902,903
Total expenses		913,436,878	1,173,086,192
Profit before income tax expenses		700,274,628	431,510,823
Income tax expenses	30	138,367,121	85,563,122
Profit for the year		561,907,507	345,947,701
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of post-employment benefit obligations	23	2,327,789	(6,596,216)
Income tax on items that will not be reclassified subsequently to profit or loss	18	(465,558)	1,319,243

The accompanying notes are an integral part of these company financial statements.

Saksiam Leasing Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the year ended 31 December 2020

		2020	Reclassified 2019
	Notes	Baht	Baht
Total items that will not be reclassified subsequently to profit or loss		1,862,231	(5,276,973)
Other comprehensive income for the year, net of tax		1,862,231	(5,276,973)
Total comprehensive income for the year		563,769,738	340,670,728
Earnings per share			
Basic earnings per share (Baht per share)	31	0.35	0.23

The accompanying notes are an integral part of these company financial statements.

Saksiam Leasing Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2020

	Notes	Issued and paid-up share capital	Premium on paid-up capital	Retained earnings			Total Baht
				Baht	Appropriated - legal reserve	Unappropriated	
Opening balance at 1 January 2019							
Ordinary shares issued	24	1,400,000,000	-	53,000,000	686,464,147	2,139,464,147	
Dividends	26	150,000,000	487,500,000	-	-	637,500,000	
Total comprehensive income for the year		-	-	-	(342,000,000)	(342,000,000)	
Transfer of unappropriated retained earnings to legal reserve	25	-	-	18,000,000	340,670,728	340,670,728	
		-	-	-	(18,000,000)	-	
Closing balance at 31 December 2019							
		1,550,000,000	487,500,000	71,000,000	667,134,875	2,775,634,875	
Opening balance at 1 January 2020							
Ordinary shares issued	24	1,550,000,000	487,500,000	71,000,000	667,134,875	2,775,634,875	
Dividends	26	546,000,000	1,414,927,997	-	-	1,960,927,997	
Total comprehensive income for the year		-	-	-	(792,200,000)	(792,200,000)	
Transfer of unappropriated retained earnings to legal reserve	25	-	-	-	563,769,738	563,769,738	
		-	-	29,000,000	(29,000,000)	-	
Closing balance at 31 December 2020							
		2,096,000,000	1,902,427,997	100,000,000	409,704,613	4,508,132,610	

The accompanying notes are an integral part of these company financial statements.

Saksiam Leasing Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2020

	Notes	2020 Baht	2019 Baht
Cash flows from operating activities			
Profit before income tax expenses		700,274,628	431,510,823
Adjustments for:			
Depreciation and Amortisation	15, 16, 17	102,542,731	37,679,614
Amortisation of leasehold rights		-	81,000
Written-off fixed assets	15	46,261	63,896
Gains from changes in fair value of financial assets	13	(74,056)	-
Expected credit loss (reversal)		(5,697,222)	
Bad debts and doubtful accounts		-	115,224,035
Loss on disposal of foreclosed assets		8,480,395	5,171,858
Gain on disposal of fixed assets		(365,764)	(277,249)
Employee benefit obligations	23	10,532,123	18,381,547
Interest income		(1,606,998,039)	(1,575,159,389)
Finance costs	29	131,407,696	158,902,903
Loss from operating activities before changes in operating assets and liabilities		(659,851,247)	(808,420,962)
(Increase) decrease in operating assets			
Hire-purchase receivables		(138,746,194)	(14,348,639)
Loan receivables		300,731,653	(1,185,636,434)
Foreclosed assets		47,227,708	30,317,047
Other receivables		114,355	(101,191)
Other assets		3,304,520	(9,206,700)
Increase (decrease) in operating liabilities			
Trade and other payables		7,263,632	12,420,971
Other liabilities		(32,207,432)	1,664,737
Employee benefit obligations	23	(393,148)	-
Cash used in operating activities		(472,556,153)	(1,973,311,171)
Interest received		1,624,604,667	1,509,276,205
Interest paid		(130,306,854)	(154,010,286)
Income tax paid		(156,022,260)	(98,979,402)
Net cash received from (used in) operating activities		865,719,400	(717,024,654)

The accompanying notes are an integral part of these company financial statements.

Saksiam Leasing Public Company Limited

Statement of Cash Flows (Cont'd)

For the year ended 31 December 2020

	Notes	2020 Baht	2019 Baht
Cash flows from investing activities			
Proceeds from disposals of equipment		447,942	315,196
Payment on purchase of equipment	15	(21,371,111)	(42,941,175)
Payment on purchase of intangible assets	17	(5,821,011)	(4,105,237)
Payments for purchase of investments		(1,600,000,000)	-
Net cash received from (used in) investing activities		(1,626,744,180)	(46,731,216)
Cash flows from financing activities			
Proceeds from short-term borrowings			
from financial institutions	20	1,431,008,002	1,560,000,000
Payments on short-term borrowings			
from financial institutions	20	(1,898,400,000)	(1,315,100,000)
Proceeds from long-term borrowings			
from financial institutions	20	1,294,600,000	952,000,000
Payments on long-term borrowings			
from financial institutions	20	(1,104,100,000)	(680,650,000)
Proceeds from issuance of ordinary shares		2,020,200,000	637,500,000
Payment for cost issuing shares		(73,448,003)	-
Payment on liabilities under finance lease agreements	16	(62,626,984)	(10,164,527)
Dividends paid	26	(792,200,000)	(342,000,000)
Net cash received from financing activities		815,033,015	801,585,473
Net increase in cash and cash equivalents		54,008,235	37,829,603
Cash and cash equivalents at 1 January		252,557,946	214,728,343
Cash and cash equivalents at 31 December	9	306,566,181	252,557,946

The accompanying notes are an integral part of these company financial statements.

Saksiam Leasing Public Company Limited

Statement of Cash Flows (Cont'd)

For the year ended 31 December 2020

		2020	2019
	Notes	Baht	Baht
Supplemental cash flows information:			
Material non-cash transactions			
Accounts payables from fixed assets purchased		775,293	278,000
Accounts payables from intangible assets purchased		-	594,000
Transfer foreclosed assets to fixed assets	15	2,485,560	2,064,170
Transfer loan receivables to foreclosed assets for debt payment		56,455,807	40,625,292
Acquisition of right-of-use assets under lease contracts		279,434,919	
Reclassification from fixed assets to right-of-use-assets	5	47,240,713	

The accompanying notes are an integral part of these company financial statements.

Saksiam Leasing Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2020

1. General information

Saksiam Leasing Public Company Limited (“the Company”) is a public limited company which listed on the Stock Exchange of Thailand. The shares of the Company were initial public offering on 8 December 2020. The Company incorporated and resident in Thailand. The address of the Company’s registered office is as follows:

49/47 Chedsadabodin Road, Tha-it, Muang, Uttaradit 53000.

The Company is principally engaged in the financial services specifically personal loans, secured loans, nano finance under supervision, and hire purchase loans.

The Company was approved by the Ministry of Finance under the article 5 of the declaration of the revolutionary council 58 (Personal Loan Restriction) dated 9 June 2005. The license is No. 023/2548 dated 21 October 2005.

The Company was approved by the Ministry of Financial under the article 5 of the declaration of the revolutionary council 58 (Undertaking Nano Finance Business Under Supervision) dated 26 December 2014. The license is No. 3/2560 dated 24 August 2017.

As at 31 December 2020, the Company has 519 branches and service centres in operation (2019: 441 branches and service centres).

The Company’s financial statements were authorised for issue by the Board of Directors on 23 February 2021.

2. Significant events during the current year

After the outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”) in early 2020, resulted in an economic slowdown. Also, it has an effects on the Company’s receivables and performance in both short term and long term. The Company has applied the relief measures in order to assist the Company’s receivables get through this crisis according to the assistance from Bank of Thailand (BOT) which separated in 2 phases. The company started using the relief measures for phase 1 since 1 April 2020 onwards and applied the relief measures as follows:

1. A loan payment holiday of 3 months or 6 months
2. Reduction of installment payments by 30% of existing installment payment for 6 months
3. Extension repayment term by contract refinancing in order to reduce existing installment amount

As the current COVID-19 pandemic has heightened uncertainty and the relief measures which were applied to assist company’s receivables have nearly come to an end. Therefore, The Bank of Thailand (BOT) has issued further relief measures “Additional relief measures during COVID-19 outbreak situation in phase 2” since 1 July 2020 onwards. The Company has provided additional relief measures as follows:

4. Reduction of installment payment at least 30% of existing installment payment with an interest rate of up to 22% per annum
5. Extension repayment term by contract refinancing in order to reduce existing installment amount

As at 31 December 2020, the Company has receivables who participated in relief measures phase 1 and phase 2 total 8,630 receivables and 32 receivables respectively.

3. Basis of preparation

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

The financial statements have been prepared under the historical cost convention except financial assets measured at fair value through profit or loss.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in 8.

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

4. New and amended financial reporting standards

4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Company

a) Financial instrument

The new financial standards related to financial instruments are as follows:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial instruments: Disclosures
TFRS 9	Financial instruments
TFRIC 16	Hedges of a net investment in a foreign operation
TFRIC 19	Extinguishing financial liabilities with equity instruments

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Company to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Company whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Company to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets’ measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Company has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

b) TFRS 16, Leases

TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Company has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

c) TFRIC 23, Uncertainty over income tax treatments

TFRIC 23 explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Company should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored.
- that the Company should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

4.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 that related to the Company

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Company.

a) Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

b) Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.**c) Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

The management is currently assessing the impact of the above new and amended standards to the Company.

5. Impacts from initial application of the new and revised financial reporting standards

The Company has adopted financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9) retrospectively from 1 January 2020, by applying the modified retrospective approach whereby the cumulative effect of initially applying the requirement on impairment is adjusted in opening retained earnings, but the Company has not restated comparatives for the 2019 reporting period as permitted in the standard. The Company has not adjusted item relating to impairment from the new requirements for the beginning balance as at 1 January 2020 of statement of financial position since the impact is immaterial. However, there are reclassifications arising from the new requirements in statement of comprehensive income for the year ended 31 December 2019.

The Company has adopted financial reporting standards relating to leases standard (TFRS 16) retrospectively from 1 January 2020, but the Company has not restated comparatives for the 2019 reporting period, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020.

The following tables show the reclassifications made to adopt of the new financial reporting standards relate to leases standard (TFRS16):

The financial reporting standards relate to leases standard (TFRS 16)			
	As at 31 December 2019 Previously reported Baht	Adjustments and reclassifications Baht	As at 1 January 2020 Restated Baht

Assets

Non-current assets

Property, plant and equipment	165,832,047	(47,240,713)	118,591,334
Right-of-use assets	-	214,429,105	214,429,105

Liabilities and equity

Current liabilities

Current portion of obligations under lease liabilities	11,266,819	38,866,036	50,132,855
--	------------	------------	------------

Non-current liabilities

Lease liabilities	15,433,092	128,322,356	143,755,448
-------------------	------------	-------------	-------------

The following tables show the reclassifications made to the amounts in each line item in statement of comprehensive income for the year ended 31 December 2019 upon the reclassifications made to adopt of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) for comparative purpose:

The adoption of the financial reporting standards relate to financial instruments			
	2019		2019
	Previously reported	Reclassifications	Restated
	Baht	Baht	Baht

Revenue

Interest income	1,068,330,998	506,828,391	1,575,159,389
Fee and service income	531,831,597	(506,828,391)	25,003,206

The adoption of the new financial reporting standards mainly affects the Company's accounting treatment as follows;

5.1 Accounting policies relating to financial instruments

Classification

The new requirements on the presentation of fee and service income which recognized based on effective interest method. The Company has to reclassify fee and service income to present in part of interest income in the statement of comprehensive income which previously presented as fee and service income.

Impairment of financial assets

The Company have following financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Hire-purchase receivables and loan receivables

The new requirements on the impairment losses will lead to expected credit losses having to be considered and recognised at the initial recognition and subsequent period. As of 1 January 2020, the Company applies the general approach for hire-purchase receivables and loan receivables. The Company has to recognise the transition adjustment to reverse the expected credit losses of Baht 13 million.

The Company does not adjust the opening balance of retained earning because the management assessed that the identified impact of the expected credit losses from cash and cash equivalents, hire-purchase receivables and loan receivables were immaterial.

5.2 Accounting policies relating to leases

On adoption of TFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 3.75%.

For leases previously classified as finance leases, the Company recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of TFRS 16 are only applied after that date.

	Amount Baht
Operating lease commitments disclosed as at 31 December 2019	108,748,302
Less: Discounted using the lessee's incremental borrowing rate of at the date of initial application	(5,425,184)
Add: Finance lease liabilities recognised as at 31 December 2019	26,699,911
Add: Adjustments as a result of a different treatment of extension options	63,865,274
Lease liability recognised as at 1 January 2020	193,888,303
Current portion of lease liabilities	50,132,855
Lease liabilities	143,755,448
	193,888,303

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application for TFRS 16 adoption.

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

	1 January 2020 Baht
Properties	167,188,392
Motor vehicles	47,240,713
Total right-of-use assets	214,429,105

Practical expedients applied

In applying TFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an Arrangement contains a Lease.

6. Accounting policies

6.1 Accounting policies for the year ended 31 December 2020

6.1.1 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

6.1.2 Financial instruments

a) Classification

From 1 January 2020, the Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value either through profit or loss (FVPL) or through other comprehensive income (FVOCI)
- those to be measured at amortised cost

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

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

b) Recognition and derecognition

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

c) Measurement

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

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

d) Debt instruments

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

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

e) Impairment

From 1 January 2020, the Company applies TFRS 9 general approach in measuring the impairment of hire-purchase receivables and loan receivables. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

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

The Company assesses expected credit loss by taking into consideration past experiences. The cash shortfall is the difference between all contractual cash flows that are due to the Company and all cash flows expected to receive, discounted at the original effective interest rate.

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

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience,

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

Staging

The Company identified that the credit risk of financial assets will be increased significantly from the initial recognition date when the overdue of principle or accrued interest income has past due more than 30 days. The criteria which the Company applies is consistent with the standards. Moreover, when the credit risk of financial assets is increased significantly, the staging of these financial assets which have a significant increase in credit risk are transferred from Stage 1 to Stage 2. The staging of these financial assets will be move back to Stage 1 once they no longer meet the criteria.

Definition of default and credit-impaired financial instruments

The Company defines a financial instrument as default or credit-impaired which is considered to have occurred when there is evidence that the customer is experiencing financial difficulty which is likely to significantly affect the ability to repay. Exposures are considered to be credit-impaired if they are past due for 90 days or more or possesses signs indicating weaknesses which are likely to impact ability to meet future financial obligations. The default definition is consistent with that used for risk management purposes. Exposures that are credit-impaired are classified as Stage 3 and could be upgraded to Stage 2 if the customer no longer meet credit impaired definition, and exposures are classified as Stage 1 if significant increase in credit risk since initial recognition is no longer significant.

The Company applied the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2021 as the following:

On 16 April 2020, the TFAC issued the TFAC announcement No. 17/2563, regarding "Accounting guidelines of temporary relaxation measure for entities which provide relief measures to debtors who are adversely affected by the Thai economy" in order to temporarily assist debtors specified in the circular of the Bank of Thailand on Thor Por Tor. For Nor Sor. (23) Wor. 276/2563 regarding "Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy" dated 28 February 2020 and the circular of the Bank of Thailand on Thor Por Tor. For Nor Sor. (01) Wor. 380/2563 regarding "Measures to provide additional assistance to debtors during the COVID-19 situation" dated 26 March 2020 and the circular of the Bank of Thailand on Thor Por Tor. For Nor Sor. (01) Wor. 648/2563 regarding "Measures to provide additional assistance to debtors during the COVID-19 situation in Phase 2" dated 19 June 2020. In addition, the relief measures and accounting guidelines relating to the company are as the following:

- Providing assistance to non-performing debtors (Non-NPL). The Company can immediately classify this type of accounts receivable as a class that did not significantly increase for the importance of credit risk (Performing or Stage 1). If the position and business of the debtors are analysed that the debtors can comply with the debt restructuring agreement without having to wait for the follow up on the performance of debt restructuring conditions. Such debt restructure is considered as a preventive type of debt restructuring as pre-emptive. It is not considered a troubled debt restructuring (TDR). As at 31 December 2020, the Company has receivables who participated this relief measures for 7,500 receivables which their totalling amount are Baht 217.80 million or 3.34% of the Company's receivables.
- The Company provides assistance to the affected debtors under the guidelines for assistance debtors in the circular from Bank of Thailand on Thor Por Tor. For Nor Sor. (01) Wor. 380/2563 regarding "Measures to provide additional assistance to debtors during the COVID-19 situation" and the circular of the Bank of Thailand on Thor Por Tor. For Nor Sor. (01) Wor. 648/2563 regarding "Measures to provide additional assistance to debtors during the COVID-19 situation in Phase 2" dated 19 June 2020. The stage classification of the debtor remains at the same stage as before. As at 31 December 2020, the Company has receivables who participated this relief measures for 280 receivables which their totalling amount are Baht 12.62 million or 0.19% of the Company's receivables.

- Assistance to Non-Performing Loans (NPL). The Company can classify accounts receivable as a performing class if their payment comply with the new debt restructuring agreement for 3 months or 3 instalments consecutively, whichever is the longer period. As at 31 December 2020, the Company has receivables who participated this relief measures for 882 receivables which their totalling amount are Baht 29.37 million or 0.45% of the Company's receivables.
- In case that the debt restructuring cause the previously effective interest rate (EIR) no longer reflect the estimated cash flow received from the loan. The Company can use new calculated EIR as a interest rate for the new debt restructuring under the guidelines of the Bank of Thailand circular.
- When measuring the amount of expected credit losses by the general approach. The Company can consider the weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience or according to the circular from Bank of Thailand which will be further implemented.

f) Interest income and interest expense recognition

From 1 January 2020, there will be no longer reversal concept for accrued interest income on loan when its principal or interest payment has become over three months past due.

Interest income is calculated by applying the effective interest rate to the gross carrying is applied to the amortised cost of the financial asset, except for financial assets that are not (POCI) but have subsequently becomes credit-impaired (a stage 3), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (net of the expected credit loss provision)

g) Offset

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right of set-off and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Cash collateral on exchange traded derivative transactions is presented gross unless the collateral cash flows are always settled net with the derivative cash flows. In certain situations, even though master netting agreements exist, the lack of management intention to settle on a net basis results in the financial assets and liabilities being reported gross on the statement of financial position.

6.1.3 Hire-purchase receivables

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

6.1.4 Loan receivables

Loan receivables would initially be recognised at an amount equal to the fair value of loan receivables at the date of the transactions. Subsequently, they are stated at amortised cost from the contract value net of accrued interest income.

6.1.5 Foreclosed assets

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

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

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

6.1.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Land is not depreciated because it is considered to have an infinite useful life. Depreciation on other assets is calculated using the straight line method to allocate their cost over their estimated useful lives, as follows:

Building and building improvements	5 - 20 years
Furniture and office equipment	5 - 10 years
Vehicles	5 - 10 years

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

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

6.1.7 Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives 5 - 10 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available;
- the expenditure attributable to the software product during its development can be reliably measured

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives 5 - 10 years.

6.1.8 Impairment of assets

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

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

6.1.9 Leases

Leases - where the Company is the lessee

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

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

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

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

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

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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

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

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

During the reporting period, the Company received discounts in the lease payments from lessors due to the COVID-19 outbreak. The Company elected not to account for all discounts in the lease payments under the lease modification in accordance with TFRS 16. Instead, the Company has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by reducing lease liabilities in the proportion of the reduction to the lease payments throughout the period that the Company has received the reduction. The Company also reversed depreciation charges on the right-of-use assets and interest expenses on the lease liabilities recognised in the same proportion. The differences between the reduction of the lease liabilities and the reversal of the expenses are recognised in other gains instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification.

6.1.10 Current and deferred income taxes

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

Current tax

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

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised

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

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

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

6.1.11 Financial liabilities

a) Classification

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

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

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

b) Measurement

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

c) Derecognition and modification

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

Where the terms of a financial liability are renegotiated or modified, the Company assesses whether the renegotiation or modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated or modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

6.1.12 Employee benefits**Short-term employee benefits**

Liabilities for short-term employee benefits such as Salaries, wages, bonuses and contributions to the social security fund that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

Defined contribution plans

The Company has established a provident fund which is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The fund is monthly contributed by employees and by the Company. The Company has no further payment obligations once the contributions have been paid. The fund's assets are held in a separate trust fund. Contributions to the provident fund are charged to expenses in profit or loss when they arise.

Retirement benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity. Past-service costs are recognised immediately in profit or loss.

6.1.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

6.1.14 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

6.1.15 Recognition of revenue and expenses

d) Fee and service income

Fee and service income e.g. late-payment fee is recognised on an accrual basis when services are rendered and it has a probability of cash collection.

e) Other income

Other income will be considered as income when completed the obligation according to the contract which the amount of revenue recognised may be recognised at point in time or point overtime. For the case that the obligation must be completed for a period of time, the company recognises income over the aforementioned period by selecting the appropriate method for for measuring the progress of the completed obligation. The Company will recognise income when there is a probability of cash collection.

f) Expenses

Expenses are recognised on accrual basis.

6.1.16 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders..

6.1.17 Earnings per share

Basic earnings per share is computed by dividing net income for the year by weighted-average number of paid-up ordinary shares in issue during the year.

6.1.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director that makes strategic decisions.

6.2 Accounting policies for the year ended 31 December 2019

6.2.1 Allowance for doubtful accounts

The Company sets up allowance for doubtful accounts from the aging period of outstanding receivables, after netting deferred interest income and accrued interest income. The management has considered the chance of debt collectability which takes consideration into the relation of the outstanding balances of allowance for doubtful accounts and loan receivables. Moreover, the management needs to make judgment based upon the prevailing economic conditions that impact on the chance of debt collectability. The basis of allowance for doubtful is as follows:

Aging months	Percentage (%) of allowance
Current	1
Overdue:	
Less than 1 month	1
More than 1 month to 3 months	2
More than 3 months to 6 months	100
More than 6 months to 12 months	100
More than 12 months	100

In addition, the Company sets aside further provision for loan receivables based on the consideration of the risk of chance of debt collectability more than normal.

Bad debts written off during the year are recognised as expenses in profit or loss. The Company has a policy to write-off receivables when the Company has made appropriate efforts at recovery for which there is clear evidence, and debt remain unsettled. Bad debts recovery are recognised as other income in profit or loss after settlements.

6.2.2 Leases

Leases - where a Company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

6.2.3 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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

6.2.4 Recognition of Interest income and fee and service income from loan receivables

Interest income, front-end fee, back-end fee and service income from loan receivables are recognised using the effective interest rate over the period of the contracts until the maturity date.

The Company discontinues recognition of accrued income for loan receivables overdue more than three months since the due date or there is uncertainty of collectability and a collection basis is applied. On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease for loan receivables which are overdue by more than 3 installments. Such interest income and fee and service income are recognised on cash basis when received. The Company will recognise income on an accrual basis again when there are no past due in principal and interest.

7. Financial risks management

The Company's activities expose it to a variety of financial risks: market risk (consisting of foreign currency risk, fair value risk from changes in interest rate, and cash flow risk from changes in interest rate), liquidity risk and credit risk. The Company's overall risk management program focuses on the fluctuation of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

7.1 Market risk

a) Foreign currency risk

Foreign currency risk is the risk that the value of financial instrument will fluctuate because of changes in foreign exchange rates.

The majority of operations activities is Thai Baht and operating in Thailand. Thus, the Company has no foreign currency risk.

b) Interest rate risk

The Company's income and operating cash flows are not substantially independent of changed in market interest rates. The contract rates of the Company's hire-purchase receivables and loan receivables are fixed rate. However, the contract rates of the Company's short-term borrowings and long-term borrowings from financial institutions include floating rate and fixed rate which the Company does not use interest rate swaps as cash flow hedges of future interest payments for floating rate borrowings. The Company considers that it is not necessary to use derivative instruments to hedge such risk because future movements in market interest rates will not materially affect the Company's operating results.

The Company's borrowings and receivables are carried at amortised cost. The Company has borrowings at floating rates. This will make the Company has the exposed to the risk of future changes in market interest rates.

The exposure of the Company's borrowings to interest rate changes of the borrowings at the end of the reporting period are as follows:

Sensitivity

Profit or loss is sensitive to higher or lower interest expenses from borrowings as a result of changes in interest rates.

	Impact to net profit	
	2020 Baht	2019 Baht
Interest rate - increase 0.25%	(217,902)	(176,183)
Interest rate - decrease 0.25%	274,502	165,127
* Holding all other variables constant		

As at 31 December 2020, significant financial assets and liabilities classified by type of interest rates are as follows:

	Fixed interest rate			Floating interest rate			Effective Interest rate (% per annum)
	Within 1 Year	1 - 5 year	Over 5 years	Within 1 Year	1 - 5 year	Over 5 years	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
As at 31 December 2020							
Financial assets							
Cash and cash equivalents	-	-	-	299,170	-	-	0.05 - 0.25
Financial asset at fair value through profit or loss	-	-	-	-	-	-	-
Hire-purchase receivables	53,587	96,892	-	-	-	1,600,074	15.17 - 24.89
Loan receivables	4,153,289	2,102,193	-	-	-	-	11.88 - 36.00
	4,206,876	2,199,085	-	299,170	-	1,607,470	8,312,601
Financial liabilities							
Short-term borrowings from financial Institutions	2,865,508	-	-	-	-	-	1.40 - 5.87
Trade and other payables	-	-	-	-	-	77,666	-
Long-term borrowings from financial institutions	-	310,000	-	371,000	282,800	-	2.00 - 2.95
Lease liabilities	67,814	174,000	-	-	-	-	3.72 - 5.58
	2,933,322	484,000	-	371,000	282,800	77,666	4,148,788

As at 31 December 2019, significant financial assets and liabilities classified by type of interest rates are as follows: (Cont'd)

	Fixed interest rate				Floating interest rate				No Interest Thousand Baht	Total Thousand Baht	Effective Interest rate (% per annum)
	Within 1 Year		Over 5 years		Within 1 Year		Over 5 years				
	Thousand Baht	1 - 5 year Thousand Baht	Thousand Baht	Over 5 years Thousand Baht	Thousand Baht	1 - 5 year Thousand Baht	Thousand Baht	Over 5 years Thousand Baht			
As at 31 December 2019											
Financial assets											
Cash and cash equivalents	-	-	-	-	244,999	-	-	-	7,559	252,558	0.10 - 0.40
Hire-purchase receivables	2,270	11,825	-	-	-	-	-	-	-	14,095	15.17 - 23.83
Loan receivables	4,300,323	2,322,983	-	-	-	-	-	-	-	6,623,306	11.88 - 36.00
	4,302,593	2,334,808	-	-	244,999	-	-	-	7,559	6,889,959	
Financial liabilities											
Short-term borrowings from financial Institutions	1,212,698	-	-	-	2,120,202	-	-	-	-	3,332,900	2.40 - 4.50
Trade and other payables	-	-	-	-	-	-	-	-	69,955	69,955	-
Long-term borrowings from financial institutions	-	-	-	-	464,685	307,930	-	-	-	772,615	4.00
Obligations under finance lease liabilities	11,267	15,433	-	-	-	-	-	-	-	26,700	3.82 - 6.67
	1,223,965	15,433	-	-	2,584,887	307,930	-	-	69,955	4,202,170	

7.2 Credit risk

Credit risk is the risk from receivables that cannot pay their principle and interest following the contractual terms.

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at fair value through profit or loss (FVPL), including outstanding hire purchase receivables and loans receivables.

i) Risk management

The Company has no significant concentrations of credit risk. The Company has policies in place to ensure that contracts are made with customers who have an appropriate credit history, limiting customers' credit limit as well as obtaining appropriate guarantees from customers.

ii) Security

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral such as vehicles, motorcycles and agricultural vehicles for borrowings. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Company prepares a valuation of the collateral obtained as part of the loan origination process.

The Company's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Company since the prior period.

iii) Impairment of financial assets

The Company and the Company has 2 types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Hire-purchase receivables and loan receivables

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

Hire-purchase receivables and loan receivables

the Company applies general approach to measure expected credit losses. The Company always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

Under the three-stage expected credit loss impairment model except for significant exposures in loans to customer, the impairment will be assessed by using collective approach model with forward looking information adjustment.

Further explanation is also provided of how the Company determines appropriate grouping when expected credit loss is measured on a collective basis.

The expected credit loss (ECL) is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit loss is the discounted product of the probability of default (PD), loss given default (LGD), and exposure at default (EAD), defined as follows:

- Probability of default (PD) represents the likelihood of a borrower defaulting on its financial obligation (as per definition of default and credit-impaired), either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.
- Exposure at default (EAD) is based on the amounts that the Group expects to be owed at the time of default, over the next 12 months (12-month EAD) or over the remaining lifetime (lifetime EAD)
- Loss given default (LGD) represents the Group's expectation of the extent of the loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The expected credit loss is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together. This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis.

The Company write-off trade receivables and contract assets when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments.

Impairment losses on hire-purchase receivables and loan receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Financial asset measured at fair value through profit or loss

The Company is also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

7.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Company held deposits at call of Baht 299 million (2019: Baht 245 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the treasury department maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Company's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

a) Financing arrangements

The Company has the undrawn credit facilities as at 31 December as follows:

	2020 Thousand Baht	2019 Thousand Baht
Floating rate		
Expiring within one year		
- Bank Overdraft	19,992	21,000
- Short-term loans	130,000	230,000
Expiring beyond one year		
- Long-term loans	827,700	366,650
	977,692	617,650

b) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	Book value liabilities Thousand Baht
As at 31 December 2020						
Bank overdrafts and short-term loans from financial institutions	8	2,865,508	-	-	2,865,508	2,865,508
Trade payables and other payables	-	77,666	-	-	77,666	77,666
Long-term loans from financial institutions	-	371,000	592,800	-	963,800	963,800
Lease liabilities	-	67,814	174,650	-	242,464	242,464
Total financial liabilities	8	3,381,980	767,450	-	4,149,438	4,149,438

	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	Book value liabilities Thousand Baht
As at 31 December 2019						
Short-term loans from financial institutions	-	3,332,900	-	-	3,332,900	3,332,900
Trade payables	-	69,955	-	-	69,955	69,955
Long-term loans from financial institutions	-	464,685	307,930	-	772,615	772,615
Lease liabilities	-	11,267	15,433	-	26,700	26,700
Total financial liabilities	-	3,878,807	323,363	-	4,202,170	4,202,170

7.4 Capital management

7.4.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital based on gearing ratio which is determined by dividing net debt with equity.

During the year 2020, the credit rating was unchanged and the gearing ratios at 31 December are as follows:

	2020 Thousand Baht	2019 Thousand Baht
Net debt	4,269,641	4,381,952
Equity	4,508,133	2,775,635
Net debt to equity ratio (times)	0.95	1.58

Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:

- the debt to equity ratio must be not more than 3 to 1 times

The Company can maintain the financial ratios throughout the reporting period as at 31 December 2020.

8. Significant accounting judgments and estimates

Preparation of financial statements in conformity with the Thai Financial Reporting Standards requires management to make estimates and assumptions in certain circumstances, affecting reported amounts of revenue, expenses, assets and liabilities, the disclosure of contingent assets and liabilities. Actual results could differ from these estimates. The significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures in the financial statements are as follows:

8.1 Estimates and assumptions which were effective for year ended 31 December 2020

8.1.1 Impairment

The Company assesses and recognises expected credit loss for its financial assets classified as debt instrument carried at FVOCI and at amortised cost, loan commitments, and financial guarantee contracts.

Expected credit losses are an estimate of credit losses over the expected life of the financial instrument. A cash shortfall is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive discounted at the original effective interest rate for the financial assets that are not purchased or originated credit-impaired financial assets or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets. The Company estimates cash flows by considering all contractual terms of the financial assets through the expected life of that financial assets. The Company applies the historical data around 4 – 5 years of their contracts to apply in their impairment model to estimate the expected credit loss of receivables

The Company assumes the default definition in the calculation of probability of default by applying the ever default concept. In case that hire-purchase receivables and loan receivables have any default their installment during the snapshot but at the ended of the snapshot, their default status are not default installment. The status of these receivables are still default status.

The exposure at default at reporting date equal to the principle and accrued interest income at reporting date. The Company assumes that the Company will receive payment of accrued interest on the last payment of the contracts.

The cash flows that are considered shall include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. There is a presumption that the expected life of a financial assets can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the expected life of a financial assets, the Company uses the remaining contractual term of the financial assets.

The Company measures expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

8.1.2 Plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for plant and equipment including intangible assets. Management will revise the depreciation and amortisation charges where useful lives and residual values are different to previous estimates, or will write off or write down technically obsolete assets that have been abandoned or sold.

In addition, management is required to review plant and equipment and intangible assets for impairment on a periodic basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

8.1.3 Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits.

8.1.4 Determination of lease terms

Critical judgement in determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Company considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Company.

8.1.5 Determination of discount rate applied to leases

The Company determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

8.1.6 Post-employment benefits under defined benefit plans

Post-employment benefit costs (Defined benefit plan) are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate and mortality rate.

8.2 Estimates and assumptions which were effective for the year ended 31 December 2019

8.2.1 Allowance for doubtful accounts of loan receivables

The Company maintains an allowance for doubtful accounts to reflect impairment of loan receivables relating to estimated losses resulting from the inability of receivables to make required payments. The allowance for doubtful accounts is significantly impacted by the Company's assessment of future cash flows, such assessment being based on consideration of historical collection experience, known and identified instances of default and consideration of market trends.

9. Cash and cash equivalents

	2020 Baht	2019 Baht
Cash on hand	7,351,502	7,521,132
Current and saving deposits	299,214,679	245,036,814
Total cash and cash equivalents	306,566,181	252,557,946

As at 31 December 2020, saving deposits have interest rates ranging between 0.05% - 0.25% per annum (2019: 0.10% - 0.40% per annum).

10. Hire-purchase receivables

	2020		
	Current portion due within one year Baht	Portion due later than one year Baht	Total Baht
Hire-purchase receivables	80,833,242	122,086,460	202,919,702
<u>Less</u> Deferred interest income	(26,375,938)	(23,105,055)	(49,480,993)
Total hire-purchase receivables, net from deferred interest income	54,457,304	98,981,405	153,438,709
<u>Less</u> Allowance for expected credit loss	(869,799)	(2,089,830)	(2,959,629)
Total hire-purchase receivables, net	53,587,505	96,891,575	150,479,080

	2019		
	Current portion due within one year Baht	Portion due later than one year Baht	Total Baht
Hire-purchase receivables	5,125,166	16,327,912	21,453,078
<u>Less</u> Deferred interest income	(2,799,258)	(4,189,736)	(6,988,994)
Total hire-purchase receivables, net from deferred interest income	2,325,908	12,138,176	14,464,084
<u>Less</u> Allowance for doubtful accounts	(55,462)	(313,392)	(368,854)
Total hire-purchase receivables, net	2,270,446	11,824,784	14,095,230

As at 31 December 2020, the hire-purchase receivables, net from deferred interest income, allowance for expected credit loss and net carrying amount of hire-purchase receivables as follows:

	2020		
	Hire-purchase receivables, net from deferred interest income Baht	Allowance for expected credit loss Baht	Net carrying amount Baht
Staging			
Performing	148,650,809	(1,351,527)	147,299,282
Under-performing	3,745,048	(1,022,142)	2,722,906
Non-performing	1,042,852	(585,960)	456,892
Total	153,438,709	(2,959,629)	150,479,080

As at 31 December 2019, Hire-purchase receivables, net from deferred interest income, allowance for doubtful accounts are classified by aging as follows:

	2019 Baht
Current or overdue not over than 1 month	14,237,606
Overdue more than 1 month to 3 months	-
Overdue more than 3 months to 6 months	226,478
Overdue more than 6 months to 12 months	-
Overdue more than 12 months	-
Total loan receivables net from deferred interest income	14,464,084
<u>Less</u> Allowance for doubtful accounts	(368,854)
Total hire-purchase receivables, net	14,095,230

11. Loan receivables

	2020		
	Current portion due within one year Baht	Portion due later than one year Baht	Total Baht
Loan receivables	4,135,616,283	2,157,986,964	6,293,603,247
<u>Add</u> Accrued interest income	121,229,380	-	121,229,380
Total loan receivables, net from accrued interest income	4,256,845,663	2,157,986,964	6,414,832,627
<u>Less</u> Allowance for expected credit loss	(103,556,223)	(55,794,386)	(159,350,609)
Total loan receivables, net	4,153,289,440	2,102,192,578	6,255,482,018

	2019		
	Current portion due within one year Baht	Portion due later than one year Baht	Total Baht
Loan receivables	4,276,376,490	2,402,604,606	6,678,981,096
<u>Add</u> Accrued interest income	131,933,560	-	131,933,560
Total loan receivables, net from accrued interest income	4,408,310,050	2,402,604,606	6,810,914,656
<u>Less</u> Allowance for doubtful accounts	(107,987,386)	(79,621,229)	(187,608,615)
Total loan receivables, net	4,300,322,664	2,322,983,377	6,623,306,041

As at 31 December 2020, the loan receivables, net from accrued interest income, allowance for expected credit loss and net carrying amount of loan receivables as follows:

	2020		
	Loan receivables, net from accrued interest income Baht	Allowance for expected credit loss Baht	Net carrying amount Baht
Staging			
Performing	6,003,589,746	(43,750,661)	5,959,839,085
Under-performing	268,989,185	(48,559,843)	220,429,342
Non-performing	142,253,696	(67,040,105)	75,213,591
Total	6,414,832,627	159,350,609	6,255,482,018

As at 31 December 2019, loan receivables are classified by aging and allowance for doubtful accounts as follows:

	2019 Baht
Current or overdue not over than 1 month	6,187,828,662
Overdue more than 1 month to 3 months	526,334,418
Overdue more than 3 months to 6 months	85,722,156
Overdue more than 6 months to 12 months	8,241,720
Overdue more than 12 months	<u>2,787,700</u>
Total loan receivables net from accrued interest income	6,810,914,656
<u>Less</u> Allowance for doubtful accounts	<u>(187,608,615)</u>
Total loan receivables, net	<u>6,623,306,041</u>

As at 31 December 2020, loan receivables amounting to Baht 5,039 million are secured for credit facilities granted by financial institutions (Note 20) (2019: Baht 5,362 million).

As at 31 January 2019, the Bank of Thailand issued a notification on regulations, procedures and conditions for non-financial institutions operators undertaking personal loan business under supervision, which expands the scope of supervision to cover loans secured against vehicle registrations. It was effective from 1 February 2019. The Company has modified the loan contract according to the regulation mentioned earlier. In which the modification resulted in the change in the presentation of deferred interest income and accrued interest income.

For the year ended 31 December 2019, the Company has loss from closing contracts amounting to Baht 162.16 million (31 December 2018: nil) from modification of loan contract and this resulted in the recoverable amount in the new contract is less than carrying amount of original contract.

12. Allowance for expected credit loss

	Performing financial assets (12-month ECL) Baht	Under- performing financial assets (Lifetime ECL - not credit impaired) Baht	Non- performing financial assets (Lifetime ECL - credit impaired) Baht	Total Baht
As of 1 January 2020	71,641,204	19,350,691	96,985,574	187,977,469
Changes due to staging:				
Performing financial assets	19,314,012	(5,067,579)	(14,246,433)	-
Under-performing financial assets	(2,587,039)	11,907,703	(9,320,664)	-
Non-performing financial assets	(1,609,386)	(3,598,777)	5,208,163	-
Changes due to new estimation of credit loss	(36,193,999)	28,987,284	32,460,109	25,253,394
Newly acquired financial assets	14,756,600	5,391,318	7,777,327	27,925,245
Transfers to foreclosed assets	(741,885)	(1,317,583)	(11,961,915)	(14,021,383)
Write-off	(61,304)	(650,102)	(17,977,364)	(18,688,770)
Derecognition of financial assets	(19,416,015)	(5,420,970)	(21,298,732)	(46,135,717)
As of 31 December 2020	<u>45,102,188</u>	<u>49,581,985</u>	<u>67,626,065</u>	<u>162,310,238</u>

13. Financial assets measured at fair value through profit or loss

a) Financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI.

Financial assets measured at fair value through profit or loss include the following:

	2020 Fair value Baht
Current assets	
Investment in mutual funds	1,600,074,056

b) Amounts recognised in profit or loss

The following gains were recognised in profit or loss during the year as follows:

	2020 Baht
Gains were recognised in profit or loss	
Fair value gains (losses) on debt instruments at FVPL recognised in other gains/(losses)	74,056

14. Other current assets

	2020 Baht	2019 Baht
Advance payment	16,000	239,200
Prepaid expenses	6,478,770	12,080,741
Others	8,619	10,146
	6,503,389	12,330,087

15. Property, plant and equipment

	Land Baht	Building and building improvements Baht	Furniture and office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
At 1 January 2019						
Cost	712,600	65,585,863	98,201,213	89,455,694	-	253,955,370
<u>Less</u> Accumulated depreciation	-	(23,526,618)	(54,415,502)	(33,078,040)	-	(111,020,160)
Net book value	712,600	42,059,245	43,785,711	56,377,654	-	142,935,210
For the year ended 31 December 2019						
Opening net book value	712,600	42,059,245	43,785,711	56,377,654	-	142,935,210
Additions	-	8,653,633	26,310,630	15,059,000	5,195,225	55,218,488
Disposal	-	(12,605)	(20,475)	(4,868)	-	(37,948)
Write-off	-	(34,075)	(29,821)	-	-	(63,896)
Transfer in from foreclosed assets	-	-	-	2,064,170	-	2,064,170
Transfer in (out)	-	1,316,932	3,056,230	-	(4,373,162)	-
Depreciation charge	-	(7,615,448)	(16,763,368)	(9,905,161)	-	(34,283,977)
Closing net book value	712,600	44,367,682	56,338,907	63,590,795	822,063	165,832,047
At 31 December 2019						
Cost	712,600	75,466,618	126,130,752	105,585,864	822,063	308,717,897
<u>Less</u> Accumulated depreciation	-	(31,098,936)	(69,791,845)	(41,995,069)	-	(142,885,850)
Net book value	712,600	44,367,682	56,338,907	63,590,795	822,063	165,832,047
For the year ended 31 December 2020						
Opening net book value	712,600	44,367,682	56,338,907	63,590,795	822,063	165,832,047
The transition adjustment from adoption of New financial reporting standards (Note 5)	-	-	-	(47,240,713)	-	(47,240,713)
Opening net book value after adjustments	712,600	44,367,682	56,338,907	16,350,082	822,063	118,591,334
Additions	-	8,645,438	10,754,197	1,000,000	1,468,769	21,868,404
Disposal	-	(59,921)	(5,552)	(16,705)	-	(82,178)
Write-off	-	(41,002)	(5,259)	-	-	(46,261)
Transfer from foreclosed assets	-	-	-	2,485,560	-	2,485,560
Transfer in (out)	-	-	2,290,832	-	(2,290,832)	-
Transfer from right-of-use assets	-	-	-	1,188,115	-	1,188,115
Depreciation charge	-	(9,596,381)	(19,866,174)	(5,121,572)	-	(34,584,127)
Closing net book value	712,600	43,315,816	49,506,951	15,885,480	-	109,420,847
At 31 December 2020						
Cost	712,600	83,862,616	138,844,254	52,111,674	-	275,531,144
<u>Less</u> Accumulated depreciation	-	(40,546,800)	(89,337,303)	(36,226,194)	-	(168,110,297)
Net book value	712,600	43,315,816	49,506,951	15,885,480	-	109,420,847

16. Right-of-use assets

As at 31 December, right-of-use asset balance are as follows:

	2020 Baht
Building	212,827,172
Vehicles	49,532,693
Total	262,359,865

For the year ended 31 December, amounts charged to profit or loss and cash flows relating to leases are as follows:

	2020 Baht
Depreciation charge of right-of-use assets:	
Building	58,049,861
Vehicles	6,265,906
Total	64,315,767
Addition to the right-of-use assets during the year	279,434,919
Total cash outflow for leases	
Payment for principle of lease liabilities	62,626,984
Payment for interest expense of lease liabilities	6,529,330
Total	69,156,314
Expense relating to short-term leases	1,621,601
Expense relating to leases of low-value assets	1,192,701

As at 31 December 2020 and 2019, the expected maturity analysis of undiscounted lease liabilities is as follows:

	2020 Baht	2019 Baht
Maturity analysis of benefits expected to be paid:		
Benefits expected to be paid within 12 months	73,179,781	12,115,908
Benefits expected to be paid between 1 and 2 years	59,004,177	9,051,270
Benefits expected to be paid between 2 and 5 years	110,411,407	5,037,480
Benefits expected to be paid in more than 5 years	12,050,222	-

17. Intangible assets

	Computer software Baht	Computer software in progress Baht	Total Baht
At 1 January 2019			
Cost	28,455,822	3,147,009	31,602,831
<u>Less</u> Accumulated amortization	(6,046,002)	-	(6,046,002)
Net book value	22,409,820	3,147,009	25,556,829
For the year ended 31 December 2019			
Opening net book value	22,409,820	3,147,009	25,556,829
Additions	715,837	3,983,400	4,699,237
Transfer in (out)	6,696,273	(6,696,273)	-
Amortisation charge	(3,395,637)	-	(3,395,637)
Closing net book value	26,426,293	434,136	26,860,429
At 31 December 2019			
Cost	35,867,932	434,136	36,302,068
<u>Less</u> Accumulated amortisation	(9,441,639)	-	(9,441,639)
Net book value	26,426,293	434,136	26,860,429
For the year ended 31 December 2020			
Opening net book value	26,426,293	434,136	26,860,429
Additions	1,437,221	4,383,790	5,821,011
Transfer in (out)	181,900	(181,900)	-
Amortisation charge	(3,642,837)	-	(3,642,837)
Closing net book value	24,402,577	4,636,026	29,038,603
At 31 December 2020			
Cost	37,487,053	4,636,026	42,123,079
<u>Less</u> Accumulated amortisation	(13,084,476)	-	(13,084,476)
Net book value	24,402,577	4,636,026	29,038,603

18. Deferred income taxes

As at 31 December 2020 and 2019, deferred income taxes comprise of:

	2020 Baht	2019 Baht
Deferred tax assets:		
Deferred tax asset to be recovered within 12 months	21,137,200	22,111,930
Deferred tax asset to be recovered after 12 months	24,016,221	26,156,966
	45,153,421	48,268,896
Deferred tax liabilities:		
Deferred tax liabilities to be settled within 12 months	-	137,075
Deferred tax liabilities to be settled after 12 months	214,296	24,905
	214,296	161,980
Total deferred tax assets, net	44,939,125	48,106,916

For the years ended 31 December 2020 and 2019, the movement of deferred tax assets(liabilities), net is as follows:

	2020 Baht	2019 Baht
Opening balance	48,106,916	(9,680,083)
Credited to profit or loss (Note 24)	(2,702,233)	56,467,756
Credited to other comprehensive income	(465,558)	1,319,243
Closing balance	44,939,125	48,106,916

	2020		
	Balance at 1 January 2020 Baht	Items recognised into profit or loss Baht	Items recognised into other comprehensive income Baht
Deferred tax assets			
Allowance for expected credit loss	37,595,494	(5,133,446)	-
Lease liabilities and right-of-use assets	-	707,097	-
Employee benefit obligations	10,170,043	2,027,795	(465,558)
Others	503,359	(251,363)	-
Total deferred tax assets	48,268,896	(2,649,917)	(465,558)
Deferred tax liabilities			
Difference in revenue recognition for accounting and tax purposes	24,905	189,391	-
Front-end fee	137,075	(137,075)	-
Total deferred tax liabilities	161,980	52,316	-

	2019			
	Balance at 1 January 2019 Baht	Items recognised into profit or loss Baht	Items recognised into other comprehensive income Baht	Balance at 31 December 2019 Baht
Deferred tax assets				
Allowance for doubtful accounts	21,793,073	15,802,421	-	37,595,494
Employee benefit obligations	5,174,490	3,676,310	1,319,243	10,170,043
Others	219,929	283,430	-	503,359
Total deferred tax assets	27,187,492	19,762,161	1,319,243	48,268,896
Deferred tax liabilities				
Difference in revenue recognition for accounting and tax purposes	36,867,575	(36,842,670)	-	24,905
Front-end fee	-	137,075	-	137,075
Total deferred tax liabilities	36,867,575	36,705,595	-	161,980

19. Other non-current assets

	2020 Baht	2019 Baht
Deposits	7,248,425	7,019,228
Fixed deposits held as collateral	1,811,223	1,776,206
Total other non-current assets	9,059,648	8,795,434

20. Borrowings

	2020 Baht	2019 Baht
Current		
Short-term borrowings from financial institutions	2,865,508,002	3,332,900,000
Current portion of long-term borrowings from financial institutions	371,000,000	464,684,625
Total current borrowings	3,236,508,002	3,797,584,625
Non-current		
Long-term borrowings from financial institutions	592,800,000	307,930,000
Total non-current borrowings	592,800,000	307,930,000
Total borrowings	3,829,308,002	4,105,514,625

As at 31 December 2020, The Company is required to comply with certain terms and conditions such as to maintain ratio of debts to equity and ratio of good quality loan receivables to interest-bearing debts.

As at 31 December 2020, the Company has Baht 20 million (31 December 2018 : Baht 21 million) for unused bank overdraft facilities.

Short-term borrowings from financial institutions are secured by loan receivables with an amount of Baht 3,062 million (Note 11) (31 December 2019: Baht 3,262 million) and assets from key management of the Company with an amount of Baht 680 million (2019: Baht 897 million) as collateral and Baht 130 million for short-term credit facilities from financial institutions which have not yet been drawn down (31 December 2019: Baht 230 million).

Long-term borrowings from financial institutions are secured by loan receivables with an amount of Baht 627 million (Note 11) (31 December 2019: Baht 750 million) and no assets from key management of the Company as collateral (31 December 2019: Baht 150 million) and Baht 317 million for long-term credit facilities from financial institutions which have not yet been drawn down (31 December 2019: nil)

Credit facilities from borrowing without specific term from financial institution are secured by loan receivables with an amount of Baht 1,350 million (Note 11) (31 December 2019: Baht 1,350 million) and assets from key management of the Company with an amount of Baht 453 million (31 December 2018: Baht 453 million) as collateral and Baht 511 million for indefinite term credit facilities from financial institutions which have not yet been drawn down (31 December 2019 : Baht 367 million).

The movement short-term borrowings from financial institutions is as follows:

	2020 Baht	2019 Baht
Opening amount as at 1 January	3,332,900,000	3,088,000,000
Addition of borrowings	1,431,008,002	1,560,000,000
Repayments of borrowings	(1,898,400,000)	(1,315,100,000)
Closing amount as at 31 December	2,865,508,002	3,332,900,000

The short-term borrowings from financial institution has a maturity date for principle within 12 months since the drawdown date and the interest expense has to be paid at the end of the month and at maturity date.

The movement long-term borrowings from financial institutions is as follows:

	2020 Baht	2019 Baht
Opening balance	772,614,625	497,944,127
Addition of borrowings	1,294,600,000	950,500,000
Repayments of borrowings	(1,104,100,000)	(680,650,000)
Interest paid	(4,056,907)	(17,905,969)
Adjusted by using the effective interest rate method	4,742,282	22,726,467
Closing balance	963,800,000	772,614,625

The long-term borrowings from financial institution has a maturity date for principle within 36 months since the drawdown date and the interest expense has to be paid at the end of the month and at maturity date.

21. Trade and other payables

	2020 Baht	2019 Baht
Accrued employee remuneration	61,114,290	57,906,089
Accrued expenses	7,219,420	5,763,031
Other payables	9,332,514	6,285,961
Total trade and other payables	77,666,224	69,955,081

22. Other current liabilities

	2020 Baht	2019 Baht
Value added tax and special business tax payable	550,690	4,582,869
Accrued social securities fund	2,334,776	2,265,690
Withholding tax payable	2,580,142	30,833,641
Others	362,307	353,147
Total other current liabilities	5,827,915	38,035,347

23. Employee benefit obligations

For the years ended 31 December 2020 and 2019, the movement of the employee benefit obligations is as follows:

	2020 Baht	2019 Baht
Opening balance	50,850,207	25,872,444
Current service cost	9,469,354	5,010,624
Past service cost	-	12,514,545
Finance cost	1,062,769	856,378
Remeasurement :		
(Gain) Loss from change in financial assumptions	(2,327,789)	6,596,216
Employee benefit paid	(393,148)	-
Closing balance	58,661,393	50,850,207

The principal actuarial assumptions used are as follows:

	2020	2019
Discount rate	2.13%	2.09%
Average salary increase rate	4.00%	4.00%
Turnover rate	2.50% - 5.50%	2.50% - 5.50%
Retirement age	60 years old	60 years old

Sensitivity analysis of the principal actuarial assumptions used are as follows:

	Increase (decrease) in employee benefit obligations	
	2020 Thousand Baht	2019 Thousand Baht
Discount rate		
Increase by 0.25%	(2,856)	(2,474)
Decrease by 0.25%	3,033	2,628
Average salary increase rate		
Increase by 0.25%	2,614	2,252
Decrease by 0.25%	(2,475)	(2,132)
Average turnover rate		
Increase by 10%	(3,074)	(2,857)
Decrease by 10%	3,281	3,060

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method with present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year, which has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the defined benefit obligations is 29 years (2019: 30 years).

As at 31 December 2020 and 2019, the expected maturity analysis of undiscounted retirement and post-employment benefit is as follows:

	2020 Baht	2019 Baht
Maturity analysis of benefits expected to be paid:		
Benefits expected to be paid within 12 months	-	399,590
Benefits expected to be paid between 1 and 2 years	-	-
Benefits expected to be paid between 2 and 5 years	3,823,221	2,476,290
Benefits expected to be paid in more than 5 years	418,536,231	380,318,496

24. Share capital

	Number of shares Shares'000	Number of issued and paid-up shares Shares'000	Issued and paid-up ordinary shares Baht'000	Share Premium Baht'000	Total Baht'000
Opening book balance as at 1 January 2019	1,400,000	1,400,000	1,400,000	-	1,400,000
Issuance of ordinary shares	696,000	150,000	150,000	487,500	637,500
Closing book balance as at 31 December 2019	2,096,000	1,550,000	1,550,000	487,500	2,037,500
Opening book balance as at 1 January 2020	2,096,000	1,550,000	1,550,000	487,500	2,037,500
Issuance of ordinary shares	-	546,000	546,000	1,474,200	2,020,200
Less Cost of issuing shares	-	-	-	(59,273)	(59,273)
Closing book balance as at 31 December 2020	2,096,000	2,096,000	2,096,000	1,902,427	3,998,427

On 26 November 2020, the Company offered 546,000,000 shares to the general public for the first time with a par value of 1 baht per share at a price of 3.70 baht per share which total to Baht 2,020,000,000. The Company recognised the cost of issuing shares to Baht 59 million (net with tax benefit) under premium on paid up capital. The Company has registered the change of paid-up capital to Baht 2,096,000,000 (2,096,000,000 ordinary shares with a par value of 1 Baht per share) with the Department of Business Development, Ministry of Commerce on 1 December 2020

According to the meeting of Extraordinary General Meeting of Shareholders No.3/2019 dated 12 November 2019, the meeting passed a resolution to approve the issuance of 546,000,000 ordinary shares from 1,550,000,000 shares to 2,096,000,000 shares with a par value of Baht 1 each. The Company received all paid-up share capitals and also registered with the paid-up ordinary shares with the Ministry of Commerce on 26 November 2019.

According to the meeting of Extraordinary General Meeting of Shareholders No.2/2019 dated 24 May 2019, the meeting passed a resolution to approve the issuance for sale to the private placement of 150,000,000 ordinary shares from 1,400,000,000 shares to 1,550,000,000 shares which is in accordance with the announcement of the Capital Market Supervisory Board No.39/2016 with a par value of Baht 1 each and the offering price Baht 4.25 each which total to Baht 637,500,000. The Company received all paid-up share capitals and also registered the paid-up ordinary shares with the Ministry of Commerce on 27 May 2019.

25. Legal reserve

	2020 Baht	2019 Baht
Opening balance	71,000,000	53,000,000
Appropriation during the year	29,000,000	18,000,000
Closing balance	100,000,000	71,000,000

Pursuant to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its 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.

26. Dividends

On 11 August 2020, the Board of Committee Meeting No.5/2020 approved the resolution regarding to the payment of dividend from net profit of the Company at the rate of Baht 0.48 per share, amounting to the total of Baht 750,200,000. The dividend was paid on 10 September 2020.

On 21 April 2020, the Annual General Meeting of the Company's shareholders for the year 2020, approved the resolution regarding to the payment of dividend from net income for the year ended 31 December 2019 at the rate of Baht 0.03 per share, amounting to the total of Baht 42,000,000. The dividend was paid on 14 May 2020.

On 12 November 2019, the Board of Committee Meeting No.8/2019 approved the resolution regarding to the payment of interim dividend from profit of the Company at the rate of Baht 0.20 per share, amounting to the total of Baht 300,000,000. The dividend was paid on 11 December 2019.

On 19 April 2019, the Annual General Meeting of the Company's shareholders for the year 2019, approved the resolution regarding to the payment of dividend from net income for the year ended 31 December 2018 at the rate of Baht 0.03 per share, amounting to the total of Baht 42,000,000. The dividend was paid on 25 April 2019.

27. Expenses by nature

For the years ended 31 December 2020 and 2019, significant expenses by nature of selling expenses and administrative expenses are as follows:

	2020 Baht	2019 Baht
Personnel expenses	512,057,252	479,199,618
Taxes and duties	63,661,440	66,818,416
Operating lease expenses	2,814,302	52,700,296
Depreciation and amortization	102,542,731	37,760,612
Advertising expenses	14,005,072	16,870,957
Utilities expenses	30,025,354	28,229,157
Professional service expenses	6,093,421	5,753,344
Repair and maintenance expenses	10,480,146	9,261,465
Others	46,046,687	40,203,131
Total selling expenses and administrative expenses	787,726,405	736,796,996

28. Provident fund

On 15 October 2015, the Company have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees contribute to the fund at rate of 3% - 5% of their basic salaries and the Company contributed to the fund at rate of 3% - 5% of employee's salaries. The fund, which is managed by a licensed fund manager, will be paid to employees upon termination in accordance with the fund rules. For the year ended 31 December 2020, the Company contributed to the fund and recognised as employee benefit expense in profit or loss amounting to Baht 10,220,963 to the fund (2019: Baht 8,794,023).

29. Finance cost

	2020 Baht	2019 Baht
Borrowings from financial institutions	123,659,929	157,784,393
Finance cost from lease liabilities	7,747,767	1,118,510
Total finance cost	131,407,696	158,902,903

30. Income tax expenses

	2020 Baht	2019 Baht
Current tax:		
Income tax expenses for the year	135,530,824	142,030,878
Adjustments in respect of prior year	134,064	-
Total current tax	135,664,888	142,030,878
Deferred income tax:		
Items arising from temporary difference (Note 18)	2,702,233	(56,467,756)
Total deferred income tax	2,702,233	(56,467,756)
Total income tax expenses	138,367,121	85,563,122

For the years ended 31 December 2020 and 2019, the tax on the Company's profit before tax differs from the theoretical amount that would arise using the Thai basic tax rate of the Company as follows:

	2020 Baht	2019 Baht
Profit before income tax expenses	700,274,628	431,510,823
Income tax at the domestic tax rate of 20%	140,054,926	86,302,164
Effects from:		
Additional deductible expenses	(2,032,381)	(2,151,249)
Expenses not treated as expenses under the Revenue Code	210,512	1,412,207
Adjustments in respect of prior year	134,064	-
Total income tax expenses	138,367,121	85,563,122

31. Earnings per share

Basic earnings per share is calculated by dividing the net income attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	2020	2019
Net profit for the year attributable to equity holders of the Company (Baht)	561,907,507	345,947,701
Weighted average number of ordinary shares as of 1 January (Shares)	1,550,000,000	1,400,000,000
Adjustments:		
Weighted average number of ordinary shares issued during the year (Shares)	46,245,902	90,000,000
Total weighted average number of ordinary shares as of 31 December (Shares)	1,596,245,902	1,490,000,000
Basic earnings per share (Baht per share)	0.35	0.23

For the years ended 31 December 2020 and 2019, there are no potential dilutive ordinary shares.

32. Operating segment information

The Company has operated in a single segment which is loans on a geographic area in Thailand. Therefore, the disclosure is not presented by segment because information presented in this financial statements are in accordance with the internal report that the chief operating decision maker regularly receives and reviews.

33. Related party transactions

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

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

The Company is held 67% of shares by Boonsalee family (31 December 2019: 90%).

The relationships of related parties are as follows:

Company name	Relationship	Cause of relationship
Key management	Thai	Persons who have authority and responsibility for planning, management and control activities, both directly and indirectly which included Directors (Executive officers and other persons) of the Company.

For the years ended 31 December 2020 and 2019, the Company has significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of businesses and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	2020 Baht	2019 Baht	Transfer pricing policy
Depreciation expenses			
Key management	6,717,438	-	Negotiated agreement rate
Financial costs			
Key management	1,413,870	-	Negotiated agreement rate
Rental expenses			
Key management	-	6,672,200	Negotiated agreement rate

As at 31 December 2020 and 2019, there is no balance between the Company and those related parties.

	2020 Baht	2019 Baht
Right-of-use-assets		
Key management	33,764,029	-
Obligations under lease liabilities		
Key management	35,124,892	-

Key management's benefits

For the years ended 31 December 2020 and 2019, the Company has remuneration expenses to its key management compensation as follows:

	2020 Baht	2019 Baht
Short-term benefits	22,650,046	18,172,598
Post-employment benefits	1,027,253	654,326
Total key management's benefits	23,677,299	18,826,924

34. Financial instrument

Measurement basis of financial assets and liabilities

The accounting policies in Note 7 describe how different classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of the financial assets and liabilities by category and by statement of financial position heading.

	31 December 2020		
	At fair value through profit or loss Baht	Held at Amortised cost Baht	Total Baht
Financial assets			
Cash and cash equivalents	-	306,566,181	306,566,181
Financial Asset at Fair Value through Profit or Loss	1,600,074,056	-	1,600,074,056
Hire purchase receivables	-	150,479,080	150,479,080
Loan receivables	-	6,255,482,018	6,255,482,018
Other receivables	-	2,930	2,930
Total financial assets	1,600,074,056	6,712,530,209	8,312,604,265
Financial liabilities			
Short-term borrowings from financial institutions	-	2,865,508,002	2,865,508,002
Trade and other payables	-	77,666,224	77,666,224
Long-term borrowings from financial institutions	-	963,800,000	963,800,000
Lease liabilities	-	242,464,361	242,464,361
Total financial liabilities	-	4,149,438,587	4,149,438,587

35. Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1**
Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3**
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Company's financial assets that are measured at fair value.

	2020			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
<u>Financial assets</u>				
Financial assets measured at fair value through profit or loss	-	1,600,074	-	1,600,074
Total financial assets	-	1,600,074	-	1,600,074

As at 31 December 2019, the Company does not have financial assets that are measured at fair value.

The following table presents the Company's financial assets and liabilities that are not measured at fair value at 31 December 2020 and 2019.

	2020			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
<u>Financial assets</u>				
Hire-purchase receivables	-	-	150,479	150,479
Loan receivables	-	-	6,255,482	6,255,482
Total financial assets	-	-	6,405,961	6,405,961
<u>Financial liabilities</u>				
Short-term borrowings from financial institutions	-	2,865,508	-	2,865,508
Long-term borrowings from financial institutions	-	963,800	-	963,800
Lease liabilities	-	242,464	-	242,464
Total financial liabilities	-	4,071,772	-	4,071,772
	2019			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
<u>Financial assets</u>				
Hire-purchase receivables	-	-	14,095	14,095
Loan receivables	-	-	6,623,306	6,623,306
Total financial assets	-	-	6,637,401	6,637,401
<u>Financial liabilities</u>				
Short-term borrowings from financial institutions	-	3,332,900	-	3,332,900
Long-term borrowings from financial institutions	-	772,615	-	772,615
Obligations under finance lease liabilities	-	26,700	-	26,700
Total financial liabilities	-	4,132,215	-	4,132,215

There were no transfers between levels 1 and 2 during the year and no change in valuation method during the year.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The fair value of financial assets measured at fair value through profit or loss are measured by using bid price and net asset value as at financial reporting date which are market observable information.

The fair value of short-term borrowings are book value at the statement of financial position. Management believed that these liabilities will not have fair value which significant differs from its book value because they are short-term and have effective interest rate that is similar to the market effective interest rate which is market observable information.

The fair value of long-term borrowings are book value at the statement of financial position. Management believed that these liabilities will not have fair value which significant differs from its book value because the interest rate in the contract is float rate which make the discounted cash flow of its repayments to calculate its fair value will be similar to its book value.

The fair value of lease liabilities (2019: obligation under finance lease and liabilities) are outstanding balance at the statement of financial position because interest rate is similar to the market effective interest rate.

(c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of hire-purchase receivables, net are the outstanding balance of loans and deferred interest income less allowance for doubtful accounts. The majority of loan receivables are fixed rate. Management has assessed the existing effective rate of the outstanding loan receivables can compare with current market effective interest rate in the hire-purchase receivables.

The fair value of loan receivables, net are the outstanding balance of loans and accrued interest less allowance for doubtful accounts. The majority of loan receivables are fixed rate. Management has assessed the existing effective rate of the outstanding loan receivables can compare with current market effective interest rate in the similar category of loan receivables.

36. Commitment

a) Capital expenditure commitments

Capital expenditure contracted as at the statement of financial position date but not recognised as liabilities is as follows:

	2020 Baht	2019 Baht
Property, plant and equipment	632,148	5,885,358
Intangible assets	11,125,610	3,290,000
Total	11,757,758	9,175,358

b) Operating leases - where the Company is the lessee

As at 31 December 2020, the Company has operating lease commitments from office lease and service agreements. However, the majority of agreements are cancellable or notice of termination one month in advance.

37. Events after the reporting period

On 23 February 2021, the Board of Committee Meeting No. 1/2021 proposed a resolution to the Annual General Meeting of the Company's shareholders for the year 2020, to pay a dividend of Baht 0.108 per share, amounting to the total of Baht 226,368,000.

Details of Directors, Executives, and Controlling Persons of the Company

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years			
					Period	Position(s)	Name of Organization/ Company	Types of Business
1. Mr. Suphot Singhasaneh - Chairman of the Board of Directors - Independent Director - Chairman of the Audit Committee Started working in 2019	71	- Ph.D. of Arts in Accounting, Sripatum University - Ph.D. in Accounting, Thammasat University - Master of Finance, University of Michigan, USA - Bachelor's Degree in Accounting, Thammasat University - Successful Formulation & Execution of Strategy Program, Class 4/2009 by Thai Institute of Directors Association (IOD) - Role of the Chairman Program, Class 18/2008 by Thai Institute of Directors Association (IOD) - Director Certification Program, Class 90/2007 by Thai Institute of Directors Association (IOD)	0.097	-	2019 - present	- Chairman of the Board of Directors - Independent Director - Chairman of the Audit Committee	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2020 - present	Secretary	Federation of Accounting Professions Under The Royal Patronage of His Majesty The King	Accounting Regulatory Authority
					2016 - 2020	Vice President	Federation of Accounting Professions Under The Royal Patronage of His Majesty The King	Accounting Regulatory Authority
					2016 - present	Director	Federation of Accounting Professions Under The Royal Patronage of His Majesty The King	Accounting Regulatory Authority
					2017 - present	Chairman of the Audit Committee	Social Security Fund	Government Agency
					2015 - present	Member of the Audit Committee	Thammasat University	University Government Agency
					2018 - present	Chairman of the Audit Committee	TPI Polene Public Company Limited	Cement, Clinker and Ready Mixed Mortar
					2014 - present	Chairman of Advisors	G Capital Public Company Limited	Agricultural Machinery Hire Purchase
					2019 - present	Director	Sabaijai Money Company Limited	Borrowing and Lending Money

Attachment 1

Details of Directors, Executives, and Controlling Persons of the Company and Roles and Duties of the Board of Directors

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years			
					Period	Position(s)	Name of Organization/ Company	Types of Business
2. Mr. Phoonsak Boonsalee • Director • Chairman of the Executive Committee • Member of the Nominating and Remuneration Committee Started working in 1995					2018 - present	Director	Samart Aviation Solutions	Radio broadcasting
					2016 - present	Director	Public Company Limited Maruay Real Estate Company Limited	Receiver Trading Business Real Estate
					1988 - present	Director	Pison Company Limited	Condominium For Rent
	72	• Ph.D. of Human Resource Management, Uttaradit Rajabhat University • Ph.D. in Liberal Arts (Business Administration), Chaopraya University • Master of Business Administration (Management), Eastern Asia University • Master of Liberal Arts (Psychology), Kasetsart University • Bachelor of Education (Mathematics), Phitsanulok College of Education • Director Accreditation Program, Class 97/2012 by Thai Institute of Directors Association (IOD) • Development Towards Excellence in Management Program by National Institute Of Development Administration	23.90	• Spouse of Mrs. Jintana Boonsalee • Father of Mr. Siwaphong Boonsalee	1995 - present	• Director • Chairman of the Executive Committee • Member of the Nominating and Remuneration Committee	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2020 - present	Honorary Member of the University Council	Uttaradit Rajabhat University	University
					2019 - present	Vice President	Vehicle Title Loan Trade Association	Trade Association on Vehicle Title Loan
					2017 - 2019	President	Vehicle Title Loan Trade Association	Trade Association on Vehicle Title Loan
					2012 - present	Independent Director	Kaset Thai International Sugar Corporation Public Company Limited	Sugar Production Industry
					2017 - 2019	Chairman of the Board of Directors	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					1995 - 2016	Managing Director	Saksiam Panich Leasing Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years			
					Period	Position(s)	Name of Organization/ Company	Types of Business
3. Mrs. Jintana Boonsalee • Director • Executive Director • Deputy Managing Director (Business Administration) Started working in 1995	70	• Master's degree in Development Administration (Public Administration) National Institute of Development Administration • Bachelor's degree in education (Mathematics - Science) Phitsanulok College of Education • Director Accreditation Program, Class 119/2015 by Thai Institute of Directors Association (IOD) • Development Towards Excellence in Management Program by National Institute Of Development Administration	23.90	• Spouse of Mr. Phoosak Boonsalee • Mother of Mr. Siwaphong Boonsalee	1995 - present	• Director • Executive Director • Deputy Managing Director (Business Administration)	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2011 - present	President of the Parents and Teachers Association	Uttaradit Daruni School	Government Agency (Education)

Attachment 1

Details of Directors, Executives, and Controlling Persons of the Company and Roles and Duties of the Board of Directors

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years		
					Period	Position(s)	Types of Business
4. Mr. Swaphong Boonsalee • Director • Executive Director • Member of the Risk Management Committee • Managing Director Started working in 2012	46	- Master of Engineering (EECS) from Massachusetts Institute of Technology - Bachelor of Science (EE) from Massachusetts Institute of Technology - Director Accreditation Program, Class 119/2015 by Thai Institute of Directors Association (IOD) - Development Towards Excellence in Management Program By National Institute of Development Administration	9.66	Son of Mr. Phoosak Boonsalee and Mrs. Jintana Boonsalee	2012 - present	- Director - Executive Director - Member of the Risk Management Committee - Managing Director	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2019 - present	Associate Judge, Labor Court Region 6	Government Agency
					2015 - 2017	Associate Judge, Labor Court Region 6	Government Agency
					2018 - present	Managing Director	Car Rental
					2001 - 2012	Engineering Manager	State Enterprise (Transportation)
5. Mrs. Sopida Suksai • Director • Executive Director • Deputy Managing Director (General Administration) Started working in 1995	53	- Bachelor's degree in Liberal Arts, Uttaradit Rajabhat University - Director Accreditation Program, Class 131/2016 by Thai Institute of Directors Association (IOD) - Development Towards Excellence in Management Program by National Institute of Development Administration	0.048	-	2017 - present	- Director - Executive Director - Deputy Managing Director (General Administration)	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2012 - 2016	Deputy Managing Director (Accounting - Finance) Manager (Head office)	Personal Loan Under Supervision Business Of The Non-Bank Operator
					1995 - 2015	Manager (Head office)	Personal Loan Under Supervision Business Of The Non-Bank Operator

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years			
					Period	Position(s)	Name of Organization/ Company	Types of Business
6. Mrs. Renu Wilasri • Director • Executive Director • Deputy Managing Director (Finance & Account Management) Started working in 2016	50	• Master's Degree in Accounting, Burapha University • Mini MBA, Kasetsart University • Bachelor's Degree in Accounting, Sripatum University • Director Accreditation Program, Class 148/2018 by Thai Institute of Directors Association (IOD) • CFO Focus On Financial Reporting Program, Class 3/2017 by the Federation of Accounting Professions together with the Office of the Securities and Exchange Commission • Development Towards Excellence in Management Program by National Institute of Development Administration	0.048	-	2019 - present	• Director • Executive Director • Deputy Managing Director (Accounting -Finance Division)	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2016 - 2019	Assistant Managing Director (Accounting-Finance)	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2016	Assistant Managing Director (Finance Division)	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2004 - 2014	Finance and Administration Manager	McCormick (Thailand) Limited Company	Manufacturing Industry (Food)

Attachment 1

Details of Directors, Executives, and Controlling Persons of the Company and Roles and Duties of the Board of Directors

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years				
					Period	Position(s)	Name of Organization/ Company	Types of Business	
7. Mr. Chawalit Phanpha • Director • Executive Director • Member of the Risk Management Committee • Assistant Managing Director (Business Division) Started working in 2003	40	• Master of Business Administration, Naresuan University • Bachelor's Degree in Accounting, Uttaradit Rajabhat University • Director Accreditation Program, Class 131/2016 by Thai Institute of Directors Association (IOD) • Development Towards Excellence in Management Program by National Institute of Development Administration	0.048	• Brothers of Mr. Wathip Panpa	2016 - present	• Director	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator	
					2563 - present	• Executive Director • Member of the Risk Management Committee • Assistant Managing Director (Business Division)			
					2020 - Present	Associate Judge, Labor Court Region 6	Ministry of Justice		Government Agency
					2015 - 2017	Associate Judge, Labor Court Region 6	Ministry of Justice		Government Agency
					2012 - 2015	Manager of the Office of Business Promotion and Development	Saksiam Panich Leasing Company Limited		Personal Loan Under Supervision Business Of The Non-Bank Operator
8. Mr. Yanchai Tantiratapong • Director Started working in 2019	59	• Master of International Finance and Banking, Economics and Statistics, Columbia University, New York, USA • Bachelor's Degree in Political Science (Government), Chulalongkorn University	0.048	-	2003 - 2012	Head of the Audit Department	Saksiam Panich Leasing Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator	
					2019 - present	Director	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator	
					2016 - present	Senior Vice President Manager, Investment Department, Chairman of the Executive Committee Line	Bangkok Bank Public Company Limited	Financial Institution	

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years			
					Period	Position(s)	Name of Organization/ Company	Types of Business
- Director Certification Program, Class 114/2009 by Thai Institute of Directors Association (IOD) - Audit Committee Program, Class 25/2009 by Thai Institute of Directors Association (IOD) - Monitoring of the Quality of Financial Reporting Program, Class 7/2009 by Thai Institute of Directors Association (IOD) - Monitoring the Internal Audit Function Program, Class 5/2009 by Thai Institute of Directors Association (IOD) - Monitoring the System of Internal Control and Risk Management Program, Class 6/2009 By Thai Institute of Directors Association (IOD)					2013 - 2016	Vice President Manager, Business Investment Department, Chairman of the Executive Committee Line	Bangkok Bank Public Company Limited	Financial Institution
					2016 - present	Director	Bualuang Ventures Company Limited	Venture Capital Business
					2019 - present	Director	Toray Textile (Thailand) Public Company Limited	Production of Fabrics for Distribution and Export
					2017 - present	Director	Bangkok Mitsubishi UFJ Lease Company Limited	Financial Lease
					2014 - present	Director	Thai Payment Network Co., Ltd.	Financial Transaction Business
					2020 - present	Director	Thai Digital Platform Social Enterprise Co., Ltd.	Holding Company
					2020 - present	Director	Bangkok MUFG Company Limited	Investment Advisor

Attachment 1

Details of Directors, Executives, and Controlling Persons of the Company and Roles and Duties of the Board of Directors

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years			
					Period	Position(s)	Name of Organization/ Company	Types of Business
9. Mrs. Nantana Sangkavichitr • Independent Director • Chairman of the Risk Management Committee • Member of the Audit Committee Started working in 2019	66	• Bachelor's Degree in Accounting, Chulalongkorn University • Professional diploma Obtained » Certified Information System Auditor (CISA) by ISACA, USA » Certified Information Security Manager (CISM) by ISACA, USA » Certified in Risk and Information (CRISC) by ISACA, USA. » Certification in Risk Management Assurance (CRMA) by IIA, USA » Chief Audit Executive Professional Certificate Program by Federation of Accounting Professions	0.048	-	2019 - present	• Independent Director • Chairman of the Risk Management Committee • Member of the Audit Committee	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2012 - present	Chairman of the Working Group of Internal Audit Training Program Development Project	Federation of Accounting Professions Under The Royal Patronage of His Majesty The King	Professional Accountancy Organization
					2018 - present	Director	NSC Consult Company Limited	Business consultants
					2016 - 2019	Director	P J A Company Limited	Real Property for Rent

Attachment 1

Details of Directors, Executives, and Controlling Persons of the Company and Roles and Duties of the Board of Directors

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years		
					Period	Position(s)	Name of Organization/ Company
		» Forensic Accounting Certificate (FAC) by Federation of Accounting Professions » Training Program for Internal Audit Certification (IACP) by Federation of Accounting • Training in various courses » Director Accreditation Program, Class 130/2016 by Thai Institute of Directors Association (IOD) » Governance 4.0: Connected, Security, Privacy Certificate Program by ISACA					

Attachment 1

Details of Directors, Executives, and Controlling Persons of the Company and Roles and Duties of the Board of Directors

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years			
					Period	Position(s)	Name of Organization/ Company	Types of Business
10. Miss Somboon Supasiripinyo • Independent Director • Chairman of the Nomination and Remuneration Committee • Member of the Audit Committee Started working in 2019	60	• Master's Degree in Accounting, Thammasat University • Bachelor's Degree in Accounting, Thammasat University • Director Accreditation Program, Class 160/2019 by Thai Institute of Directors Association (IOD) • Board Nomination and Compensation Program, Class 7/2019 by Thai Institute of Directors Association (IOD) • Accounting with Sustainability in the Digital Age 2018 Program by Thammasat University • Financial Instruments Program 2018 by the Federation of Accounting Professions Under the Royal Patronage of His Majesty the King • International Banking Program by KPMG- INSEAD International Banking School • Executive Program by Sasin Graduate Institute of Business Administration of Chulalongkorn University	0.048	-	2019 - present	• Independent Director • Chairman of the Nomination and Remuneration Committee • Member of the Audit Committee	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2020 - present	Member of the Accounting Standards Committee	Federation of Accounting Professions Under Royal Patronage of His Majesty The King	Professional Accountancy Organization
					2018 - present	Director	Buddhadasa Indapanno Archives Foundation	Learning Centers And Religious Services
					2017 - present	Director	WithLove and loyalty Company Limited	Agricultural affairs
					2005 - 2017	Partner and Director	KPMG Phoomchai Audit Limited	Audit Office

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years			
					Period	Position(s)	Name of Organization/ Company	Types of Business
11. Mrs. Woranuchanan Phongsurang • Independent Director • Member of the Nomination and Remuneration Committee Started working in 2019	57	• Master's Degree in Political Science, Ramkhamhaeng University • Bachelor's degree in Law, Ramkhamhaeng University • Director Accreditation Program, Class 163/2019 by Thai Institute of Directors Association (IOD) • Barrister-at-Law, the Thai Bar under the Royal Patronage, Institute of Legal Education of the Thai Bar Association • Diploma in Administrative Law and Procedure, the administrative Institute of Legal Education of the Thai Bar Association • Certified Financial Planner by Thai Financial Planners Association • Investment Planner Program by the Stock Exchange of Thailand • Risk Plan Program by Thai Institute of Directors Association (IOD)	0.048	-	2019-present	• Independent Director • Member of the Nomination and Remuneration Committee	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2018 -present	Honorary Member of the University Council	Uttaradit Rajabhat University	University
					past	Deputy Secretary	Office of the Welfare Promotion Commission for Teachers and Educational Personnel	Juristic Person Under Supervision of the Ministry of Education

Attachment 1

Details of Directors, Executives, and Controlling Persons of the Company and Roles and Duties of the Board of Directors

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years			
					Period	Position(s)	Name of Organization/ Company	Types of Business
12. Mr.Nutthaphon Phumsiriraj • Executive Director • Assistant Managing Director (Legal division) Started working in 2017	64	- Bachelor's degree in Law, Ramkhamhaeng University - Director Accreditation Program, Class 131/2016 by Thai Institute of Directors Association (IOD)	0.024	-	2017 - present	- Executive Director - Assistant Managing Director (Legal division)	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2011-2016	Legal Advisor	Saksiam Panich Leasing Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2016 - present	Director	Nutthaphon Attorney Company Limited	Legal advice
13. Mr.Khamnaung Singkhan • Executive Director • Assistant Managing Director (Manager, Region 1) Started working in 1995	52	Mathayom Suksa 6, Non-Formal Education Center, Uttaradit Province	0.026	-	2019 - present	- Executive Director - Assistant Managing Director (Manager, Region 1)	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2018	Acting for Assistant Managing Director (Manager, Region 1) and Lampang District Manager	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2017	Lampang District Manager	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2014 - 2016	Assistant Manager, Business District 2	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years			
					Period	Position(s)	Name of Organization/ Company	Types of Business
14. Mr.Surasak Kamtanet • Executive Director • Assistant Managing Director (Manager, Region 2) Started working in 1995	57	• Bachelor's degree in Liberal Arts (General Management), Uttaradit Rajabhat University • development Towards Excellence in Management Program By National Institute of Development Administration	0.017	-	2017 - present	• Executive Director • Assistant Managing Director (Manager, Region 2)	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2016	Assistant Managing Director and Manager of Business District 1	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2011 - 2015	Manager of Business District 1	Saksiam Panich Leasing Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
15. Mr.Prachak Chandum • Executive Director • Assistant Managing Director (Manager, Region 3) Started working in 1995	56	• Bachelor's Degree in Industrial Arts, Uttaradit Teachers College • Development Towards Excellence In Management Program by National Institute of Development Administration	0.026	-	2017 - present	• Executive Director • Assistant Managing Director (Manager, Region 3)	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2016	Assistant Managing Director and Manager of Business District 3	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2011 - 2015	Manager of Business District 3	Saksiam Panich Leasing Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator

Attachment 1

Details of Directors, Executives, and Controlling Persons of the Company and Roles and Duties of the Board of Directors

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years			
					Period	Position(s)	Name of Organization/ Company	Types of Business
16. Mr.Chawalit Kasemcholatana • Executive Director • Assistant Managing Director (Manager, Region 4) Started working in 1995	55	• Bachelor’s degree in Education, Srinakharinwirot University • Development Towards Excellence in Management Program By National Institute of Development Administration	0.029	-	2017 - present	• Executive Director • Assistant Managing Director • (Manager, Region 4)	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2016	Assistant Managing Director and Manager of Business District 4	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2011 - 2015	Manager of Business District 4	Saksiam Panich Leasing Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
17. Mr.Wathip Panpa • Executive Director • Assistant Managing Director (Manager, Region 5) Started working in 1995	48	• Bachelor’s degree in Liberal Arts (Community Development), Uttaradit Rajabhat University • Development Towards Excellence in Management Program By National Institute of Development Administration	0.024	• Brother of Mr. Chawalit Phanpha	2017 - present	• Executive Director • Assistant Managing Director (Manager, Region 5)	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2016	Assistant Managing Director and Manager of Business District 5	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2012 - 2015	Assistant Manager Business District 4	Saksiam Panich Leasing Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years			
					Period	Position(s)	Name of Organization/ Company	Types of Business
18. Mr.Paramet Inma • Executive Director • Assistant Managing Director (Debt Management Division) Started working in 1995	50	• Bachelor's degree in Liberal Arts (Community development) Uttaradit Rajabhat University	0.024	-	2016 - present	• Executive Director • Assistant Managing Director (Debt Management Division)	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2012 - 2015	Manager, Debt Management Office	Saksiam Panich Leasing Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					1995 - 2011	Head of Collection Operation Department	Saksiam Panich Leasing Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
19. Miss Sirima Upathambhakul • Account Manager Started working in 2016	57	• Master of Business Administration, University of the Thai Chamber of Commerce • Bachelor's degree in Accounting, Ramkhamhaeng University • Graduate Certificate (Taxation) University of the Thai Chamber of Commerce	0.0048	-	2017 - present	Accounting Manager	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2016 - 2017	Assistant Managing Director (Accounting Department)	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2013 - 2015	Cost Accounting Officer	Archroma (Thailand) Company Limited	Production of Textiles, Paper And Emulsions
					2011 - 2013	Financial Account Manager	The Platinum Condominium Juristic Person	Real Estate

Attachment 1

Details of Directors, Executives, and Controlling Persons of the Company and Roles and Duties of the Board of Directors

Name - Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years			
					Period	Position(s)	Name of Organization/ Company	Types of Business
20. Mrs. Tippamas Lamcharoen • Company Secretary • Head of Administration Started working in 2000	43	• Bachelor of Science, Uttaradit Rajabhat Institute • Bachelor of Business Administration, Uttaradit Rajabhat University • Effective Minute Taking Course – EMT, Class 37/2017 by Thai Institute of Directors Association (IOD) • Company Secretary Program, Class 72/2016 by Thai Institute of Directors Association (IOD) • Fundamentals of Company Secretarial, Class 1, Year 2016 by Thai Listed Companies Association • Company Secretary Program, Class 2/2016 By Thai Listed Companies Association • Course Development Towards Excellence in Management by National Institute of Development Administration	-	-	2016 - present	• Company Secretary • Head of Administration	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2005 - 2016	Chief General Administration	Saksiam Panich Leasing Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator

Remarks : *Ratio of direct shareholding before initial public offering (IPO)

Position of Directors, Executives, and Controlling Persons in the other companies

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1. Saksiam Leasing Public Company Limited	X, //, AC	/, M	/, M	/, C, M	/, M	/, M	/, M	/	//, AC	//, AC	//	M	M	M	M	M	M	M	M
2. Kaset Thai International Sugar Corporation Public Company Limited		/																	
3. Withlove and Loyalty Company Limited										/									
4. TPI Polene Public Company Limited	/																		
5. Toray Textiles (Thailand) Public Company Limited								/											
6. Thai Digital Platform Social Enterprise Company Limited								/											
7. Thai Payment Network Company Limited								/											
8. Bualuang Ventures Company Limited								/											
9. Bangkok Mitsubishi UFJ Lease Company Limited								/											
10. Bangkok MUFG Company Limited								/											
11. Bewish Car Rental Company Limited				/															
12. Pisant Company Limited	/																		
13. Maruay Real Estate Company Limited	/																		
14. Sabajjai Money Company Limited	/																		
15. Samart Aviation Solutions Public Company Limited	/																		
16. NSC Consult Company Limited									/										
17. Nutthaphon Attorney Company Limited												/							

Position

X = Chairman / = Director

Name List of the Directors and Executives

1. Mr. Suphot Singhasaneh
 7. Mrs. Renu Wilasri
 13. Mr. Khamnaung Singkhan
 19. Miss Sirima Upathambakul

3. Mrs. Jintana Boonsalee
 9. Mrs. Nantana Sangkavichitr
 15. Mr. Prachak Chandum

AC = Audit Committee

4. Mr. Swaphong Boonsalee
 10. Miss Sombon Supasiripinyo
 16. Mr. Chawalit Kasemcholan

C = Managing Director

5. Mrs. Sopida Suksei
 11. Mrs. Woranutchan Phongsurang
 17. Mr. Wathip Panpa

M = Executive

6. Mr. Chawalit Phanpha
 12. Mr. Nutthaphon Phumsiriroj
 18. Mr. Paramet Inna



Details of Directors of the Company's Subsidiary

- The Company has no subsidiary -

Detail of Head of Internal Audit Department

Name- Surname/ Position(s)	Age (Year)	Education/Training	Shareholding Ratio in the Company* (%)	Family Relationship among Directors and Executives	Work Experience in the Past Five Years			
					Period	Position(s)	Name of Organization/ Company	Types of Business
Mr. Kittisak Pannaraj Head of Internal Audit Department	42	Education - Bachelor of Accounting Naresuan University Training - Internal Auditing. Certificate Program Class 17 by the Federation of Accounting Professions Under The Royal Patronage of His Majesty The King - Special seminar "Guideline for Participating in Thailand Private Sector Collective Action Coalition Against Corruption (CAC)" - Data Personal Protection Act B.E. 2019 in term of process and practice courses, Class 3 - Fraud Risk Management course - Integrated Audit (Class 1/2020) by the Federation of Accounting Professions Under The Royal Patronage of His Majesty The King	0.0028	-	2016 - Present	Head of Internal Audit Department	Saksiam Leasing Public Company Limited	Personal Loan Under Supervision Business Of The Non-Bank Operator
					2013 - 2016	Assistant Head of Internal Control		



Details about Asset Appraisal Transaction

The Company has hired UK Valuations and Agency Company Limited, a company which has been approved by the Securities and Exchange Commission to act as an independent property appraiser ("Independent Appraiser") to appraise the rental property with a total of 31 contracts. In this regard, the Independent Appraiser has prepared a property appraisal report dated September 3, 2019 which has Mrs. Udomsri Nateekanjanalar, the main appraiser with Wor Tor. 026 Certificate as the main appraiser in order to appraise the appropriate rental rate and for public purposes by giving opinions on the adjustment of the rental rate not exceeding 10 percent every 3 years and dividing the assessment methods, as follows:

1. To use market comparison approach and the calculation of principle and income by random check of some branches that the Independent Appraiser deems appropriate. For the rest of the branches, they will be assessed by using Desktop Valuation method for the appraised asset item 1;
2. To use market comparison approach and the calculation of income by random check of some branches that the Independent Appraiser deems appropriate. For the rest of the branches, they will be assessed by using Desktop Valuation method for the appraised assets in items 2-4; and
3. To use market comparison approach by random check of some branches that the Independent Appraiser deems appropriate. For the rest of the branches, they will be assessed by using Desktop Valuation method for the appraised assets in items 5-31.

Asset Appraisal Transaction	Types of Asset	Area	Location	Ownership	Encumbrance	Appraisal price of the market rental per month
1. Parking lot head office	Land	300 square wah	Cheitsada BodinCheitsada Bodin Road, Tha It Sub-district, Muang Uttaradit District, Uttaradit Province	Mrs. Jintana Boonsalee	No	98.33 baht per square wah
2. Building 2 head office	Land	298 square wah	Cheitsada Bodin Road Tha It Sub-district, Muang Uttaradit District, Uttaradit Province	Mrs. Jintana Boonsalee	No	98.33 baht per square wah
3. Building 3 Head Office	Land	300 square wah	Cheitsada Bodin Road Tha It Sub-district, Muang Uttaradit District, Uttaradit Province	Mrs. Jintana Boonsalee	No	98.33 baht per square wah
4. Building 4 Head Office	Land with building 4, rental operation yard and parking lot	498 square wah	Soi 4 Sri Utranok Sub-Road, Tha It Sub-district, Muang Uttaradit District, Uttaradit Province	Mrs. Jintana Boonsalee	No	54.45 baht per square wah
5. Chiang Klang Branch Office	Land and a 2-story and a half commercial building	160 square metres	No. 137/2 Moo 10, Kamphaeng Phet Road - Huai Kon Permanent Border Crossing Point / Blue (Highway 101) Chiang Klang Sub-district, Chiang Klang District, Nan Province	Mrs. Jintana Boonsalee	No	25 baht per square metres
6. Wang Pong Branch Office	Land and a 2-story commercial building	306 square metres	No. 404/4-5 Moo 1, Sai Chon Dan-Wang Hin (Highway 1205) Road, Wang Pong Sub-district, Wang Pong District, Phetchabun Province	Mrs. Jintana Boonsalee	No	30 baht per square metres
7. Pichai Branch Office	Land and a 2-story commercial building	414 square metres	No. 391/4 Moo 3, Bueng Lak Road - Pichai (Highway 1204), Nai Muang Sub-district, Pichai District, Uttaradit Province	Mrs. Jintana Boonsalee	No	61 baht per square metres

Attachment 4

Details about Asset Appraisal Transaction

Asset Appraisal Transaction	Types of Asset	Area	Location	Ownership	Encumbrance	Appraisal price of the market rental per month
8. Thong Saen Khan Branch Office	Land and a 2-story commercial building with mezzanine (2 units)	349.2 square metres	No. 109, 109/1 Moo 2, Sai Thong Saen Khan-Nam Pat Road (Highway 1246), Bo Thong Sub-district, Thong Saen Khan District, Uttaradit Province	Mrs. Jintana Boonsalee	No	40 baht per square metres
9. Mhon Mhai Branch Office	Land and a 2-story commercial building with mezzanine (2 units)	360 square metres	No. 109, 109/1 Moo 2, Sai Thong Saen Khan-Nam Pat Road (Highway 1246), Bo Thong Sub-district, Thong Saen Khan District, Uttaradit Province	Mrs. Jintana Boonsalee	No	40 baht per square metres
10. Ban Ko Branch Office	Land and a single-story commercial building	Building area 152.76 square metres; Area around the building 433.21 square metres	No. 52/10 Moo 5, Sichawang Road, Ban Ko Sub-district, Muang Uttaradit District, Uttaradit Province	Mrs. Jintana Boonsalee	No	Building area 42 baht per square metres; Area around the building 13 baht per square metres
11. Khung Taphao Branch Office	Land and a 2-story commercial building	477 square metres	No. 83/6 Moo 3, Sai In Buri-Chiang Mai Road (Highway 11), Khung Taphao Sub-district, Muang Uttaradit District, Uttaradit Province	Mrs. Jintana Boonsalee	No	32 baht per square metres
12. Thung Yang Branch Office	Land and a single-story commercial building	Building area 228 square metres; Area around the building 205 square metres	No. 128/1 Moo 2, Uttaradit-Si Satchanalai Road (Highway 102), Thungyang Sub-district, Laplœ District, Uttaradit Province	Mrs. Jintana Boonsalee	No	Building area 35 baht per square metres; Area around the building 11 baht per square metres

Asset Appraisal Transaction	Types of Asset	Area	Location	Ownership	Encumbrance	Appraisal price of the market rental per month
13. Wang Kapee Branch Office	Land and a single-story commercial building	Building area 161 square metres; Area around the building 239 square metres	118/1 Moo 4, Phitsanulok-Uttaradit Road (Highway 117), Wangkaphi Sub-district, Muang Uttaradit District, Uttaradit Province	Mrs. Jintana Boonsalee	No	Building area 37 baht per square metres; Area around the building 13 baht per square metres
14. Bueng Lak Warehouse Branch Office	Land and commercial building and warehouse	Building area 119 square metres; Warehouse 752 square metres	No. 53/1 Moo 6, Inburi-Chiang Mai Road (Highway 11), Pa Sao Sub-district, Muang Uttaradit District, Uttaradit Province	Mrs. Jintana Boonsalee	No	Building area 50 baht per square metres; Warehouse 15 baht per square metres
15. Ban Kaeng Branch Office	Land and a 2-story and a half commercial building (2 units)	240 square metres	No. 262-263 Moo 10, Ban Kaeng-Wang Phachan Road (Highway 1214), Ban Kaeng Sub-district, Tron District, Uttaradit Province	Mrs. Jintana Boonsalee	No	31 baht per square metres
16. Wiang Sa Branch Office	Land and a 3-story commercial building (3 units)	1,081.2 square metres	No. 656, Moo 4, Wiangsa-Pak Nai Road (Highway 1026) Klang Wiang Sub-district, Wiang Sa District, Nan Province	Mrs. Jintana Boonsalee	No	25 baht per square metres
17. Thung Chang Branch Office	Land and a 2-story commercial building (2 units)	280 square metres	No. 228/4, 228/5 Moo 2 Sai Kamphaeng Phet Road - The permanent border crossing point Huai Kon / Blue (Highway 101), Thung Chang Sub-district, Thung Chang District, Nan Province	Mrs. Jintana Boonsalee	No	54 baht per square metres
18. Pua Branch Office	Land and a 3-story commercial building	275.04 square metres	No. 33 Moo 5, Sai Pua-Santisuk Road (Highway 1081), Worankom Sub-district, Pua District, Nan Province	Mrs. Jintana Boonsalee	No	30 baht per square metres

Asset Appraisal Transaction	Types of Asset	Area	Location	Ownership	Encumbrance	Appraisal price of the market rental per month
19. Tha Wang Pha Branch Office	Land and a 2-story and a half commercial building (2 units)	288 square metres	No. 224/2 Moo 4, Kamphaeng Phet Road - Huai Kon Permanent Border Crossing Point/Blue (Highway 101), Tha Wang Pha Sub-district, Tha Wang Pha District, Nan Province	Mrs. Jintana Boonsalee	No	25 baht per square metres
20. Hang Chat Branch Office	Land and a 3-story commercial building	675 square metres	No. 79/1 Moo 1 Hang Chat-Thung Kwian Road (Highway 1035) Hang Chat Sub-district, Hang Chat District, Lampang Province	Mrs. Jintana Boonsalee	No	40 baht per square metres
21. Thoen Branch Office	Land and a 3-story commercial building with basement	384 square metres	No. 196/21, 196/22 Moo 7, Phahonyothin Sai Kao Road, Lom Raet Sub-district, Thoen District, Lampang	Mrs. Jintana Boonsalee	No	40 baht per square metres
22. Mae Tha Branch Office	Land and commercial building 3 stories high with basement	352 square metres	No. 84 Moo 4 Ban Fon Road - Lampang Road Construction Center (Highway 1036) Nkrua Sub-district, Mae Tha District, Lampang Province	Mrs. Jintana Boonsalee	No	43 baht per square metres
23. Ton Yang Branch Office	Land and a 2-story commercial building	288 square metres	No. 260/6 Moo 13 Phaholyothin Road (Highway 1), Phichai Sub-district, Muang Lampang District, Lampang Province	Mrs. Jintana Boonsalee	No	42 baht per square metres
24. Huai Rak Mai Branch Office	Land and a single-story commercial building	Building area 116.8 square metres; Area around the building 793.6 square metres	No. 346 Moo 11, Sai Rong Fai Fah Road - Ban Mai (Sor Por. 2004), Mae Mo Sub-district, Mae Mo District, Lampang Province	Mrs. Jintana Boonsalee	No	Building area 35 baht per square metres; Area around the building 11 baht per square metres

Asset Appraisal Transaction	Types of Asset	Area	Location	Ownership	Encumbrance	Appraisal price of the market rental per month
25. Lampang Branch Office	Land and a 3-story commercial building with mezzanine	235 square metres	No. 40 Lampang - Mae Mo Road (Highway 11), Phra Bat Sub-district, Muang Lampang District, Lampang Province	Mrs. Jintana Boonsalee	No	30 baht per square metres
26. Wat Bot Branch Office	Land and a 3-story commercial building	385.32 square metres	No. 115/8-9 Moo 4 Phitsanulok-Wat Bot Road, Wat Bot Sub-district, Wat Bot District, Phitsanulok Province	Mrs. Jintana Boonsalee	No	39 baht per square metres
27. Sri Nakhon Branch Office	Land and a 2-story commercial building	468 square metres	No. 206/1 Moo 9, Sri Nakhon-Uttaradit Road (Highway 1180), Sri Nakhon Sub-district, Sri Nakhon District, Sukhothai Province	Mrs. Jintana Boonsalee	No	54 baht per square metres
28. Mae Sin Branch Office	Land and a single-story commercial building	Building area 189 square metres; Area around the building 230 square metres	No. 443, Moo 6, Si Satchanalai Road - Den Chai (Highway 1177), Mae Sin Sub-district, Si Satchanalai District Sukhothai Province	Mrs. Jintana Boonsalee	No	Building area 45 baht per square metres; Area around the building 16 baht per square metres
29. Ban Dan Lan Hoi Branch Office	Land and a 2-story commercial building	Building area 256 square metres; Area around the building 220 square metres	No. 209 Moo 1, Jarod Withi Thong Road (Highway 12), Lan Hoi Sub-district, Ban Dan Lan Hoi District, Sukhothai Province	Mrs. Jintana Boonsalee	No	Building area 50 baht per square metres; Area around the building 15 baht per square metres

Attachment 4

Details about Asset Appraisal Transaction

Asset Appraisal Transaction	Types of Asset	Area	Location	Ownership	Encumbrance	Appraisal price of the market rental per month
30. Si Thep Branch Office	Land and a 3-story commercial building with mezzanine	Building area 448 square metres; Area around the building 49 square metres	No. 178, 179 Moo 12, Saraburi-Lom Sak Road (Highway 21), Sakrit Sub-district, Si Thep District, Phetchabun Province	Mrs. Jintana Boonsalee	No	Building area 23 baht per square metres; Area around the building 7 baht per square metres
31. Wang Chin Branch Office	Land and a 2-story commercial building	Building area 224 square metres; Area around the building 135.2 square metres	No. 168/11, Moo 7, Phrae-Wang Chin Road (Highway 1023), Wang Chin Sub-district, Wang Chin District, Phrae Province	Mrs. Jintana Boonsalee	No	Building area 35 baht per square metres; Area around the building 12 baht per square metres

Corporate Governance Policy and Business Ethics

Please see details on the company website www.saksiam.com



Report of the Audit Committee

The Audit Committee is appointed by the Board of Directors, which consists of 3 independent directors whose qualifications meet the Stock Exchange of Thailand's requirements and the SEC Office having the names of which as follow:

- | | |
|-------------------------------|---------------------------------|
| 1) Mr. Suphot Singhasaneh | Chairman of the Audit Committee |
| 2) Mrs. Nantana Sangkavichitr | Audit Committee |
| 3) Miss Somboon Supasiripinyo | Audit Committee |

The Audit Committee performs its duties with prudence, independence, honest opinion, transparent in accordance with good corporate governance principles. In the fiscal year of 2020, the Company has an adequate and appropriate internal control system and risk management. There is a process that helps to ensure that the performance of the company in accordance with the relevant laws, with good corporate governance, as well as the preparation of accurate financial reports in all material aspects according to the financial reporting standards and disclosure of the Company's integral and reliable financial report. The essence of their duties as follows:

1. **Reviewing financial reports** - the Audit Committee has verified and reviewed the 2020 of financial statements that may have conflicts of interest to ensure that the Company's financial reports prepared as it should be in accordance with financial reporting standards. The financial statements shall be accurate, reliable, contain important and sufficient information, prepared in timely manner to users of financial statements, in accordance with applicable laws, other notices, rules of the Stock Exchange of Thailand and the SEC Office.
2. **Reviewing internal control and internal audit systems** - the Audit Committee has received an internal audit report, then proceeded to consider important issues and provided advices together with useful comments to ensure that the internal control process can prevent or reduce errors in the work including suitability and sufficiency of human resources and independence of the internal audit department. The Audit Committee is of the opinion that the internal control system and internal audit of the Company is appropriate, adequate and effective as well as the performance of the internal audit department is conducted independently and fairly.
3. **Reviewing legal compliance** - The Audit Committee has reviewed the Company's performance in accordance with the law or other requirements related to the business of the Company including the Company's anti-corruption policy and captured changes in rules that might affect the Company's business operations.
4. **Reviewing connected transactions or transaction that may lead to conflicts of interest** - the Audit Committee has reviewed connected transactions or transaction that may lead to conflicts of interest of the Company. The Company adhere to the principles of justice and reasonableness and taking into account the interests of all stakeholders and adequate information disclosure, which the Company has complied with the regulations of the Stock Exchange of Thailand and the SEC Office.

5. **Selection and Nomination of External Auditor, and Audit Fee** - the Audit Committee has selected the auditors and determined their remuneration for the year 2020 to propose to the Board of Directors by considering performance, independence, competence, experience and appropriateness of the auditor's remuneration in the past year. Therefore, the former auditor from PricewaterhouseCoopers ABAS Ltd. was selected. The names of auditors are as follow:

- 1) Miss Sakuna Yamsakul CPA License no. 4906 and/or
- 2) Mr. Boonlert Kamolchanokkul CPA License no. 5339 and/or
- 3) Miss Sinsiri Thangsombat CPA License no. 7352

6. **Reviewing the Audit Committee Charter** - the Audit Committee has reviewed the Audit Committee Charter from time to time and at least once a year to ensure that the operation of the Audit Committee is efficient and up to date.

The Audit Committee has performed its duties in a prudent, vigilant, and independent manner with good cooperation from the Company's management in order to maximize the benefits of the Company and to be fairly to the shareholders. The Audit Committee has made a self-assessment of its performance for the year 2020 to ensure that the performance of duties of the Audit Committee is effective and achieve the assigned objectives.



(Mr. Suphot Singhasaneh)

Chairman of the Audit Committee

**Saksiam Leasing Public
Company Limited**

49/47 Chetsada Bodin Road,
Tha It Sub-District,
Muang Uttaradit District,
Uttaradit Province 53000
Tel: 0 5544 4495
Fax: 0 5544 0371



www.saksiam.com