

SG CAPITAL

FORM 56-1 ONE REPORT/ ANNUAL REPORT 2022

แบบ 56-1 One Report/รายงานประจำปี 2565



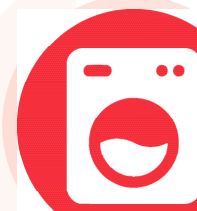
สก้าเจ็ว

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Vision & Mission



วิสัยทัศน์

เป็นผู้นำในธุรกิจผู้ให้บริการทางการเงินที่ไม่ใช่สถาบันการเงิน

พันธกิจ

เป็นผู้ให้บริการสินเชื่อ รวมถึงจะขยายตัวไปยังผลิตภัณฑ์ทางการเงินอื่นเพื่อให้ครอบคลุมความต้องการของลูกค้าในประเทศสร้างการเติบโตของบริษัทอย่างยั่งยืนในฐานะผู้นำด้านสินเชื่อและผลิตภัณฑ์ทางการเงินที่มีหลักประกัน โดยมุ่งเน้นการขยาย ธุรกิจด้านสินเชื่อที่มีทะเบียนรถเป็นประกันโดยเฉพาะรถบรรทุก และเป็นพันธมิตรทางธุรกิจที่ดีกับสินค้าและบริการในเครือซิงเกอร์ประเทศไทย พร้อมทั้งสร้างสัมพันธ์ที่ดีกับพันธมิตรทางธุรกิจอื่น ๆ

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Message from the Chairman

Dear Shareholders and all stakeholders,

In the year 2022, SG Capital Public Company Limited (the "Company") was deemed to be successful according to the set objective by becoming a listed company on the Stock Exchange of Thailand (SET) using the securities name of "SGC". The first trading day of the Company's shares in the SET was December 13, 2022.

It is a great pride for the Company and its shareholders with such success. This resulted from the cooperation with full capacity to generate revenues with the steady growth over the past several years of the Board of Directors, executives and employees of the Company so that we can build confidence and trust with everyone.

Even though in the past year, Thailand and other countries worldwide have confronted inflationary issues which affect the business sector both in terms of income and operating expenses. However, the business of the Company continues to grow continuously. This can be seen from the expansion of the loan portfolio and satisfactory profits.

In addition, the Company has established a management system that complies with the principles of good corporate governance as specified by regulatory agencies. The Board of Directors has appointed various sub-committees to assist the Board of Directors in performing their duties, especially the Audit Committee to be responsible for considering and reviewing the financial statements of the Company including governing the Company's internal control system and risk management extensively and completely to create confidence and trust with everyone that the Company operates its business with transparency and accountability.

Lastly, on behalf of the Board of Directors, I would like to thank shareholders and all groups of stakeholders of the Company for the confidence and trust that has always been given to the Company. With the full dedication of the Board of Directors, executives, and employees the Company is committed to pursuing and expanding business growth including creating suitable and fair returns to shareholders by adhering to the principles of good corporate governance in every step of the operations to ensure the sustainable growth of the Company

Signature

Mr. Bibit Bijaisoradat
Chairman of the Board / Independent Directors
SG Capital Public Company Limited



Message from the CEO

Over the past 10 years, SG Capital Public Company Limited has operated and grown as a subsidiary of Singer Thailand Public Company Limited, starting from providing a loan service for hire purchasing home and commercial appliances until it has grown and expanded its services to other credit businesses such as loan for car hire purchase and loan for car with registration book as collateral under the brand "Rod Tam Ngoen", employee welfare loans (Debt Consolidation) to help employees of private companies who have a good career but high debt, and online installment of gold (Click2Gold) to support those who do not have a lump sum and earn moderately low incomes to be able to save and accumulate wealth from purchasing gold. With the potential and readiness to expand the business through sales representatives, partners and business networks that cover throughout Thailand makes us endeavor to become a leader in the financial service business that wins the hearts of customers across the country by focusing mainly on the growth of the loan business under Rod Tam Ngoen and being supported by other financial products in order to fulfill the needs of domestic customers.

The year 2022 is another extremely challenging year for the Company since the loan service business is highly competitive and there are many providers in the industry together with uncertainty from economic fluctuations. However, with strong fundamentals, we have continued to perform well that reflects the consistent performance growth over the past several years. Along with the optimistic view that the economic recovery in domestic demand, tourism, production, and exports creates a big impulse on the comeback trail after the COVID-19 breakdown and the reopening of the country including government measures to promote economic recovery which is a positive sign for the trend of 2023. It will encourage and promote people and entrepreneurs to require more loans to increase liquidity and for business expansion. In addition, the direction of farmer income starting to expand is also an opportunity for us to penetrate the market to receive golden opportunities next year.

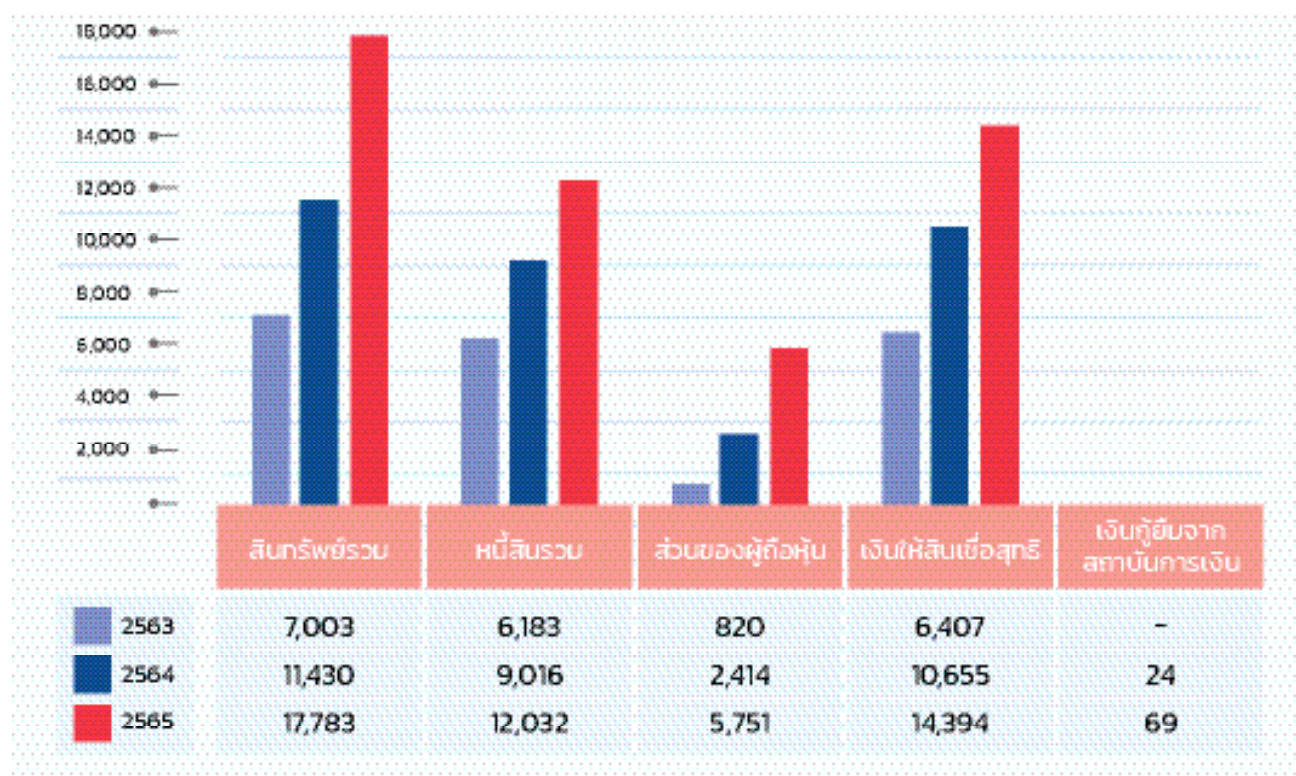
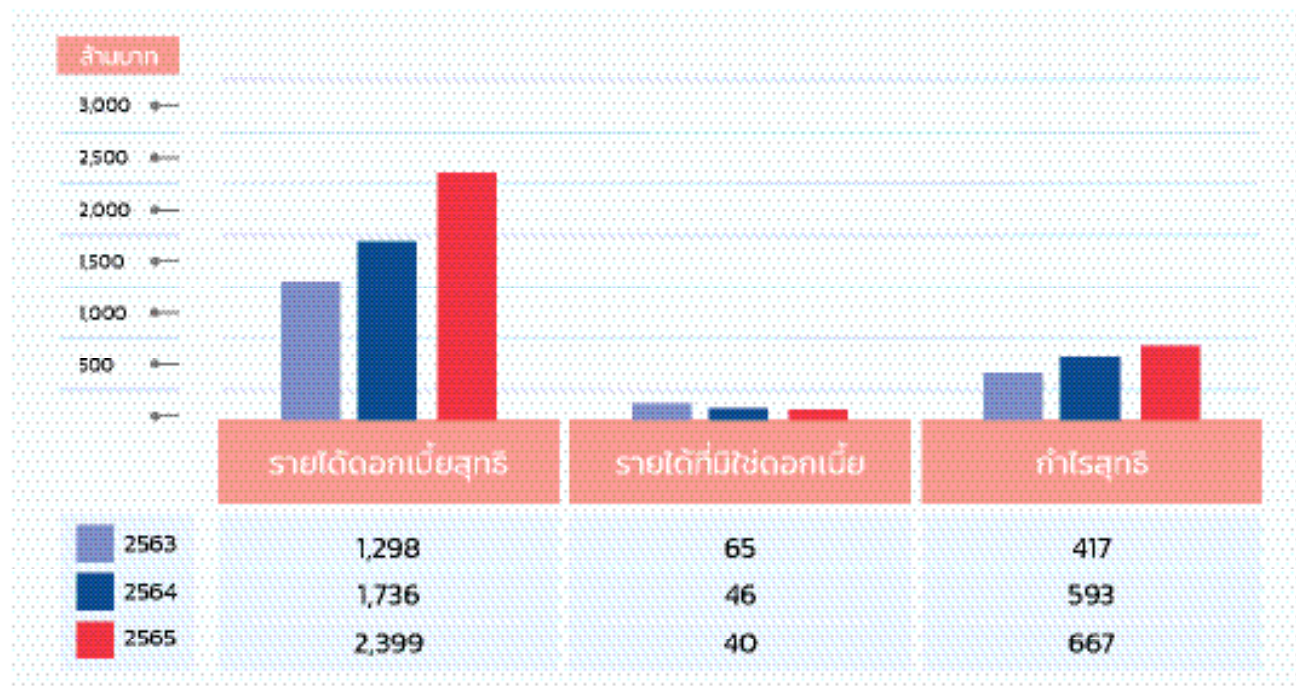
Another successful milestone that the Company is proud of in the past year is being listed on the Stock Exchange of Thailand (SET) on December 13, 2022, which builds the confidence of stakeholders and customers, business partners, employees in the organization as well as enhancing the potential to be in compliance with a good corporate governance and the sustainable development including opening new opportunities in finance and investment for the Company which will support the Company to leap forward and become a leader of loan service companies in Thailand. The operational plan of the Company hereafter, the management team and all employees will continue to expand growth with the aim to reach 50,000 million Baht for the loan portfolio by the year 2026. To achieve our goal, we will emphasize being concise in credit approval in order to control the NPL to be at a lower level. This will support the ability to generate income and profit in the future to grow steadily. The Company also value developing and investing in technology to make the loan approval process to be more efficient and faster. In addition, for shareholders, the Company also have a policy to pay dividends to shareholders at a rate of not lower than 50% of the net profit according to the separate financial statements of the Company.

Lastly, on behalf of SG Capital Public Company Limited, I would like to thank all shareholders, investors, business partners as well as all customers who have always given trust and support to the Company. Most importantly, I would like to thank the management team and all employees of the Company for their dedication to always support the operations of the Company. The Company will continue to endeavor to operate its business at full capacity with good governance in order to achieve maximum benefits for all stakeholders in a sustainable manner.

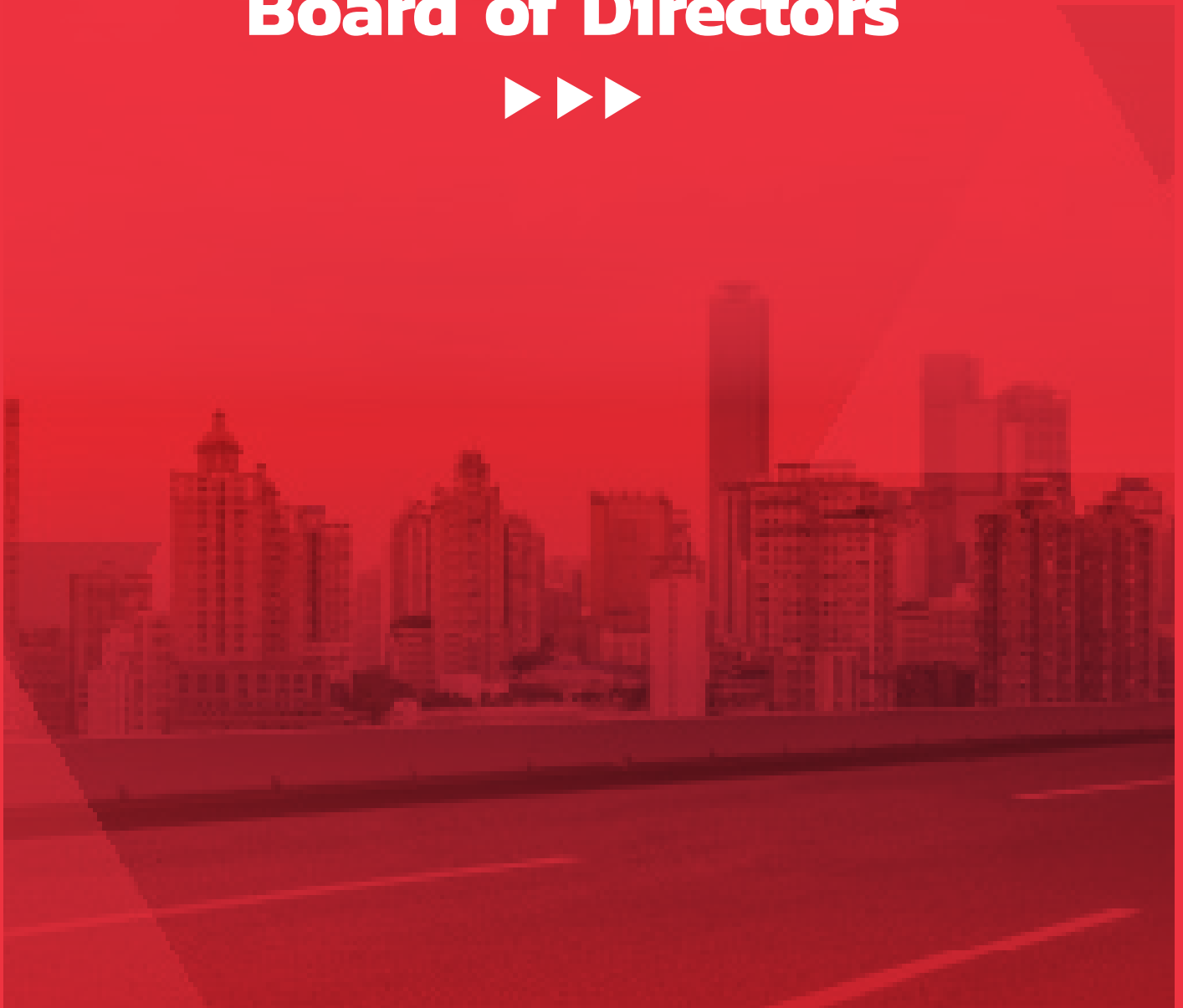


Ms. Auntikorn Pichetkorn
Acting Chief Executive Officer

สรุปฐานะการเงินและผลการดำเนินงานตามงบการเงินรวมย้อนหลัง 3 ปี



Board of Directors



คณะกรรมการบริษัท

Board of Directors



1. นายพิพิธ พิชัยศรัท

ประธานกรรมการ / กรรมการอิสระ / ประธานคณะกรรมการสรรหา พิจารณาคำตอบ และบรรษัทภิบาล

1. Mr. Bibit Bijaisoradat

Chairman of the Board of Directors / Independent Director / Chairman of the Nomination, Remuneration and Governance Committee



2. นายสุรณิย์ สรสุชาติ

กรรมการอิสระ / ประธานคณะกรรมการตรวจสอบ / ประธานคณะกรรมการความยั่งยืน

2. Mr. Suranit Sorasuchar

Independent Director / Chairman of the Audit Committee / Chairman of the Sustainability Committee



3. นายพงษ์ศักดิ์ อัชชะกุลวิสุท

กรรมการอิสระ / ประธานคณะกรรมการบริหารความเสี่ยง / กรรมการตรวจสอบ / กรรมการสรรหา พิจารณาคำตอบ และบรรษัทภิบาล

3. Mr. Pongsak Achakulwisut

Independent Director / Chairman of the Risk Management Committee / Member of the Audit Committee / Member of the Nomination, Remuneration and Governance Committee



4. นายพิสิทธิ์ พัวพันธ์

กรรมการอิสระ / กรรมการตรวจสอบ / กรรมการบริหารความเสี่ยง

4. Mr. Pisit Puapan

Independent Director / Member of the Audit Committee / Member of the Risk Management Committee



5. นายกิตติพงศ์ กนกวิไลรัตน์

กรรมการ / ประธานคณะกรรมการบริหาร / กรรมการสรรหา พิจารณาค่าตอบแทน และบรรษัทภิบาล

5. Mr. Kittipong Kanokvilairat

Director / Chairman of the Executive Committee / Member of the Nomination and Remuneration Committee



6. นายไพรรักษ์ โชควัฒนา

กรรมการ

6. Mr. Piranart Chokwatana

Director

1. Company Structure and Operations

1.1 Overview and Business Policy

SG Capital Company Limited (“Company”) was established by Singer Company Thailand Public Company Limited on June 27, 2012 (“SINGER” or known as SINGER Group as referred to with its subsidiaries).

It was registered under Singer Leasing (Thailand) Co., Ltd with a fully paid registered capital of 1.00 million baht through the hire purchase loan business of home appliances and commercial appliances including the hire-purchase loans and all assets associated with loans receivables portfolio from SINGER. The business has been approved by the Extraordinary General Meeting as of November 26, 2012. Thereafter the company was renamed to SG Capital Limited as of July 25, 2016.

Hereafter the company has expanded the business in order to fulfill diversified needs of customers. In 2017 the company has expanded the business in providing loan services with vehicle registration as collateral and hire purchase with vehicle registration books transferred under the brand “Rod Tam Ngeon”. Later in 2018 it started the business of (“Debt Consolidation”) to help people who work in a private sector with good and stable jobs but have high debt. The company foresees the growth opportunity in welfare loans. In 2020 the company started to operate online loans for purchases (“Click2Gold”). As the company envisions the significance in supporting those who have no lump sum money and not relatively high income by providing the opportunity to be able to accumulate their savings through gold with installment option.

There are in total 386 sales representatives as of 31st December 2022 Thailand-wide and the total number of loan agreements for all loan types of over 303,426 agreements from over 265,444 customers.

1.1.1 Vision, mission, core values and business objectives

Vision

Become a leader of in the non-bank financial service business

Mission

To offer lending services with extensive offering of financial products to address needs of domestic customers to generate sustainable growth as a leader in credit and financial products with collateral business focussing on loan business with car registration books as collaterals especially trucks as wells being a good business partner with other products and services under Singer Group in Thailand including other business alliances.

Business objectives

The company has set the business goal by focusing on being one of the leaders in providing a wide range of loans in Thailand, especially loans with a vehicle registration book as a pledged asset. The company aims to constantly raise the value of the loan receivables portfolio to reach 50,000 millions baht within the year of 2026.

1.1.2 Company's key competitive strategies

(1) Sales representatives of “Rod Tam Ngoen” are professionals, skillful and experienced including recruiting local sales representatives and focusing on equal treatment to every customer.

Sales representatives of the “Rod Tam Ngoen” mostly are

experienced sales representatives with excellent sales skills. In addition, the company also focuses on recruiting sales representatives from the local area in order to understand local customers better than non-local sales representatives and in order to meet customers in person to provide services closely since the cultural differences in some areas may exist e.g. the communication language, traits, and different needs.

This way it also helps the company to proceed with the initial background check of customers effectively including being able to follow up on debts collection from customers.

Moreover, the Company focuses on providing excellent quality of service to all customers equally. To achieve that it is mandatory that the sales representatives participate in both theoretical and practical training organized by the headquarters. The training is held monthly for new sales representatives.

The training is organized for the existing sales representatives regularly to ensure the sales representatives provide loans services with a full understanding of the products with service-minded including paying respect and being fair and serving all customers equally. This way we can continuously building trust with customers in using our services. This will result in repeated increasing customer base of the company.

(2) Agents of “Rod Tam Ngoen” covering all regions throughout Thailand

Apart from reaching customers who are in need of using the



loan service of Rod Tam Ngoen through the company's sales representatives, the company's car loan business group, the company has also a strong, good relationship with dealers and agents who can provide customers who are in need of loan services of Rod Tam Ngoen to the company. The dealers and agents are distributed in provinces throughout Thailand.

As of December 31, 2022, the company has 1,859 agents. Dealers and agents are responsible for presenting the company's services to customers who are in need of using loans services and coordinating with the sales representatives of the company to check the completeness of the required documents before coordinating with the loan approval department to proceed with the loan approval accordingly.

However, the sales representative of Rod Tam Ngoen of the company will be responsible for collaborating, coordinating and maintaining relationships with these networks. The company is known as a customer-centric loan provider, caring and friendly with a transparent loan approval process. As a result, the company is trustworthy for numerous partners and they trust in the services of the company and are willing to introduce new customers to

the company.

As of December 31, 2022, the total amount of new vehicle loans of the customer through such channels accounted for 34 percent of the total amount of the total vehicle loans for the entire period, respectively.

(3) Reaching customers through branch networks and franchise branches of affiliated companies with more than 4,154 branches covering all regions in Thailand.

In addition to reaching customers, the vehicle loan "Rod Tam Ngoen" has expanded the business to hire purchase loans for machineries. Besides the professional welfare loan business of the company itself, the company has gained new customers through the sale of products with hire purchase of Singer Thailand Public Company Limited, Jay Mart Mobile Company Limited and JMT Network Services Public Company Limited (collectively referred to as "Affiliated Company")

As of December 31, 2022, there are more than 4,154 branches of the branch network of affiliated companies spread across all regions of Thailand. The sales representatives of affiliated

companies are selected through the criteria of service-minded, excellent understanding of the products and the needs of consumers. This directly results in creating efficiency in operating the business together with the affiliated companies (Synergy).

The Company has entered into a memorandum of agreement for purchasing mobile phones with affiliated companies in providing services to customers who want to purchase products by applying for loans with the company and interested in purchasing products from affiliated companies. The revenue from customers through affiliated companies rerepresenting xx.xx percent of total revenue for the year ended as of December 31, 2022.

Please consider further details on the memorandum of agreement and the mobile phone purchase agreement in section 2.2.5 and other significant information in section 5.2.2.9 “Service Agreement”.

(4) Continuously expanding the types of services to meet the needs of more diverse customers.

In order to turn the company to the leader of the loans business, the company has been increasing in providing more diverse types of services to meet customer needs as much as possible. The company began to provide welfare loans in 2013 to help and support employees of companies who have high debt ratios by offering lower loan interest in comparison to credit card, cash card and other personal loans. The expansion has been achieved through agreements with companies. In 2021 the company provided the new service which is gold financing. The company has provided the service in close hand with the partner, (“Aurora”) to cover the target group of those who want to purchase gold through the loan service of the company.

Significant transition and development

2012

- Established on June 27, 2012 under “Singer Leasing (Thailand) Co., Ltd.” with the fully paid registered capital of 1.00 million baht, divided into 1,000 ordinary shares with a par value of 1,000.00 baht per share to operate the hire purchase loan business for the products under SINGER brand.

- raised fully paid registered capital from 1.00 million baht to 850.00 million baht by issuing 850,000 additional ordinary shares at a par value of 1,000.00 baht per share.

2013

- raised fully paid registered capital from 850.00 million baht to 1,450.00 million baht by issuing 600,000 additional ordinary shares at a par value of 1,000.00 baht per share.

2014

- Started the business of providing hire purchase loans for machinery (“Captive Finance”)

2015

- Changing the actual shareholder structure (Ultimate Shareholder) whereby Jay Mart Public Company Limited (“JMART”) purchased SINGER shares in the proportion of 24.99 percent of the total shares of SINGER from SINGER (Thailand) B.V.

2016

- Renamed to “SG Capital Company Limited”

2017

- Started the business of providing loan services with vehicle registration book as collateral and hire purchase loans with vehicle registration book transferred under the brand “Rod Tum Ngoen”.

2018

- Started the business of providing employee welfare loans (“Debt Consolidation”) in cooperation with a number of well-known and financially stable companies in order to support the employees of the companies to have lower interest expenses.

2019

- Obtained a personal loan business license under supervision on December 18, 2019 from the Ministry of Finance.

2021

- The Company has been certified by the Thai Institute of Directors ("IOD") to be a member of the Thai Private Sector Collective Action Against Corruption ("CAC"), on September 30, 2021 with a period of 3 years.

- Changing the proportion of ultimate shareholders whereby SINGER has offered newly issued ordinary shares to existing shareholders in proportion (Right Offering) and private placement (Private Placement) and U City Public Company Limited ("U") to purchase new shares of SINGER resulting in shareholding of SINGER in the proportion of 24.30% of total paid shares and causing shareholding of JMART in SINGER to decrease from 34.64% of total paid shares is 26.11 percent of the total number of paid-up shares.

- Started an online gold financing business ("Click2Gold"), which is a collaboration between the Company and Aurora Design Co., Ltd. ("Aurora").

- Increased registered paid capital from 1,450.00 million baht to 2,450.00 million baht by issuing 1,000,000 additional ordinary shares at a par value of 1,000.00 baht per share.

The Extraordinary General Meeting of Shareholders No. 2/2021 held on October 14, 2021 resolved to approve important matters as follows:

- Approved the conversion of the company from a limited company to a public company.

- Approval of changes in par value from 1,000 baht per share to a par value of 1 baht per share in the Stock Exchange of Thailand and entering into a securities listing agreement with the Stock Exchange of Thailand

- The Board Meeting of SINGER No. 245 held on July 30, 2021 resolved to approve the conversion of the company to a public limited company and increase the registered capital by another 820 million shares or 25.08% of the total registered capital.

As of September 30, 2022, SINGER has reported to the Stock Exchange of Thailand regarding their Initial Public Offering (IPO) and the introduction of the Company's shares listed on the Stock Exchange of Thailand.

- Approved an increase of the Company's registered capital of 820 million baht from the current registered capital of 2,450 million baht to a registered capital of 3,270 million baht by issuing new shares of 820 million baht at a par value of 1.00 baht per share for initial public offering. (Initial Public Offering: IPO)

2022

- Entered into a partnership agreement with Power Buy Co., Ltd. to provide loans for products sold by ("go! Power")

- Entered into a partnership agreement with Home Hub Co., Ltd. ("Homehub") to provide loan for home appliances product, furniture, construction tools, kitchen appliances and related products, electric appliances and home renovation equipment sold by Homehub.

1.2 Nature of Business

The Company is a financial service provider that is a non-financial institution with its head office in Bangkok which provides loan services under the name “SG Capital” as follows:

- (1) Home appliance, commercial appliance, and machinery (Captive Finance).
- (2) Vehicle loan “Rod-Tam-Ngoen” (hire purchase loan with vehicle registration books transferred and loan with vehicle registration books as collateral)
- (3) Employee welfare loans (Debt Consolidation) and
- (4) Online gold financing (“Click2Gold”)

The service is provided through the Company's professional sale representatives. As of December 31, 2022, there are a total of 308 sales representatives and through the network of branches and franchise branches of affiliated companies with more than 4,154 branches spread throughout all areas and regions in Thailand. The Company operates and demonstrates continuous growth and profitability.

As of December 31, 2022, the Company has total assets of 17.78 billion baht and a total income of 2.43 billion baht.

In addition, as of December 31, 2022, the Company has all types of loans totaling 14.39 billion baht which is an increase of 35.08% compared to 2021 and the average of return on equity is equal to 11.60%

Interest Income	As of					
	December 31, 2020		December 31, 2021		December 31, 2022	
	million baht	%/1	million baht	%/1	million baht	%/1
Interest Income from Hire Purchase Loan	939.82	68.95	1,056.63	59.30	1,296.69	53.17
- Hire purchase of electrical appliance ²	895.53	65.70	1,023.12	57.42	1,270.69	52.10
- Captive Finance	44.29	3.25	33.51	1.88	26.00	1.07
Interest Income from vehicle loan “Rod-Tam-Ngoen”	352.18	25.84	659.73	37.03	1,068.55	43.82
- Auto Hire Purchase Loan with Vehicle Registration Books Transferred	46.68	3.43	86.56	4.86	134.07	5.5
- Loan with Vehicle Registration Books as Collateral	305.50	22.41	573.17	32.17	934.48	38.32
Interest Income of Debt Consolidation	5.77	0.42	19.19	1.08	32.14	1.32
Interest Income of Gold Financing “Click2Gold”	0.00	-	0.39	0.02	1.69	0.07
Total of Interest Income	1,297.77	95.22	1,735.93	97.42	2,399.08	98.37
Other Income	65.19	4.78	45.89	2.58	39.68	1.63
Total Income	1,362.96	100.00	1,781.82	100.00	2,438.76	100.00

Remark : 1. Calculation in percentage compared to total income

2. Income from the hire purchase of electrical appliances including subsidies from major shareholders, which are subsidies to support hire purchase loans, as part of interest income. This is based on the principles of TFRS 9.

The main income of the Company at the end of 2020, 2021, and 2022 came from interest income from lending services, accounting for 95.22%, 97.42%, and 98.37% respectively.

1.2.2 Characteristics of products or services and develop business innovations

1.2.2.1 Product and Services

The Company operates the business of providing secured loans and unsecured loans. This includes personal loans under supervision in the category of loans with vehicle registration as collateral. This is under the supervision of the Bank of Thailand (“BOT”) where the Company is allowed to operate a personal loan business under supervision with vehicle registration as collateral from the Ministry of Finance.

As of December 2019, the Company's loan products can be categorized into 4 main groups according to the nature of business operations and types of credit as follows:

(1) Hire Purchase Loan for home appliance, commercial Appliance, and machinery (Captive Finance)

The Company provides hire purchase loans to general retail customers as well as to commercial customer who wants to buy (1) home appliances, for example, air conditioner, refrigerator, washing machine, water filter, mobile phones, etc. (2) commercial appliances, for example, products in the freezer group beverage cooler, vending machine, fuel dispenser, coffee machines, etc., and (3) machinery (Captive Finance), for example, medical equipment, fabric screen machine, lathe, large format printer, embroidery machines, printing machines, etc. The loan applicant who agrees to enter into a hire-purchase agreement must pay a monthly installment consisting of principal and interest.

In the approval of the loan limit, the Company will evaluate from the copy of the payslip, ability to pay debts, qualifications of loan applicants and guarantors (case by case), etc. In general, the loan agreement for home appliances shall not be over 48 installments, a loan for machinery not over 60 installments, and a commercial appliance of not over 72 installments.

For the sale of products in the group of home and commercial appliances, the Company has entered into agreements with affiliates to provide a loan option to customers who want to buy products from affiliated companies in the form of hire purchase. This creates mutual benefits in the group (Synergy) by which affiliates can sell products more easily through sales on credit. At the same time, the Company is able to get more new customers, where the Company has a portfolio proportion and interest income from hire-purchase loan services. The main hire purchase loan services for electrical appliances are mainly from SINGER under the terms of the memorandum of agreement with SINGER. SINGER's sales representative will be assigned to introduce the Company's loan services to customers who are interested in buying

electrical appliances but cannot buy products with cash and coordinate and manage documents related to loan services and submit them to the Company, deliver goods to customers and follow-up on installment payments of customers who received the loan services.

The Company also hires SINGER to distribute the confiscated products in case customers default on payment. However, the loan approval for customers of hire purchase of SINGER's products will be at the Company's discretion in accordance with the criteria, conditions, and credit approval methods specified by the Company.

For a machinery hire purchase loan (captive finance), the Company has entered into a commercial cooperation agreement with a machinery distributor (Dealer) to provide hire purchase services for customers who need funds to purchase machinery from the distributors for business use. However, the Company is in the process of slowing down the hire purchase business of machinery to review the machinery supplier consideration process and the machinery hire purchase credit approval process. This is due to the Company's lacking specific expertise in each type of machine used as collateral. Even though the conditions under the memorandum of agreement that the machine seller is obliged to buy back the machine in case the Company confiscated machinery from debtors, the machinery dealers may not be able to comply with such conditions and cause the Company to find other repossessed machinery distribution channels to recover (Recover) the damage that may arise from such default. This may result in a lawsuit between the Company and machinery dealers. The Company, therefore, evaluated that the hire purchase loan for the machinery has a risk that the collateral cannot be sold after the debtor defaults on debt payment. The Company has already taken back the machines as collateral. As of December 31, 2022, the Company has entered into an agreement with a total of 21 machinery distributors.





(2) Vehicle Loan “Rod-Tam-Ngoen”

The Company provides vehicle loan services to general retail customers and juristic customers who have the ownership of a vehicle under the brand "Rod-Tam-Ngoen" covering both (1) hire-purchase loan with vehicle registration books transferred and (2) with collateral (Personal loan under supervision with car registration as collateral). The type of vehicles that customers can apply for service are trucks, private vehicles, and commercial vehicles (pickup, trucks, and vans) where the customer must use the vehicle registration book as collateral for the loan and must have ownership of the vehicle. The customer has to pay a monthly installment consisting of principal and interest.

In the approval process for the vehicle loan service “Rod-Tam-Ngoen”, it depends if (1) the customer is willing to get the hire purchase loan with the vehicle registration books transferred or the loan with the vehicle registration book as collateral and (2) the ownership period of the vehicle of customers must comply with the specified period by the Company. Regarding the loan limit approval, the Company will consider the type and value of collateral, ability to pay debts, verification of customer and guarantor

qualifications (case-by-case), etc. The Company has the policy to set a maximum agreement period of over 72 installments and the maximum age of the collateral assets is generally not over 25 years (including the agreement period).

As of December 31, 2022, the average age of collateral vehicle for the loans of the Company can be categorized as follows:

Age of Collateral Asset	Proportion (%)
0 – 5 Year	13.14%
6 – 10 Year	45.53%
11 – 15 Year	22.44%
16 – 20 Year	12.65%
21 – 25 Year	2.68%
over 25 Year	3.56
Total	100.00

¹ ตามประกาศแห่งประเทศไทยที่ สนส. 12/2563 “เรื่อง การกำหนดหลักเกณฑ์ วิธีการ และเงื่อนไขในการประกอบธุรกิจสินเชื่อส่วนบุคคลภายใต้การกำกับ” กำหนดให้ ผู้ประกอบธุรกิจอาจเรียกเก็บดอกเบี้ยค่าบริการ เบี้ยปรับ ค่าปรับ หรือค่าธรรมเนียมใด ๆ จากผู้บริโภค เมื่อคำนวณรวมกันแล้วต้องไม่เกินร้อยละ 24 ต่อปี (Effective rate) สำหรับสินเชื่อที่มีทะเบียนรถเป็นประกัน โดยมีผลบังคับใช้ตั้งแต่วันที่ 1 สิงหาคม 2563 เป็นต้นไป ยกเว้นสินเชื่อที่มีลักษณะการจ่ายชำระเป็นงวดและมีการกำหนดระยะเวลาการผ่อนชำระไว้อย่างชัดเจนก่อนวันที่ประกาศใช้บังคับ

Each customer can apply for a loan with a vehicle registration as collateral, 1 agreement per collateral, where the Company will receive interest income, fee income, and other service income from granting of a loan at the rate mutually agreed upon in the agreement. It is a personal loan business under supervision in which the Company can collect service fees at the highest rate of interest income, fines, service charges and fees combined must not exceed the maximum effective rate as specified by the BOT. The Company may request for fee payment that actually paid as deemed reasonable according to the list specified by the BOT. However, the customer who receives such loan service will still possess the vehicle and be able to use the vehicle normally.

For loans with vehicle registration books as collateral (Personal loans under supervision with car registration as collateral) to

ensure that the loan applicant is the real owner of the vehicle, the customers who apply for a loan must deliver the original car registration book to the Company as collateral without having to register the transfer of ownership at the Department of Land Transport. However, the customer must sign the transfer request form and power of attorney from the Department of Land Transport.

In case the customer defaults on debt payment to the company for 3 consecutive installments, the customer agrees to transfer the ownership and deliver the car to the Company in order for the Company to sell and pay for debts.

Vehicle registration certificates used as collateral for loan applications must comply with the Road Traffic Act B.E. personal commercial vehicle (pickup trucks and vans) and trucks, etc.

Moreover, as of December 31, 2020, 2021, and 2022, the Company has a total portfolio of vehicle loans as per the table below:

Portfolio Structure of Car Loan Debt Categorized by Loan Type	As of					
	December 31, 2020		December 31, 2021		December 31, 2022	
	million baht	%	million baht	%	million baht	%
Auto Hire Purchase Loan with Vehicle Registration Books Transferred	453.97	13.16	694.64	11.49	811.63	8.46
Loan with Vehicle Registration Books as Collateral	2,994.97	86.84	5,349.38	88.51	8,775.40	91.54
Total Loan Receivables	3,448.94	100.00	6,044.02	100.00	9,587.03	100.00
deduct allowance for doubtful accounts	(31.88)	(0.92)	(43.52)	(0.72)	(94.23)	(0.98)
Net Loan Receivables	3,417.06	99.08	6,000.50	99.28	9,492.80	99.02

(3) Debt Consolidation

Employee Welfare Loan is a loan that arises with the purpose of supporting employees of private companies who have a good career but have high debt burden. The Company will request employees to combine the debts from cash cards and personal loans of employees and the Company will provide the loan to such employees to pay off loans from various financial institutions with higher interest.

The Company will offer a lower interest rate that will reduce the burden and improve the quality of life of employees. The Company sets a maximum limit of 15 times of the income of each employee but not over 2 million baht per person. The Company has the policy to determine a maximum agreement period of not over 72 installments. As of December 31, 2022, the Company has

entered into memorandums of agreements with 90 companies. The majority of the companies are in a stable financial status and reputation and some companies are listed on the Stock Exchange of Thailand.

However, even though welfare loans are unsecured loans, the payment method is through direct deduction from the salary of the employees that will receive from the employer that directly participates in the memorandum of agreement with the Company. It will reduce the risk of employees not paying the installment.

The Company started providing employee welfare loans in November 2018. As of December 31, 2022, the Company has 1,356 employees from various companies. The Company's interest income from employee welfare loans accounted for 1.32% of the total income, which is considered an insignificant proportion.

(4) Online Gold Financing “Click2Gold”

Online gold financing is a new product group that the Company started to provide in the third quarter of 2021 by entering into a memorandum of agreement with Aurora Design PCL (“Aurora Shop”) to target customers who are willing to purchase gold for saving and accumulating wealth in the form of installments through the use of loan services from the Company with gold as collateral. The maximum repayment period is 24 installments

(5) Other Loans

HomehubThe Company has entered into a memorandum of agreement with Power Buy Co., Ltd. (“Power Buy”) to provide

loan services to purchase products distributed by Go! Power and also entered into a memorandum of agreement with Home Hub Co., Ltd. (“Homehub”) to provide loan services for purchases of electrical appliances, furniture, hand tools, kitchenware, electrical equipment, and home furnishings sold by Homehub.

As of December 31, 2022, the Company's outstanding loan receivables accounted for approximately 0.20% of the total loans which is an insignificant proportion. In addition, service charges can be charged at the maximum rate of interest income, fines, service charges, and fees combined, but must not exceed the maximum effective rate specified by the BOT.

The business operations of the Company are governed by the main laws and regulations. The details are as shown in the table below:

Loan Type	Personal loans under supervision ¹	Notification of the Committee on Contracts			Max. Interest rate and fees
		Cash	Hire Purchase Loans for Vehicle	Hire Purchase Loans for Electrical Appliances	
<u>Hire-purchase loans for electrical appliances and machinery</u>					
- Hire Purchase for home and commercial appliances under SINGER brand	N/A	N/A	N/A	✓	-Not specified-
- Hire Purchase loan for mobile phone from Jaymart Mobile	N/A	N/A	N/A	✓	-Not specified-
- Captive Finance	N/A	N/A	N/A	N/A	-Not specified-
- Loans for buying products from GoPower and Homehub	✓	✓	N/A	N/A	Not over 25% per year (Effective rate)
<u>Vehicle Loans</u>					
- Auto Hire Purchase Loan with Vehicle Registration Books Transferred	N/A	N/A	✓	N/A	(1) In case of new vehicle not over 10% per year (Effective rate) (2) In case of used vehicle not over 10% per year (Effective rate) and (3) In case of motorcycle not over 23% per year (Effective rate)
- Loan with Vehicle Registration Books as Collateral – natural person	✓	✓	N/A	N/A	Not over 24% per year (Effective rate)
- Loan with Vehicle Registration Books as Collateral – juristic person	N/A	✓	N/A	N/A	Not over 15% per year
Debt Consolidation	N/A	✓	N/A	N/A	Not over 15% per year
Gold Financing	N/A	✓	N/A	N/A	Not over 15% per year

Remarks: ¹ Personal loans under the Ministry of Finance Notification Re: Business Subject to Approval to Clause 5 of the Revolutionary Council Decree 58

1.2.2.2 Loan approval, payment methods, and debt collection process

The Company has established procedures and processes for loan approval and payment methods for customers in order for the employees of the Company to be able to evaluate the loan for customers accurately and quickly including having an understanding of the customer information verification process of the Company, which is very rigorous. This makes the Company able to control the quality of the loan approval applications.

In addition, the company also provides various convenient payment channels through which the customers can verify the correctness of payment details. The significance in providing loan services consists of loan approval process, installment payment process, debt collection process, collateral seizure and auction process and account closing process. The details of each process are as follow:

Loan approval, payment methods, collateral seizure (if applicable) and closing account process

(1) Hire purchase for home appliance and machinery (Captive Finance)

(1.1) Loan Approval Process

Providing the hire purchase loan services to customers of home appliances and machinery, the sales representative of home appliances and machinery dealers will present the products of the dealers and the loan services of the Company as well as coordinating with customers who are willing to use the loan services of the Company, collect required documents for the loan application and submit them to the Company in order to evaluate and approve the loan for each customer in accordance with the criteria, conditions, and approval process defined by the Company. Sales representatives of the dealers will be given an authorization code to be used in reporting the results of sales and deliveries. The proof of delivery of the products to customers must be submitted to the Company. In the loan approval process for each customer, the Company focuses on the qualifications of customers and guarantors (case by case) in order to reduce the risk. In case the customer is unable to pay debt to the Company, the Company will evaluate the debt payment history and ability to repay debt of the customer including assessing the quality of collateral to determine installments and credit limits that suit the needs of the customer, the ability to repay debts and the financial status of each customer. For hire purchase loans of the home appliances and machineries, when the customers wish to use the hire purchase loan service, the Affiliate's sales representative will request the customers to fill out the hire purchase application form, including required documents which consist of; a copy of ID card, letter of consent to disclose information of credit bureaus, bank statements for the past 6 months, a copy of the bank account book, an ID photo of the customer, ID card, pay slip or occupation confirmation letter such as certificate of trade registration, a farmer registration book, etc. The sales representative of affiliated companies will enter the information of the customer into the company's system. At this stage, the system will preliminarily validate customer information from the database.

The Company will not offer the loan in case the customer is a blacklisted person defined by the Company, such as persons with a history of default on debt payment, etc. The Company has a policy to update the information of the blacklist by updating

it daily for the up-to-date information. In addition, the Company also verifies the information of the customer from the database of the Anti-Money Laundering Office. In order to increase the rigor in additionally evaluating the profile of the customers.

After verifying the information of the blacklisted persons and Anti-Money Laundering Office database is completed and the customer meets the above criteria, the loan approval department will contact the customer to ask for information and verify the accuracy of the information that will be used in the loan approval process. For the hire purchase of machineries (captive finance)

or if the loan limit is high, the Company will send an employee to inspect the actual location of the given address and take additional photos of the place. Then, the Company will deliver the product to the address that is informed by the customer.

However, in case the customer requests a high hire purchase loan amount of over 110,000 baht, the Company will collect the income documents and check the credit history, including debt repayment of the customers. The credit information department will check the credit history from the database of the Company, National Credit Bureau Co., Ltd. ("NCB" or "Credit Bureau"). The Company has been a member of the National Credit Bureau Co., Ltd. since January 23, 2013, which enables credit checks for both individuals and juristic persons.

In this regard, the Company must receive a letter of consent to disclose information of the credit bureau signed by the customer applying for the loan in order to be able to check the information of the customer from the database. The sales representative of affiliated companies will follow the Company's guidelines, policy, or marketing strategies of each period. Some of the sales representatives of the affiliates are allowed to evaluate preliminary sales. However, they are obliged to fulfill the criteria set by the Company. Moreover, the loan approval department has set the clear loan approval criteria. In case the given information and/or documents are insufficient or incomplete as specified. The loan approval department will set the follow-up status to preliminary approval and request additional documents.

The responsible sales representative must submit the required-

information and/or documents to the loan approval department within 3 days. In case the customer profile does not meet the requirement or criteria for the loan, or the required documents are incomplete, the loan approval department will assign the sales representative to cancel the sales with loan and request the customer to proceed with the payment in cash.

(1.2) Payment methods

Nowadays, the Company uses the Bill Payment system to receive installment payments from customers. The customers will receive invoices monthly by mail which will specify details of the customer's name, agreement number, installment and due date, etc. the customers can make installment payment via Bill Payment by scanning a barcode to pay at (1) SINGER branches (for SINGER hire purchase loans) (2) Branches and ATMs of the banks specified by the Company (3) Payment through the mobile banking application of the banks specified by the Company (4) Internet Banking and (5) payment channels via Counter Service. The customers can bring the Bill Payment to make an installment payment at any 7-Eleven with a counter service sign.

However, in case of SINGER hire purchase loans, the Company also provides an off-site installment collection service by using the QR Code in the application of the Company. The collection will be made by a responsible sales representative of SINGER. This additional channel makes the payment process convenient for the customers.

In addition, the Company also has a debt collection process which is done by the sales representatives, tele collectors, field collectors, or external debt collectors. The Company will summarize the monthly payment results. In case the employees or the external debt collection companies are unable to follow up on the payment from customers for the specified billing period, the follow up task will be assigned to the employees or other external debt collection companies to increase efficiency in tracking and as a process of reviewing and preventing leakage of customer payments.

(1.3) Seizure of collateral and auction sale

In case the Company has followed up on debt collection according to the procedures of the Company but the customer neglects or is unable to pay the debt to the Company for the 3 consecutive installments, the Company is eligible to terminate the agreement and seize the product or collateral for the further auction sale. However, in order to maintain a good relationship with the customer, the Company will not proceed with the seizure immediately.

The Company will assign the sales representative of the Company and the field collector to meet with customers and negotiate a solution to repay debt first, namely the Company may consider extending the repayment period in order to help customers by reducing the monthly debt that the customer has to pay and to alleviate the debt burden for the customer, including reducing the chance that the customer will stop the debt repayment to the company.

In case of escalation, a sales representative of the Company or a field collector will meet the customer to seize the product. After the Company repossesses the product under hire purchase loans for home appliances under the SINGER brand, the Company will hire SINGER to sell the seized products.

The condition validation of the product to be seized must be done by the field collector and the customer must sign the acknowledgement letter of returning the product. Hereafter it is mandatory to return the product to a SINGER branch in the area within the same day that the product is seized or not later than 3 days in case of bulky product or the seizure proceeds outside the working hours of the SINGER branch. Once the product is returned to a SINGER branch, the shop manager of the branch needs to sign the receipt of the return product and the document will be submitted to the Company respectively according to the memorandum of agreement.

Once the seized product is sold, the Company will incur a loss from repossession of the product which must be recognized equal to the difference in the value of the product received from hiring SINGER to sell the product compared to the outstanding debt that the hirer owes to the Company.

On the other hand, for machinery hire purchase loans, the Company will sell the seized products back to the dealer who sells that machinery.

Please consider more details of the Memorandum of agreement on business support in Section 2.2.5. Other significant information, found under 5.2.2.9 "Memorandum of agreement on business support" and please consider more details about the memorandum of business support. Machine vendors in Section 2.2.5 Other significant information, Section 5.2.2.6 "Agent Appointment Agreement"

(1.4) Account closing process

When the customer has fully made the payment according to the agreement, the Company will send a receipt and a certificate of debt obligation to the customer in the following month as proof to confirm to the customer that the customer has completely paid for the debt. The company will store all the customer's credit documents at the head office for further destruction.

However, in case the customer wishes to close the account before the expiration of the contract period by requesting to pay the entire installments at once, the Company will offer a specified discount to the customer.

The company will hold the necessary information and documents unless the storage of such information or documents is longer than the period required by law which is not more than 10 years after the relationship between the Company and that customer is terminated and will provide security measures for the storage of personal data in accordance with the law

Collection necessary personal data for the purpose of storage and all personal data is regularly monitored to review the retention period of such data.

(2) Car for cash or Rod Tam Ngoen (loan services with vehicle registration as collateral and hire purchase with vehicle registration books transferred)

(2.1) Loan approval process

In case the customer is willing to use the car loan service, a sales representative of the company's car loan business will coordinate with the customer to fill out the loan application form including requesting required documents for example, a copy of the vehicle registration book, a copy of ID card, letter of consent to disclosure of credit bureau information and taking pictures of the customer's collateral car.

Then the sales representative of the company will enter the loan applicant's information to the system of the Company for the credit information department to verify the history of credit, including debt repayment of customers. The credit information department will check the credit history from the company's database, National Credit Bureau Co., Ltd. ("NCB" or "Credit Bureau") of customers which the Company is a member of the National Credit Bureau Co., Ltd. since January 23, 2013, which enables the credit checks for both individuals and juristic persons. However, in this regard, the Company must receive a letter of consent to disclose information of the credit bureau signed by the customer applying for the loan in order to be able to verify the information of the customer from the database. The sales representative will prepare a letter of consent to disclose information of the credit bureau for the customer to sign at the document collection stage.

After validating the information of the customer from the database, the credit information department will forward the review results to the loan approval department to categorize the quality of customers according to the criteria defined by the company, which will be categorized according to the customer payment history. Meanwhile the collateral valuation team of the loan approval department will examine the condition of the collateral vehicle according to the photos taken by the sales representative of the company, submitted for a vehicle valuation.

After the collateral valuation team of the loan approval department has completed the evaluation of the vehicle, the sales representative of the company will inform the customer of

the actual value of the collateral to conclude whether the loan applicant agrees to use the service with the company or not.

After the customer agrees with the value of the collateral offered by the sales representative of the Company, the sales representative will collect additional documents including ownership transfer document, power of attorney, latest pay slip, bank statements for the past 6 months, a copy of bank account book occupational documents such as certificate of trade registration (case by case), residence and business, etc. The Company may assign an employee of the Company to verify the current address and place of employment of the customer as well as the address of guarantor specified in the agreement. Later, the sales representative of the Company will submit the customer information to the system of the Company. The system will initially verify the customer's information from the database of the Company's system. The Company will not offer a loan in case the customer is blacklisted as specified by the Company, such as a person with a history of default on payment, etc.

Furthermore, the Company has a policy to update the information of blacklisted persons to be updated daily to ensure the up-to-date information. In addition, the Company also preliminarily checks customer information from the database of the Anti-Money Laundering Office and checking customer information from the database of the Legal Execution Department

After checking the information of blacklisted persons of Anti-Money Laundering Office database and verifying the information with the database of the Legal Execution Department is completed and the customer meets the above criteria, The loan approval department will verify the accuracy of the loan approval documents required by the Company and assess the customer for approval.

The application will be evaluated according to the criteria defined by the Company, for example evaluating the income document, including the customer information from the database, etc. In case the loan approval department verifies that the customer is suitable and fits the criteria to give the loan, the loan approval

department will contact the customer to verify the accuracy of the information and identity and approve the loan in the system and inform the sales representative about the approval result and notify customers accordingly.

After the approval, the sales representative contract documents will prepare the guarantee agreement, vehicle transfer form including power of attorney (if required) for customers and guarantors (if applicable) to countersign and collect the car registration books including informing the customer about interest rates, fees, payment terms and other terms and conditions. In case of loan that requires the transfer of ownership of the vehicle, the Company will be specified as the owner register of the vehicle on the registration book. In case of loan with a collateral, the Company will retain the ownership transfer documents at the company. Hence the payment will be proceeded to the customer only via direct bank transfer to the account of the customer or a check and the sales representative of the Company will send the copies of agreement documents and repayment schedules to the customer.

department will contact the customer to verify the accuracy of the information and identity and approve the loan in the system and inform the sales representative about the approval result and notify customers accordingly.

After the approval, the sales representative contract documents will prepare the guarantee agreement, vehicle transfer form including power of attorney (if required) for customers and guarantors (if applicable) to countersign and collect the car registration books including informing the customer about interest rates, fees, payment terms and other terms and conditions. In case of loan that requires the transfer of ownership of the vehicle, the Company will be specified as the owner register of the vehicle on the registration book. In case of loan with a collateral, the Company will retain the ownership transfer documents at the company. Hence the payment will be proceeded to the customer only via direct bank transfer to the account of the customer or a check and the sales representative of the Company will send the copies of agreement documents and repayment schedules to the customer.

(2.2) Payment methods

At present, the Company uses the Bill Payment system to receive installment payments from customers. The customers will receive invoices monthly by mail which will specify details of the customer's name, agreement number, installment and due date, etc. the customers can make installment payment via Bill Payment by scanning a barcode (Barcode) to pay at (1) SINGER branches (for SINGER hire purchase loans) (2) Branches and ATMs of the banks specified by the Company (3) Payment through the mobile banking application of the banks specified by the Company (4) Internet Banking and (5) payment channels via Counter Service. The customers can bring the Bill Payment to make an installment payment at any 7-Eleven with a counter service sign.

In addition, the Company also has a debt collection process which is done by the sales representatives, tele collectors, field collectors, or external debt collectors. The Company will summarize the monthly payment results. In case the employees or other external debt collection companies are unable to follow up on the payment from customers for the specified billing period, the follow up task will be assigned to the employees or other external debt collection companies to increase efficiency in tracking and as a process of reviewing and preventing leakage of customer payments.

(2.3) Seizure of collateral and auction sale

In case the Company has followed up on debt collection according to the procedures of the Company but the customer neglects or is unable to pay the debt to the Company for the 3 consecutive installments, the Company is eligible to terminate the agreement and seize the product or collateral for the further auction sale. However, in order to maintain a good relationship with the customer, the Company will not proceed with the seizure immediately.

The Company will assign the sales representative of the Company and the field collector to meet with customers and negotiate a solution to repay debt first, namely the Company may consider extending the repayment period in order to help customers by reducing the monthly debt that the customer has to pay and to alleviate the debt burden for the customer, including reducing the chance that the customer will stop the debt repayment to the company. In case of escalation, a sales representative of the Company or a field collector will meet with the customer to seize the product. However, in case the field collector fails to seize the collateral, the Company will hire an external debt collection company to proceed the debt collection on behalf of the Company. As of September 30, 2022, the company has hired 2 external debt collection companies.

After the field collector of the Company or an external debt collection company has successfully seized the collateral, the field collector of the external debt collection company will take the collateral to the nearest auction yard specified by the Company. However, after the company has taken the collateral from the customer, the field collector will record the collateral information in the system and send the collateral redemption notice to the customer and the guarantor. (case by case) with the redemption period. In case the period has elapsed, but the customer has not redeemed, the Company will proceed to the auction process whereby the company has a policy to sell collateral taken from customers through the auction method. In order for the auction process to be effective and competitive in terms of fair prices, the Company has entered into an agreement to engage in bidding with an external property auction service provider.

which is permitted by the Department of Provincial Administration to operate a business of selling auctions and trading used items.

Please consider more details about the vehicle auction yard agreement in Section 2.2.5 Other important information, section 5.2.2.8 “Vehicle auction yard agreement”, which the service provider has

21 auction centers covering 20 provinces in Thailand consisting of (1) Bangkok (2) Nakhon Pathom (3) Ayutthaya (4) Saraburi (5) Nakhon Sawan (6) Phitsanulok (7) Chiang Mai (8) Chiang Rai (9) Rayong (10) Kanchanaburi (11) Prajinburi (12) Khonkaen (13) Buriram (14) Udon Thani (15) Ubon Ratchathani (16) Phetchaburi (17) Surat Thani (18) Nakornsrihammarat (19) Hat Yai (20) Phuket

On average, auction centers hold an average of 4 auctions per month per auction center.

Director of Loan and Asset Management (“Authorized person to set the selling price”) will evaluate and approve the sale of collateral by setting the selling price which is based on the price of vehicles, brands, models, age and similar conditions in the market, the price of the same vehicle model in the auction yard to ensure the fairness and transparency including the appropriate selling price. If an auction has been made and the car is not sold. The authorized person will consider lowering the price in accordance with the procedures set by the Company. After the collateral has been sold, the Company will prepare the documents related to ownership and provide them at the auction yard in order to transfer the ownership to the auction winner respectively.

However, the Company requires that the collateral of the customer will be retained at the lowest rate as possible. The Company mainly focuses on debt collection to help maintain a good relationship with customers. This can be seen from the number of seized collateral vehicles by the Company based on all customers. As of September 30, 2022, the total number of seized collateral is 110 units from the total number of 13,527 collateral. This represents 0.81 percent.

However, after the collateral has been sold, the Company is still eligible to follow up with the customer on the remaining if the value of the sold vehicle is lower than the outstanding debt.

In such cases, the Company will follow up on debt collection with such customers in compliance with relevant laws. If the customer does not agree to pay the remaining debt, the Company will proceed with a lawsuit in accordance with civil and commercial law to claim the remaining difference.

Please consider more details about the vehicle auction yard agreement in Section 2.2.5 Other important information, section 5.2.2.8 “Vehicle auction yard agreement”, which the service provider has 21 auction centers covering 20 provinces in Thailand consisting of

(1) Bangkok (2) Nakhon Pathom (3) Ayutthaya (4) Saraburi (5) Nakhon Sawan (6) Phitsanulok (7) Chiang Mai (8) Chiang Rai (9) Rayong (10) Kanchanaburi (11) Prajinburi (12) Khonkaen (13) Buriram (14) Udon Thani (15) Ubon Ratchathani (16) Phetchaburi (17) Surat

Thani (18) Nakornsrihammarat (19) Hat Yai (20) Phuket

On average, auction centers hold an average of 4 auctions per month per auction center.

Director of Loan and Asset Management (“Authorized person to set the selling price”) will evaluate and approve the sale of collateral by setting the selling price which is based on the price of vehicles, brands, models, age and similar conditions in the market, the price of the same vehicle model in the auction yard to ensure the fairness and transparency including the appropriate selling price. If an auction has been made and the car is not sold. The authorized person will consider lowering the price in accordance with the procedures set by the Company. After the collateral has been sold, the Company will prepare the documents related to ownership and provide them at the auction yard in order to transfer the ownership to the auction winner respectively.

However, the Company requires that the collateral of the customer will be retained at the lowest rate as possible. The Company mainly focuses on debt collection to help maintain a good relationship with customers. This can be seen from the number of seized collateral vehicles by the Company based on all customers. As of September 30, 2022, the total number of seized collateral is 110 units from the total number of 13,527 collateral. This represents 0.81 percent.

However, after the collateral has been sold, the Company is still eligible to follow up with the customer on the remaining if the value of the sold vehicle is lower than the outstanding debt.

In such cases, the Company will follow up on debt collection with such customers in compliance with relevant laws. If the customer does not agree to pay the remaining debt, the Company will proceed with a lawsuit in accordance with civil and commercial law to claim the remaining difference.

(2.5) Account closing process

Car for cash with vehicle registration book transferred

When the customer has fully made the payment according to the agreement, the accounts receivable department will verify the accuracy of the payment. After that the operations and business support department will return the vehicle registration book together with the ownership transfer document to the customer. In which the customer will proceed to change the name of the ownership of the car back to the name of the customer at the Department of Land Transport.

The customer must countersign to hold it as evidence to confirm the receipt of the documents when the account closing process is completed. In case the customer is willing to close the account before the expiration of the agreement period by requesting the one-time full hire purchase payment, the Company will offer a specified discount to the customer.

Car for cash with vehicle registration book as collateral

When the customer has fully made the payment according to the agreement, the accounts receivable department will verify the accuracy of the payment. Later the operations and business support department will return the vehicle registration book and ownership document to the customer. The customer must countersign to hold it as evidence to confirm the receipt of the documents when the account closing process is completed. The Company will hold the necessary information and documents as long as the required period unless the storage of such information or documents is longer than the period required by law which is not more than 10 years after the relationship between the Company and that customer is terminated and will provide security measures for the storage of personal data in accordance with the law. Collection necessary personal data for the purpose of storage and all personal data is regularly monitored to review the retention period of such data.

(3) Welfare loan (Debt Consolidation)

(3.1) กระบวนการพิจารณาสินเชื่อ

In case an employee of a company that entered into the memorandum of agreement is willing to use the loan service for debt consolidation, a sales representative will coordinate with the employee to fill out the loan application form including required documents for example, a copy of the vehicle registration book, a copy of ID card, house registration, employment confirmation, letter of consent for voluntary payroll deduction, letter of consent to disclosure of credit bureau information, latest pay slip, salary confirmation letter and last 6 months of salary bank statement. Then the sales representative of the Company will verify the information of the loan applicant and submit the information to the company's system for the credit information department to check the credit history, including debt repayment of the customer. The credit information department will verify the credit history from the NCB database of the customer. After searching for customer information from the database.

The credit information department will forward the review results to the loan approval department to categorize and qualify the customers according to the criteria set by the company, which will be categorized according to the customer's payment history and consider the credit limit and credit limit period of the customer from the debt of the customer.

After the welfare loan department has notified the loan amount to the customer and the customer agrees to use the credit service with the company. After checking the latest debt balance, the Company will prepare a summary report of debt balance and check issuing list to transmit to the bank to issue checks payable to each financial institution that the customer wants to close the debt accounts according to fulfill the agreement with the customers.

On the date of issuing checks and loan agreement the employee of the welfare loan business department must send the documents to the customer within the day to deliver checks and allow the customer to only sign documents in front of the sales representative of the Company. The sales representative of the Company must take pictures while delivering the agreement and hand over the check and retain a copy of the certified check and the loan agreement to be retained at the Company.

And the proof of closing debt account shall be collected from the customers within 7 days after the delivery of the check and signing the loan agreement.

(3.2) Payment methods

For employee welfare loans, the Company will receive installment payments through debiting the salary account of the customer. The Company will send the monthly summary of the payment details to the human resource department of the employers on the date and time specified by each company

HR team will proceed the payment to the Company on the monthly agreed date via bank transfer or send the check to the Company in order to pay the installments of customers who use the employee welfare loan service of the Company.

(3.3) Closing account process

When the customer has fully made the payment according to the agreement, the Company will send a receipt and a certificate of debt obligation to the customer in the following month as proof to confirm to the customer that the customer has completely paid for the debt. The company will store all the customer's credit documents at the head office for further destruction.

However, in case the customer wishes to close the account before the expiration of the contract period by requesting to pay the entire installments at once, the Company will offer a specified discount to the customer.

The company will hold the necessary information and documents. Unless the storage of such information or documents is longer than the period required by law which is not more than 10 years after the relationship between the Company and that customer is terminated and will provide security measures for the storage of personal data in accordance with the law.

Collection necessary personal data for the purpose of storage and all personal data is regularly monitored to review the retention period of such data.

(4) Gold Financing (Click2Gold)

(4.1) Loan Approval Process

When a customer is willing to use online gold financing loans, the customer can register for an account by filling out personal

information on the LINE application, SINGER Connect. After that, the customer can send gold orders with a minimum amount of gold of 0.25 baht and a maximum of 1 baht, with a period of the maximum installment payment not over 24 installments and the documents must be submitted to the company via the website, including ID photo of the applicant and ID cards and a copy of the national ID card. Later on, the company will verify the accuracy of the information. After the information and documents are complete and verified, the customer must pay for the down payment and service fees as specified before the loan is approved. Once the Company is Considered to approve the credit for the customer.

The Company will purchase gold from the Aurora and store it at the Company until the gold is delivered when the contract expires, or the account is closed. In addition, the Company has arranged for insurance to cover the gold stored at the company.

For details of conditions and coverage limits, please consider more details about the business support agreement and the mobile phone purchase agreement in Appendix 3 - Assets used in business operations, no. 1.6 "Insurance of assets used in business operations".

The Company has used the application LINE, SINGER Connect, which is the LINE Official of SINGER, to publicize gold installment loans because the Company initially saw that the SG Capital brand was not well known among customers. However, there will still be brand awareness as a SINGER loan service.

In addition, SINGER has quite a large customer base and has similar target customers, so the Company considers using such channels to reach customers and expects to create brand awareness for customers to know and trust in the services of the Company. The Company expects to be able to move the customer access channels of online gold installment loans to the company's channels in the future.

In this regard, the Company has paid commission for using the service of mentioned channels, which is included in the share service agreement. For details of the terms of the agreement, please refer to the additional details of the Memorandum of Business Support Agreement in Section 2.2.5 Other Important Information, Section 5.2.2.9 "Service Agreement"

(4.2) Payment Method

- As same as the payment methods under car for cash -

(4.3) Closing Account Process

When the agreement is closer to the expiration date, the Company will coordinate with the gold shop to deliver the gold that is stored as collateral at the company according to the agreement with the head office of the gold shop to prepare and deliver the gold to the customer according to the branch office of the gold shop that the customer has agreed with. Once the installments payment is complete, the Company will verify the accuracy of the payment and the Company will send the account closing status messages via LINE application to the customers in order to receive gold at the branch office that has been agreed with the gold shop or as notified to the Company. The customers can inform the order number at the branch office of the mentioned gold shop to verify and confirm the order number information through the system. In case the order number is correct, and the installment has been fully paid, the customer will receive a set of One Time Password (OTP) via their registered phone number that was used to verify their identity with the gold shop.

The gold shop will verify the OTP code with the customer before handing over the gold to the customer and submit the photo of gold acceptance and the customer is required to sign the gold delivery note as evidence.

Debt collection process

For customers who default on payment later than the specified date on the invoice, the employees of the Company will conduct a call with the customers. The Company follows up on debt collection in accordance with the rules set forth under the Debt Collection Act B.E. 2558 (including any amendments) including focusing on the follow-up process and debt control by to control that customers to settle the payment within 90 days after due, as this will result in a significant increase in the provision for doubtful accounts according to the accounting policy of the Company. However, the Company has a debt collection department which will evaluate the follow up, collection and debt control for the sales representatives of the Company. The debt collection department consists of tele collectors, field collectors, or external debt collection companies.

Summary Table of Debt Collection According to Loan Type

Due Duration	Debt Collection	Debt Collection Letter According to Loan			
		Hire Purchase	Car for Cash¹	Debt Consolidation	Click2Gold
Not due or not over 30 days past due	- Reminder call / SMS	Issue Invoice			Reminder sent over LINE message
31 – 60 days	- Phone call to request for the outstanding payment. - In case the customer is reachable, the field collector will follow up with the hirer and the guarantor at the given addresses.	Issue Invoice			issue the termination letter
61 – 90 days	- Phone call to request for the outstanding payment. - In case the customer is reachable, the field collector will follow up with the hirer and the guarantor at the given addresses.	Issue termination letter to the hirer and the guarantor			Inform the customer regarding the gold redemption
91 – 120 days	- Phone call to request for the outstanding payment. - In case the customer is reachable, the field collector will follow up with the hirer and the guarantor at the given addresses. - Assign the task to the external debt collection company.	Collect the product back²		Prepare for the execution	-
121 – 150 days	- Phone call to request for the outstanding payment. - In case the customer is reachable, the field collector will follow up with the hirer and the guarantor at the given addresses. - Assign the task to the external debt collection company.	seize the product² / Evaluate for the execution			-
Over 151	- Request for the approval for the execution of the hirer, and the guarantor (case by case)	execution of the hirer, and the guarantor			-

Remarks: ¹ loan with vehicle registration book transferred / loan without vehicle registration book transferred (personal loan with vehicle registration book

² 30 days after the date the customer receives the termination letter, the company can apply for a return of the collateral and pay all outstanding amounts under the agreement

1.2.3.1 Target Customers

The Company provides credit services to (1) retail customers who are individuals with their own collateral and unsecured assets who have the ability to pay debts by being able to show evidence of monthly income and sufficient to pay installments to the Company. The Company's sales representatives and affiliates must be able to verify the identity of customers and guarantors (case-by-case) and assess the income from financial evidence as a reference and take pictures of the place of employment of the customers in order to evaluate the ability to repay the debt. The customer and/or the guarantor (case-by-case) must have supporting documents for loan approval, such as a copy of an ID card, a copy of house registration, a copy of evidence of salary, etc., and (2) juristic customers will be evaluated from the commercial registration certificate, company certificate, a copy of ID card, a copy of house registration and bank statement, etc. In addition, the authorized directors who can sign to bind the said company must sign to accept the burden as a guarantor.

Retail customers who are natural people of the Company. They can be divided according to the source of income, namely: (1) natural people who have a consistent income and have income certification documents such as government officials, company employees, etc., and (2) customers without income certification documents, most of which are business owners or self-employed, such as trading, farmers, employees, contractors, or taxi drivers, etc.

The juristic customers can be divided into groups of juristic persons that operate their own businesses such as rice mills, sugar cane plantations, etc. There are also groups that are juristic persons who provide transportation services, for example, a juristic person operating a business of transportation of chemicals, petroleum, construction materials, etc.

In the loan approval process, the Company focuses on the qualifications of the customers who want to apply for loans and supporting documents for loan applications of customers and

guarantors (case-by-case). The Company's retail customers are individuals with the following qualifications:

- Age between 20 - 65 years old (case-by-case)
- A person with legal profession with an income and ability to pay debts
- A primary registered address
- Able to provide a suitable guarantor that can take responsibility on behalf of the applicant, in case of problems (case-by-case)
- Ownership of asset used as collateral (case-by-case)
- Not being a prohibited person by the Company ("Blacklist") (case-by-case)
- Not a prohibited person of the database of bankruptcy cases and asset auction cases (case-by-case)
- Not being a person prohibited by the Anti-Money Laundering Office database (case-by-case)
- Not being a person who does not pass the criteria that the company Determined by checking credit history from the database of the National Credit Bureau Co., Ltd. ("NCB" or "Credit Bureau").
- Must be a person with Thai nationality

In addition, the target customers are classified by loan type as follows:

(1) Target Customers for Hire Purchase Loan of Electrical Appliance

The target customers of the hire purchase loan are (1) retail customers nationwide who want to purchase electrical appliances, household appliances, and mobile phone. with low installments and friendly service. Most of the customers are low-income earners and often do not have the opportunity to access loans from financial institutions and (2) customers are groups of entrepreneurs in the community, for example, grocery stores, restaurants, dormitories, etc. It also includes large entrepreneurs who need facilities for employees.

(2) Target Customers for Captive Finance

Dealer	Hirer
Dealer's target groups are leading machinery manufacturers and importers in various industries, for example, metal, publishing, large embroidery machine, automobile and electric vehicle industries, etc. As of September 30, 2022, the Company has entered into memorandums of agreements with 21 dealers.	Hirers are natural and juristic persons who are willing to buy machinery to run their business, which has been selected and recommended by a dealer who has signed a memorandum of agreement with the Company. The hirers are verified that they have the potential to operate a business by using the said dealer's machinery. However, the Company still has to proceed with loan approval according to the Company's criteria.

(3) Target Customers for Vehicle Loan (Rod-Tam-Ngoen)

Target customer group of vehicle loans are mostly natural persons who operate their own business or juristic customers in the transportation business for example, the business of transporting tools and equipment, food, rice, sugar cane or cement, etc., and customers who need liquidity in spending.

The customer will bring their own vehicle as collateral for the loan in order to receive funds to expand their business.

(4) Target Customers for Employee Welfare Loans (Debt Consolidation)

The target customers of employee welfare loans are customers who work in stable, reputable companies and have obligations to pay interest on a monthly basis from credit cards, cash cards, or personal loans, etc.

The customers are willing to pay off credit card debt, cash card, or such personal loans with funds from the Company in order to reduce the interest burden. The new interest rate of the Company will be lower interest rate than the interest rate of credit cards, cash cards, or personal loans.

(5) Target Customers for Gold Financing (Click2Gold)

The target customers of gold financing are customers who may not have much income and do not have much cash or want

to plan their spending carefully. They are willing to save assets to accumulate wealth in the long term through gold purchasing. Therefore they are willing to purchase gold in installments in order to reduce the risk of gold price fluctuations in each period.

1.2.3.2. Service Channels

The Company reaches a group of vehicle loan applicants “Rod-Tam-Ngoen” through sales representatives of the company's car loan business group are professional. This is the main strength of the Company because the sales representatives of the vehicle loans business of the Company are competent with service minded, customer-centric, and maintain ongoing customer relations.

Each sales representative of the Company does not have to be stationed at the branch but will travel to see customers, both natural and juristic persons that the Company's sales representatives considered that there is an opportunity to use the loan service with the company (Walk in) through analysis and referrals from existing customers. The sales representatives of the vehicle loan service department can be divided into regions as follows:

The Number of Sales Representatives in the vehicle loan by region	As of December 31, 2022	
	Sales Representatives (Person)	%
North	137	37.3
Middle	88	24.0
Northeast	58	15.8
South	84	22.9
Total	367	100.00

In addition, as of December 31, 2022, the Company has a good relationship with more than 1,859 dealers and agents located in various provinces who have registered as business partners with the Company. The sales representatives of the Company are responsible for contacting and maintaining relationships with these operators. Since used vehicle dealers and brokers scattered in different provinces are significant partners in introducing loan products to customers.

The Company has a total amount of new vehicle loans to loan applicants through such channels of 31.34% and 36.03% of the total new hire purchase loans in 2021 and 2022, respectively.

The Company also conducts the business of providing hire purchase loans for home and commercial appliances for loan applicants through branch networks and franchise branches of companies in the group. As of December 31, 2022, there are more than 733 branches throughout all regions of Thailand.

1.2.3.3 Pricing Policy

The interest rate and fee for each type of loan must not exceed the rate stipulated by law for each product. The important factors that the company used to determine the interest rate are the type and maturity of the collateral, type of service, installment period, ability to pay debts, verification of customer and guarantor qualifications (case-by-case), company's financial cost including considering interest rate trends of other operators in the industry. However, the Company has no policy to compete in interest rates and fees. The determination of the interest rate will be under the condition that the company must be profitable and able to compete with other operators. In addition, the Company does not have the policy to set interest rates for loans that are lower than the Company's financial costs.

The Company has determined the conditions for other loan services apart from interest rates as follows:

Conditions for Loan Services ¹	Electrical Appliance Loan	Captive Finance	Vehicle Loan (Rod-Tam-Ngoen)	Debt Consolidation	Gold Financing (Click2Gold)
Loan Limit	no specified limit/person	no specified limit/person	Not over 70 million baht/person	Not over 2 million baht /person	-not specified-
Duration	Up to 48 installments for household appliances and up to 72 installments for commercial appliances	Not over 60 installments	Not over 72 installments	Not over 72 installments	Not over 24 installments
Down payment or Loan to Value Ratio	Up to 100% of the cash price	Up to 100% of the cash price	c.a. 85% of the collateral asset	-no collateral-	Depends on the gold price, the down payment rate is 1,000 baht for gold with 1 baht and 700 baht for the gold less than 1 baht.

Remarks: ¹ Conditions for providing loan services in general cases by evaluating conditions, the conditions may be different from the table above depends on the qualifications and ability to repay debt of the loan applicant and the quality of the collateral (if any).

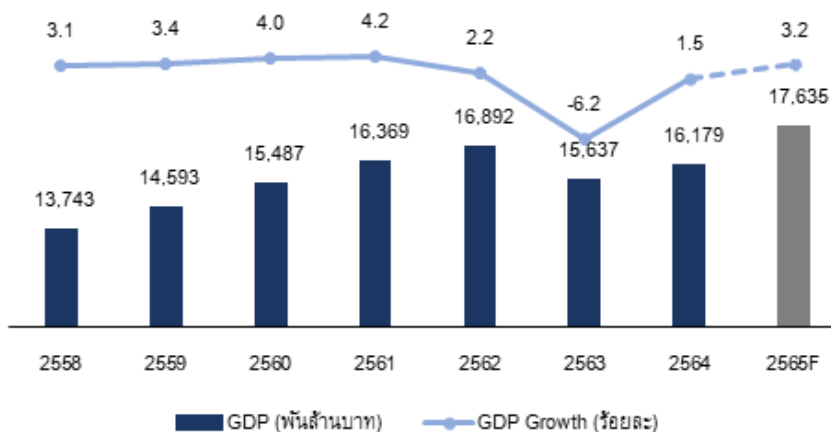
1.2.3.4 Industry and Competition

(1) Overview of Thai Economy

The Thai economy in 2022 is expected to expand by 3.2 percent, accelerating from 1.5 percent in 2021. Inflation is expected to be 6.3 percent, and the current account deficit is 3.6 percent of GDP. The Thai economy in 2023 will expand in the range of 3.0 - 4.0 percent. It is supported by the recovery of the tourism sector, continuous expansion of domestic demand in both consumption and investment, and the expansion of production in the agricultural sector. The consumption in the private sector is expected to grow by 3.0 percent, while the investment in the private and public sectors will grow by 2.6 and 2.4 percent, respectively. The export value

in US dollars increased by 1.0 percent. The average inflation was in the range of 2.5 - 3.5 percent, and the current account balance was a surplus of 1.1 percent of GDP.

The main supporting factor is the improvement in private sector consumption, and the tourism sector, including the export of goods, continued to expand. The value of exports in US dollars is expected to grow by 7.9 percent, and private consumption and investment will grow by 4.4 and 3.1 percent, respectively. The average inflation will be in the range of 6.3 - 6.8 percent, and the current account had a deficit of 1.6 percent of GDP (Source: Office of the National Economic and Social Development Council, November 21, 2022)



Source: Office of the National Economic and Social Development Council as of November 21, 2022.

Estimate results	2560	2561	2562	2563	2564	2565
1) Economic growth rate (%)	4.0	4.2	2.2	(6.2)	1.5	3.2
2) The growth rate of consumption						
- Private sector Consumption (%)	3.1	4.6	4.0	(1.0)	0.3	4.4
- Public sector Consumption (%)	0.1	2.6	1.6	1.4	3.2	(0.2)
3) Investment growth rate						
- Private sector investment (%)	2.9	4.1	2.6	(8.2)	3.3	3.9
- Public sector investment (%)	(1.4)	2.8	0.1	5.1	3.8	(0.7)
4) Export volume of goods and services (%)	5.6	3.4	(3.0)	(19.7)	10.4	8.2
5) Imported goods and services (%)	7.3	8.3	(5.2)	(14.1)	17.9	6.8
6) Current account balance to GDP (%)	9.6	5.6	7.0	4.2	(2.2)	(3.6)
7) Inflation - Consumer Price Index (%)	0.7	1.1	0.7	(0.8)	1.2	6.3

Source: Office of the National Economic and Social Development Council (as of November 21, 2022) Office of the National Economic and Social Development Council (as of November 21, 2022)

The Thai economy in 2023 tends to continue to improve from the year 2022, mainly supported by the recovery of the tourism sector, continuous expansion of domestic demand in both consumption and investment, and the agricultural production.

However, the economic recovery is still at risk and constraints from volatility and the slowdown of the global economy, the financial conditions of households and businesses due to high debt obligations, and the risk of the new variant of COVID-19 spreading which may cause Thai economy to grow lower than expected.

Contributing factors

(1) Recovery of the tourism sector

According to the continuous demand for traveling tends to return to normal after opening for international travel both in Thailand and the country of origin of tourists since the middle of 2022 together with the trend of increasing flights from abroad. As a result, in October 2022, 1,437,841 foreign tourists traveled to Thailand or 46,382 people per day. This is the highest level since the outbreak. The daily number of tourists entering Thailand increased from 17,387 to 39,218 people per day in the second and third quarter, respectively. Meanwhile, China is expected to gradually drop the COVID-19 measures, and regulations and open for international travel in the last quarter of 2023, resulting in foreign tourists traveling to Thailand. It is expected to be significantly higher. This is aligned with the United Nations World Tourism Organization (UNWTO) forecast, which assesses that the number of global tourists in 2023 will be around 1 billion, representing a 71% increase compared to 2022. In addition, domestic tourism is likely to return to normal and is a supporting factor for the recovery of the tourism sector of Thailand.

(2) Expansion of investment in both private and public sectors

In 2023 the private sector investment tends to continue to expand, reflected in the total amount of applications for investment promotion in 2021 with a total value of 636 billion baht, which is recorded as the highest, while in the first 9 months of the year 2022, the number of applications for investment promotion remained at a high level of 439 billion baht, and a total of 502 billion baht and 357 billion baht are approved for investment promotion and issuance of investment promotion certificates representing an increase of 43.1% and 57.0% compared to the same period of the previous year, respectively. It is expected that the investment promotion trend in 2023 will continue to expand under the five-year investment promotion strategy (2023 - 2027) which will be effective from January 3, 2023. It corresponds to the value of imports of raw materials and intermediate products excluding energy products. The imports continued to expand by 4.4 percent, while imports of raw materials and intermediate goods grew by 5.5 percent, with

a high import value of goods such as machinery, electronic parts, and chemicals. In addition, investment in the private sector is likely to be supported by the progress of public-private partnership (PPP) projects, as well as the tendency to relocating of the production bases of large operators that invested in many major industries such as electric vehicles and electronics parts. The investment in the public sector in 2023 tends to expand according to the investment budget for the fiscal year 2023 of 695 billion baht compared to 613 billion baht in the fiscal year 2022 which is an increase of 13.5 percent. In addition, the investment of the public sector is also supported by the investment of state-owned enterprises in major infrastructure projects which are expected to progress in 2023, such as the double-track railway project Khon Kaen - Nong Khai, Purple Line MRT Tao Poon - Rat Burana, MRT Orange Line Project: western section from the Cultural Center - Bang Khun Non, Rama 3 Expressway Project, Dao Khanong-West Bangkok Outer Ring Road and the project transmission and distribution system development Phase 2 of the Metropolitan Electricity Authority.

- (3) The ongoing expansion of domestic consumption aligns with the level of economic activity and the consumption behavior tends to recover and get back to normal because the outbreak situation has gradually dropped after the Ministry of Public Health issued an announcement designating COVID-19 as a dangerous communicable disease as well as the higher consumer confidence index that view the overall economic situation in October 2022. It was at 47.7 and the fifth consecutive month of increase and considered the highest level in the last 39 months.

In addition, there are supporting factors from the improvement of the income base in the household and business, especially the growing tendency in the agricultural and tourism sector. Moreover, in the third quarter of 2022, the labor market has recovered to the level close to the pre-pandemic period, reflected in the unemployment rate decrease to 1.23 percent, compared to 1.93 percent and 1.10 percent in the same quarter of the previous year and 2019, respectively.

This aligns with the number of employed persons increased to 39.57 million, compared to 37.71 million in the same quarter last year. This is the highest level in history.

- (4) The positive growth trend in the agricultural sector

The trend of the expansion of agricultural products with significant supporting factors from the sufficient amount of water for cultivation. This can be seen from the amount of usable water in the main dams of the Chao Phraya River Basin (Bhumibol Dam, Sirikit Dam, Khwae Noi Bamrung Daen Dam, and Pa Sak Jolasid Dam), at a level of 14,056 million cubic meters, the data as of October 31, 2022. It is higher than 83.3

percent compared to the same period last year. Such factors resulted in the expansion in agricultural production in the 2023/2024 crop year.

Limitations and risk factors

- (1) Risks of the slowdown of the global economy and volatility in global financial markets more than expected

The risks must be closely monitored and evaluated as follows;

(1) Major central banks raised the interest rate to reduce inflationary pressures which is still high and resulted in tight monetary policy and higher loan costs that may lead to a slowdown of the economy and risk exposure that the economy of some countries will be in a more recession. At the same time, the direction of monetary policy begins to differ between the main economies and other economies. This may cause volatility in the monetary market, capital market, and exchange rate to have a serious impact on countries with fragile economic stability and a high proportion of foreign currency debt; **(2) the persistence of the geopolitical conflicts, especially,** the conflict between Russia and Ukraine could lead to the implementation of sanctions and additional countermeasures. Especially if it leads to an abrupt suspension of natural gas imports from Russia and the inability to supply energy sources from other countries or accumulate a sufficient amount of inventory (Stock) together with the problems between the United States and China. Especially in the Taiwan case which could lead to more severe trading and investment measures that will exacerbate the problems in the global production chain and **(3) the tendency of the recovery of the Chinese economy slower than expected.** Although the Chinese government is likely to gradually drop COVID-19 control measures sequentially since the end of 2022. However, there is still a risk under the situation of the domestic outbreak severely returning. This could lead to the resumption of strict COVID-19 control and lockdown measures resulting in a recovery in demand

domestically being slower than expected.

At the same time, the Chinese economy is still facing debt problems in the real estate sector including U.S. trade and investment barriers due to tensions between China and Taiwan, high levels of household and business debt amid rising interest burden, and high inflationary pressures.

The proportion of debt that does not generate income, (Non-Performing Loans (NPLs)) and the ratio of Special Mention Loans (SMLs) to total loans of small and medium enterprises (SMEs) in the second quarter of 2022 remained high at 7.6 percent and 11.7 percent, compared to 4.5 percent and 3.2 percent in the same quarter of 2019, respectively.

Similarly, the ratio of household debt to GDP in the second quarter of 2022 stood at 88.2 percent, compared to 78.8 percent in the same quarter of 2019. The high level of the debt burden of the business sector and the household sector will constrain the recovery of both domestic demand and debt serviceability during the rising interest rates.

Especially SMEs, and low-income households including debtors who have been suspended under the debt suspension measure to support those affected by COVID-19 which is coming to an end.

- (2) The risk of the return of the COVID-19 epidemic

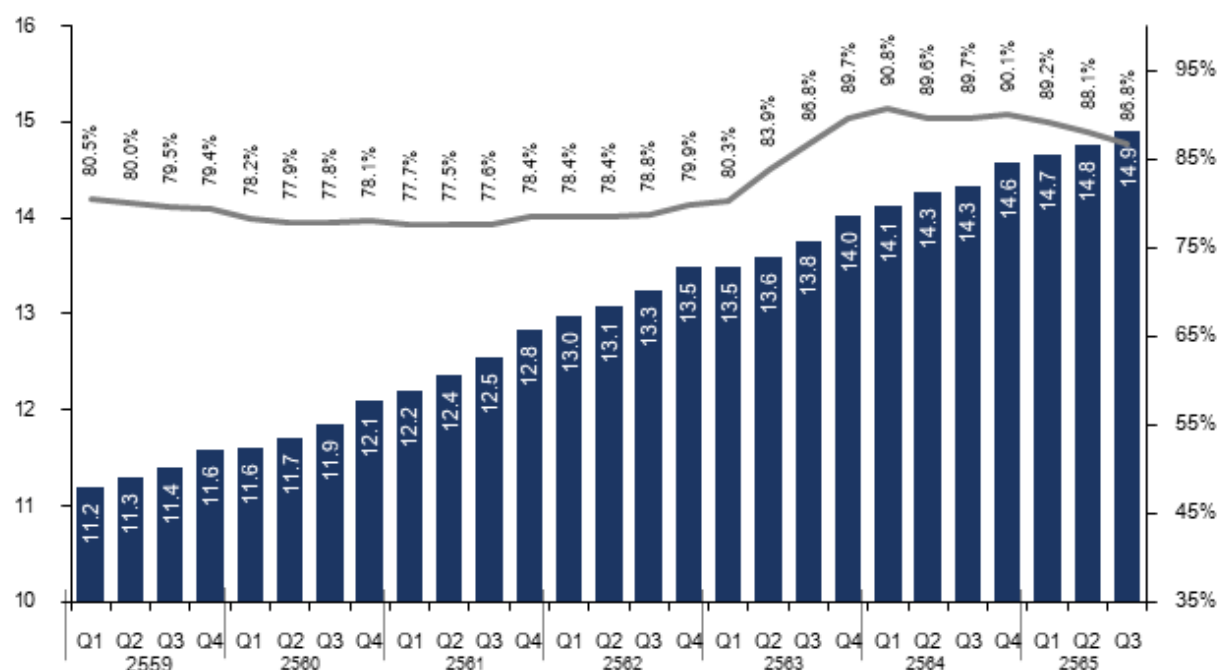
Although the situation of the COVID-19 outbreak both domestically and internationally continued to recover and the distribution of vaccines to people has progressed accordingly. However, there is still a mutation risk of the COVID-19 virus, such as Omicron substrains BQ.1, BQ.1.1, BA5, BN1, and XBB, as well as the highly potent hybrid Deltacron XBC that evades immunity from infection and vaccination. It tends to spread faster and more severely than previous strains of the COVID-19 virus. In addition, the vaccination rates of low-income countries result in the chance of the COVID-19 virus will spread widely. Therefore, there is the risk that the virus can mutate in the future.

The situation of loans to households in Thailand

According to information from the Bank of Thailand, loans to households or household debt in Thailand continued to increase from 11.58 trillion baht or 79.4 percent of GDP in 2016 to 14.90 trillion baht or 86.8 percent of GDP in the third quarter of 2022. It is equivalent to a compound annual growth rate (CAGR) of about 4.1 percent, indicating that household debt in Thailand is at a high level and tends to increase

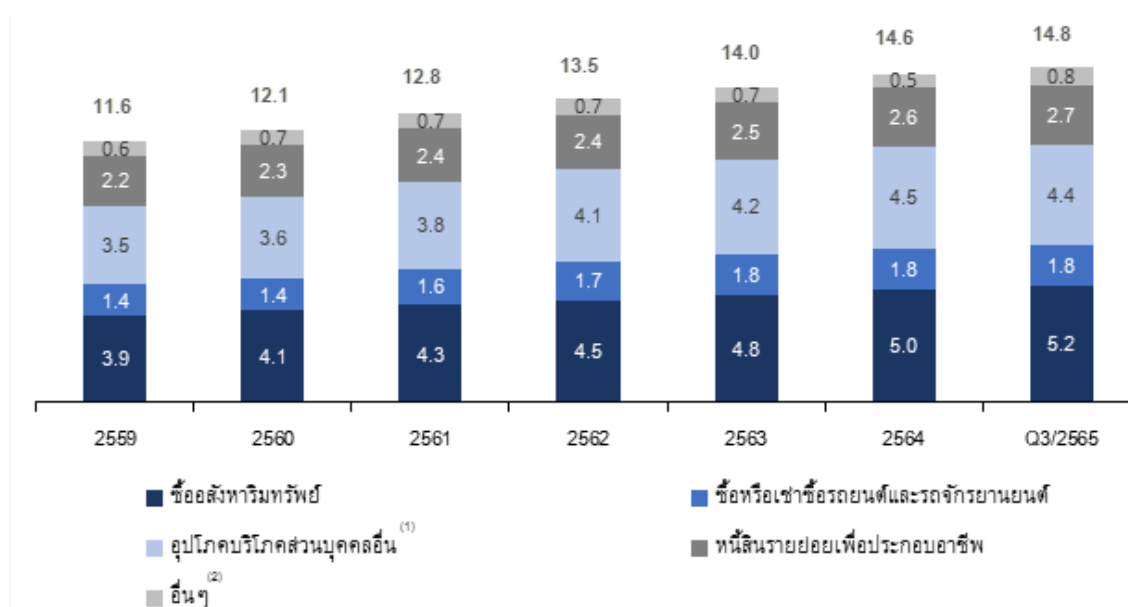
As of the end of the third quarter of 2022, the top 3 largest proportions of household debt consisted of (1) real estate purchase debt which is equal to 5.2 trillion baht or 34.7 percent of total household debt (2) own business debt which is equal to 2.7 trillion baht or 18.1 percent of total household debt. Finally, (3) Debt for the purchase or hire purchase of cars and motorcycles which is equal to 1.8 trillion baht or 12.1 percent of total household debt

Figure 1: Loans to households (trillion baht) and the ratio of household loans to GDP (%)



Source: Bank of Thailand

Figure 2: Loans to households classified by purpose (million baht)



Remark: 1 Consists of education liabilities, other consumer liabilities and credit card debt, and personal debt under the supervision of the Bank of Thailand.

2 Consists of margin loans and loans for unclassifiable purposes

Source: Bank of Thailand

According to the latest household loans data in the third quarter of 2022, the outstanding balance of Thai household debt as of the third quarter of 2022 rate is 3.9 percent, slightly less than 4.1 percent in the third quarter of 2021 compared with the size of the more economic expansion. As a result, the ratio of household debt to GDP continued to decline to 86.8 percent as of the third quarter of 2022 from 89.7 percent.

As of the third quarter of 2021, however, the aforementioned household debt ratio is still high. It is one of the structural problems that pressure household consumption and the economy as a whole.

The growth of the value of economic activities is driven by high inflation rather than the actual recovery of the economy. The immediate problem for indebted Thai households remains to manage their expenses to be conformed with household income/income to maintain the ability to repay debt.

Although the problem of high household debt that Thailand faces is not different from other countries, due to the profound impact of COVID-19 causing the Thai household sector to have financial weakness. Therefore, solving the problem of household debt, which is one of the weak points of the Thai economic structure, depends on the economic recovery conditions that must be continued and time-consuming.

Household debt is linked to economic and financial problems at the household level and many people the problem of being able to earn a living, which will have the effect of slowing down the incurring of new debt and resolving the existing high level of debt that affects the quality of life and living.

One of the issues in the new landscape policy of the Thai financial sector of the BOT is a significant part in supporting household debt problems; to expand the scope of supervision of retail loan providers in activity-based to cover other groups of entrepreneurs who are household loan providers. This is to ensure that people are protected together with macro-level stability.

While the loan service provider will follow a responsible lending guideline by ensuring that the debtor has enough income to live on and no undesirable debt-incurring behavior, such as borrowing to refinance existing debt. In addition, changes in the household debt structure since the end of 2016 reflects the proportion of credit card debt and personal loans increased from 6.0 percent in 2016 to 8.0 percent in 2021, in contrast to the proportion of own business loans that gradually declined from 19.3 percent in 2016

to 8.0 percent in 2016 and 18.1 in the year 2021, the aforementioned picture should reflect that there may be criteria to support reducing unnecessary debt incurred by households and help increase access to credit to households who are in debt for their careers, etc. Kasikorn Research Center, therefore, estimates that Thai household debt in 2022 may slow down to the range of 86.5 - 88.5 percent per GDP (Source: Kasikorn Research Center Date April 1, 2022)

Personal loan and hire purchase loan industry

The personal loan and hire purchase loan industry grew and aligned with the growth of the automobile and motorcycle industry. In the past year (2022), car and motorcycle sales continued to grow, especially in Bangkok and the middle part of Thailand which grew higher than in other provinces. This is consistent with the overall economic recovery and the recovery of the COVID-19 outbreak situation

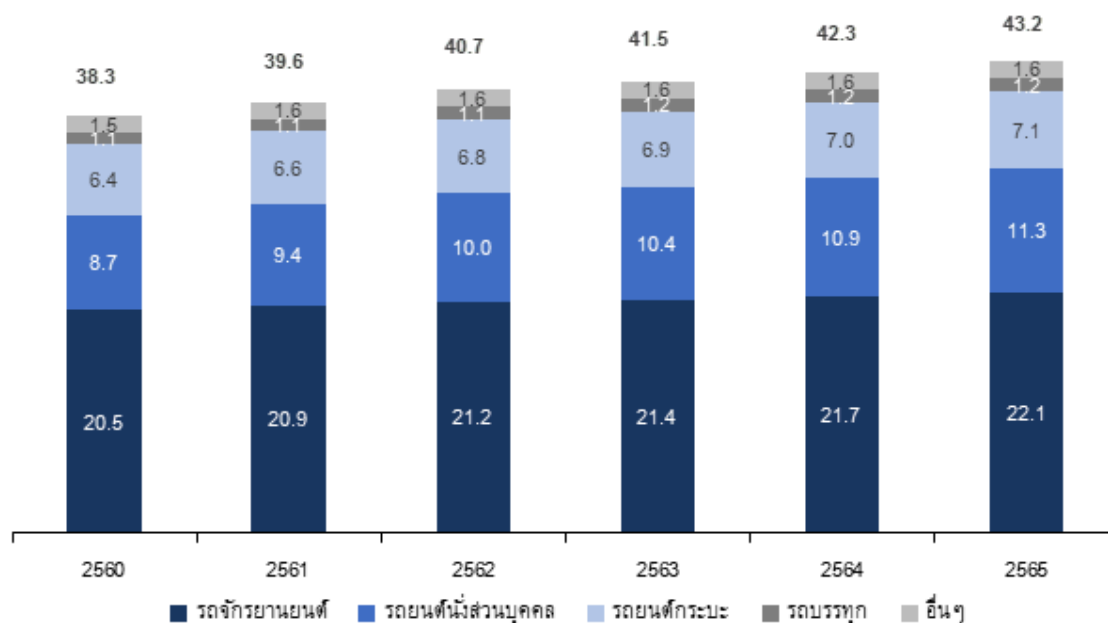
Especially in the second half of the year. This builds confidence among middle-income and high-income consumers. However, in the next phase, there are many supporting factors and challenges that will affect the consumption of automotive products. The conclusion of the entrepreneurs' interviews is that the key factors that will support the growth of automotive sales in 2023 are the domestic economy continuing to recover results in more employment, most labor income having a better direction conformed with the launch of new models in 2023 and the increasing popularity of electric cars.

However, the challenging factors that need to be followed are the delayed delivery of cars, especially electric cars that rely mostly on imports from China, adjustment of the hire-purchase business as well as purchasing power in vulnerable groups from the higher cost of living and household debt.

Especially the low-income groups that are mostly scattered in the region. This may affect the demand for automotive consumption in 2023 (Business Trend Report Q4/2022 by Bank of Thailand).

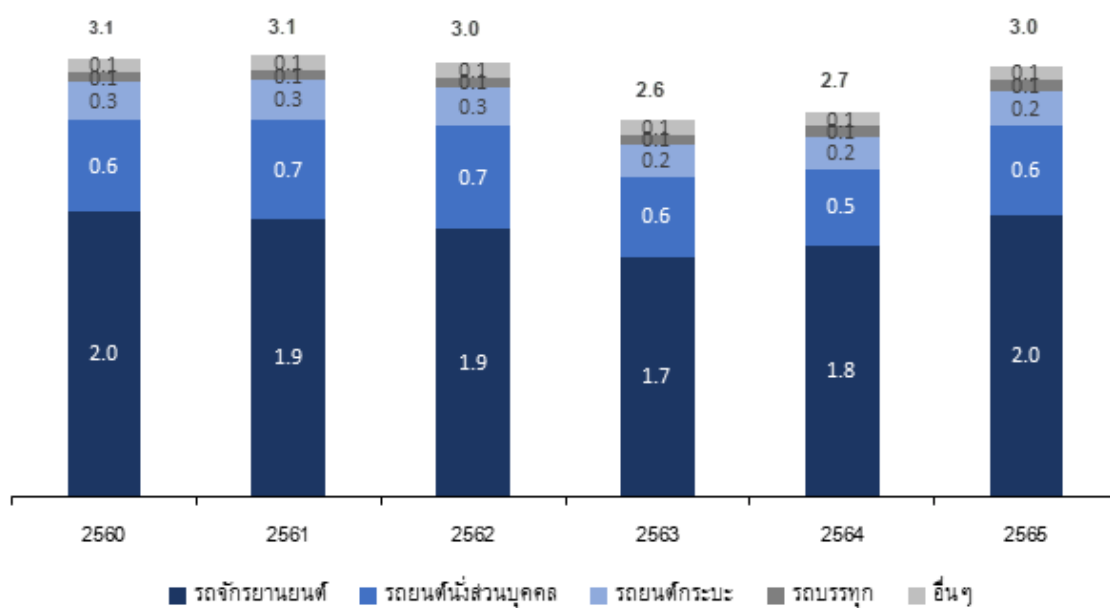
According to information from the Department of Land Transport, the cumulative number of registered cars in the country was 43.2 million cars at the end of 2022, while the number of newly registered cars of all types was 2.0 million cars at the end of 2022.

Figure 3: Cumulative number of registered



Source: Department of Land Transport

Figure 4: Number of newly registered vehicles (million vehicles)



Source: Department of Land Transport

According to information from the Bank of Thailand, the Used Vehicle Price Index ("UVPI") is directly linked to the stability and risk to the performance of auto financing businesses because UVPI is a price index that reflects the value that creditors will receive if the car is seized and auctioned. However, the change in used car

prices is seasonal, namely, prices tend to rise at the beginning of the year and tend to drop toward the end of the year, reflecting the rushed car sales behavior towards the end of the year. In the case of selling cars in the following year, the evaluated price of that car model will be reduced.

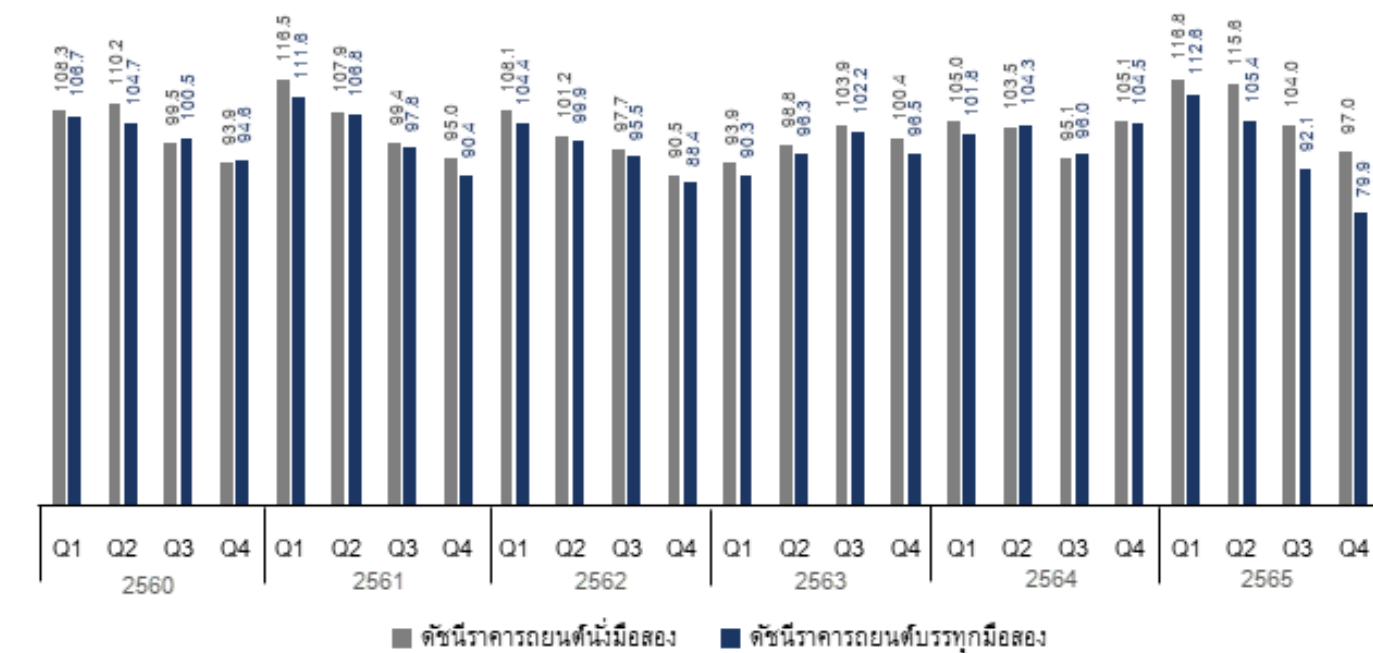
The second-hand car price index in 2022 was still good direction from 2020-2021. The overall sales trend of the used car market in 2022 is expected to increase in the used car market in a range of 3-5%, or the car trading volume of about 6-7 hundred thousand units, resulting in an outstanding amount of used car loans has an opportunity to expand by about 5-7% at about 300 billion baht (as of Q1/2022), with supporting factors used car prices to improve such as the demand for cars, car conditions and the supply of cars to the market decreased. Some banks have the policy to increase the proportion of used car loan portfolios to increase the return on loans. There is also an assessment that the economic situation and overall household income in 2022 may have passed its lowest period with signs of a better recovery. However, the inflationary pressure accelerates thus affecting the purchasing power of households.

Even though the pressure is on the ability to buy a first-hand car but it has become a factor that still supports the used car market

and the demand for used car loans to sustain the growth. The key environmental factors that affect the used car finance business in 2022 are as follows: 1. Used car price index in 2022 has a better direction from 2020-2021. 2. Online sales channels of the used car market helps reduce the cost of changing hands. 3. The trend of bad debt or NPL is improving from 2020-2021. However, there is still a need to follow up with the SM1 debtors that may flow into additional bad debt, and 4. Signs of an interest rate hike policy in the second half of 2022.

Apart from that there are also issues to follow up on; a summary of the amendment to the leasing criteria of the Office of the Consumer Protection Board (OCPB), especially regarding the interest ceiling, debt repayment, and discount on interest from closing the contract before maturity. This may lead to the risk of not receiving the expected return. (Kasikorn Research Center, 22 June 2022)

Figure 5: Used Vehicle Price Index



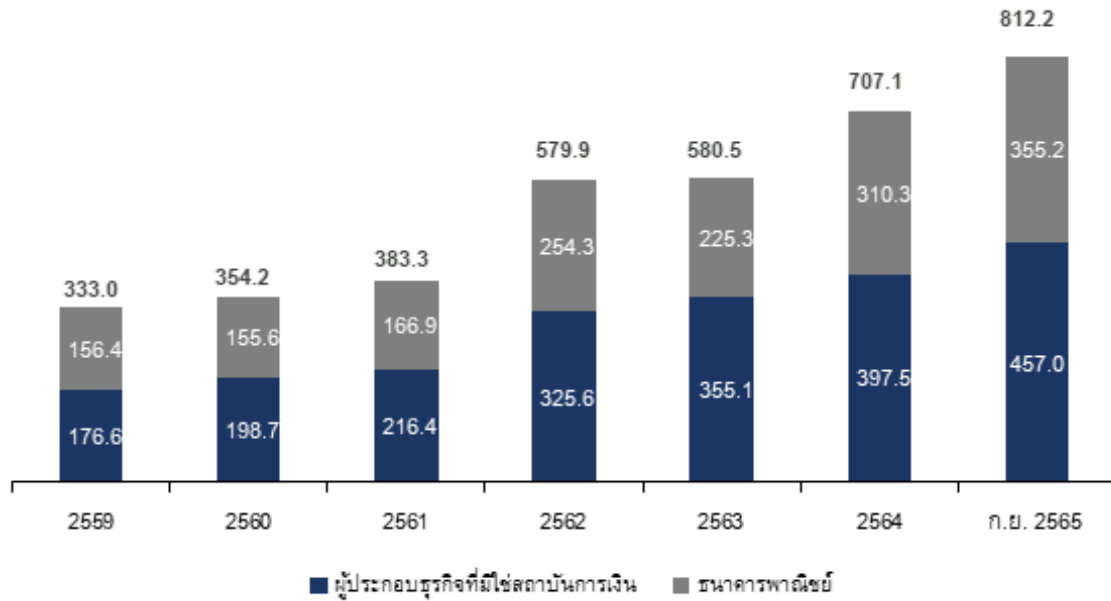
Remark: The calculation of all the numbers adjusted for the year 2015 to be equal to 100.

Source: Bank of Thailand

According to information from the Bank of Thailand, the value of personal loans under supervision steadily increased from 354.2 billion baht or 12.7 million accounts in 2017 to 812.2 billion baht or 21.7 million accounts in 2022, representing a CAGR of 19.1% per year and 11.9% per year respectively.

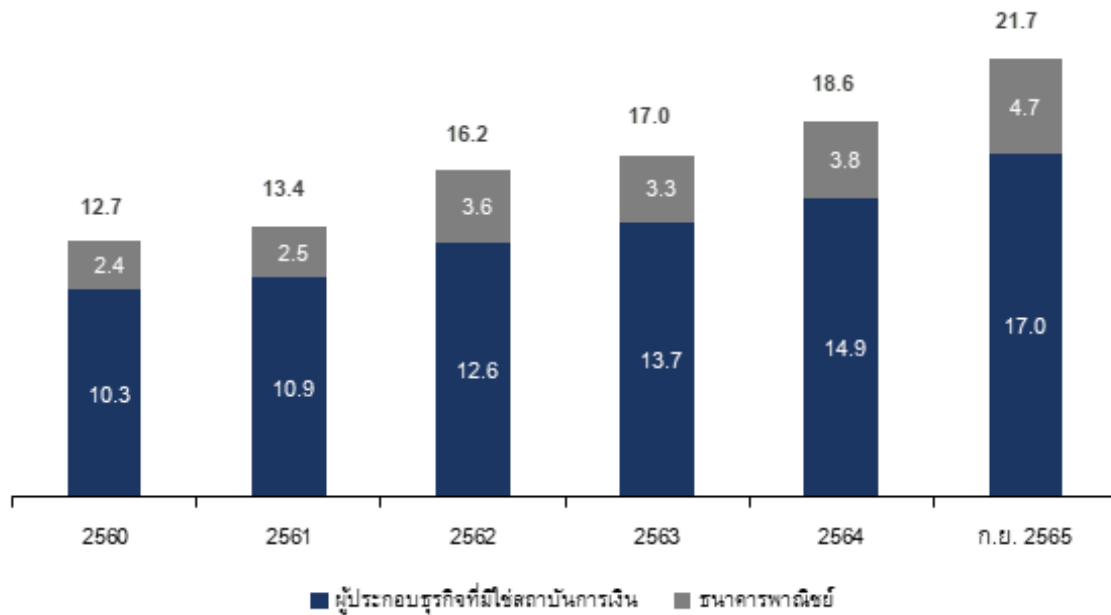
During the year 2017 – the third quarter of 2022, most business operators are non-financial institutions representing 56.1 - 56.3 percent of the total personal loan under supervision or 77.8 - 78.4 percent of the total personal loan under supervision account.

Figure 6: Value of personal loans under supervision (billion baht)



Source: Bank of Thailand

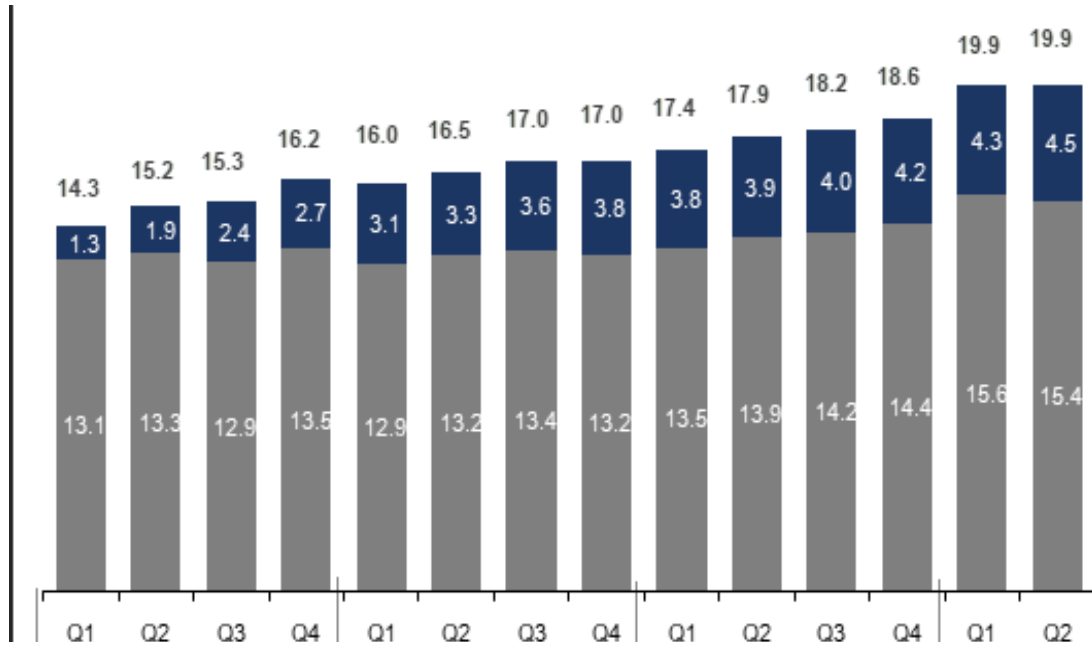
Figure 7: Number of personal loans under supervision



Source: Bank of Thailand

Loan with car registration as collateral increased steadily from 124.2 billion baht or 2.7 million accounts in 2019 to 226.6 billion baht or 21.7 million accounts in the third quarter of 2022 or equivalent to a compound annual growth rate (CAGR) of 27.2 percent and 23.2 per year respectively.

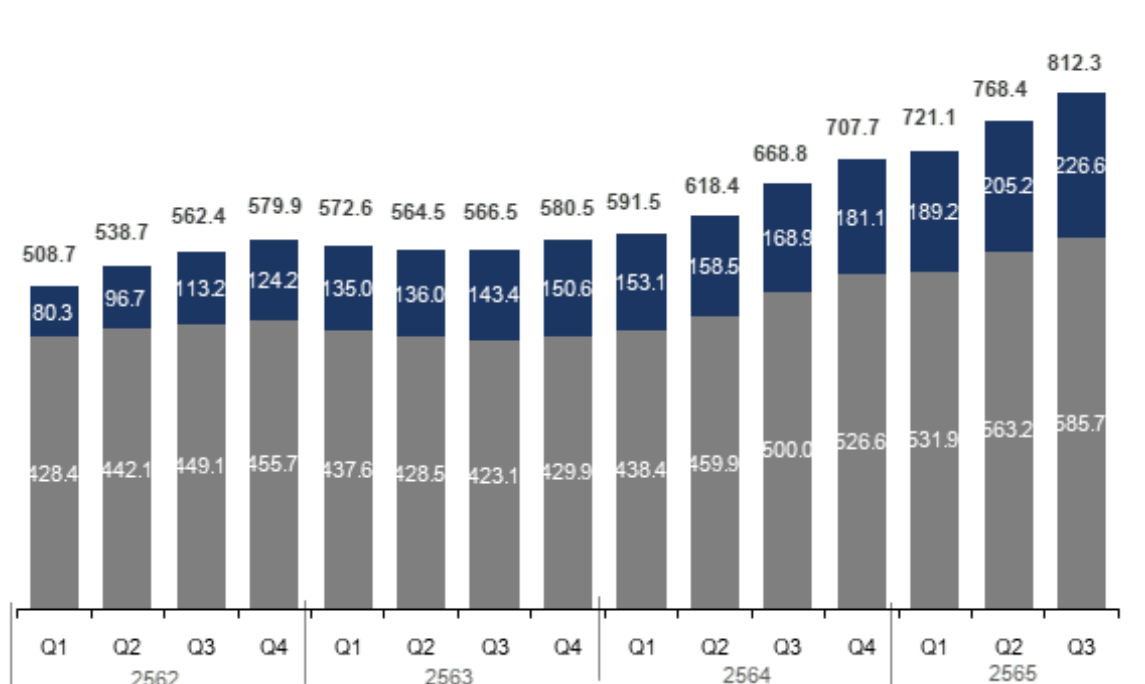
Figure 8: Value of personal loans under supervision (billion baht) classified as collateralized loans



Remark: The Bank of Thailand discloses personal loan information under supervision, classify loans with vehicle registration as collateral from February 2019

Source: Bank of Thailand

Figure 9: Number of personal loans under supervision (million accounts) classified as collateralized loans



Remark: The Bank of Thailand discloses personal loan information under supervision, classify loans with vehicle registration as collateral from February 2019

Source: Bank of Thailand

1.2.3.5 Competition

The Company is a provider of secured and unsecured loan services that are not financial institutions which has a lot of competition with other providers in the industry. Most of them are hire purchase loan providers, loan providers with vehicle registration as collateral who obtain a license to conduct personal loan business under supervision from the Bank of Thailand.

The Company focuses on providing loans with vehicle registration as collateral and hire purchase loans with vehicle registration books transferred with trucks as collateral. There are direct competitors who are major non-financial providers in the same industry as the Company and a listed company on the stock exchange, namely, Muang Thai Capital Public Company Limited (“MTC”) Ngern Tid

Lor Public Company Limited (“TIDLOR”) Ratchthani Leasing Public Company Limited (“THANI”) Srisawad Corporation Public Company Limited (“SAWAD”) Heng Leasing and Capital Public Company Limited (“HENG”) and Star Money Public Company Limited (“SM”).

In addition, the Company also provides hire purchase loans for the purchase of electrical appliances which may still not be any direct competitors listed on the Stock Exchange of Thailand that provide the loan service similar to the Company. However, there are competitors in the industry; commercial banks that partly provide some similar loan services, small entrepreneurs who have not listed companies on the stock exchange, etc.

Summary of comparative data of examples of non-financial loan services companies that compete with the Company

Data as of 30 September 2022	SGC	MTC	TIDLOR	THANI	SAWAD	HENG	SM
Hire purchase receivables and loan receivables - net (million baht)	14,668.72	111,915.44	72,946.54	51,629.22	50,830.09	10,639.87	2,220.55
Types of loans services							
– Hire purchase	✓	✓	✓	✓	✓	✓	✓
– Loan with vehicle registration book as collateral	✓	✗	✗	✗	✗	✗	✗
– Welfare loan	✗	✓	✓	✗	✓	✓	✗
– Personal loan	✗	✓	✓	✗	✓	✓	✗
– Nano finance	✗	✓	✗	✗	✓	✓	✗
– Land and home loan	✗	✗	✓	✗	✗	✗	✗
– Cash card							
Type of collateral	✓	✓	✓	✓	✓	✓	✓
– Private car	✗	✓	✓	✗	✓	✓	✓
– Motorcycle	✓	✓	✓	✓	✓	✓	✓
– Truck	✗	✓	✓	✗	✓	✓	✓
– Agricultural vehicle	✗	✓	✓	✗	✓	✓	✓
– Home and Land	✗	✓	✗	✓	✓	✓	✓
– Other types of vehicles							
Total number of employees	308	9,5131	4,2591	220 ¹	5,343 ¹	1,475 ¹	365
Agent and dealer	1,721	N/A	5,1321	N/A	N/A	5,100 ¹	N/A
No. of branches	26 branches	6,475	1,484	N/A	4,9081	5291	85
Ratio of non-performing loans to total loans (%)	3.68	2.28	0.92	2.33	2.46	3.03	4.48

Source: The Company and the annual registration statement, financial statements and investor presentation documents of Muang Thai Capital Public Company Limited, Ngern Tid Lor Public Company Limited, Ratchthani Leasing Public Company Limited, Srisawad Corporation Company Limited Public Company Limited and Heng Leasing and Capital Public Company Limited and Star Money Public Company Limited.

Remark: 1 Data as of December 31, 2021

1.2.4 Procurement of Products and Services

In the business of loan service, finding a source of funds for loan services is significant. Currently, the main source of funds of the Company is from the equity of shareholders. The details of the sources of funds can be summarized as follows:

Remark: Adjusted to include loans from major shareholders as if they were equity of shareholders

As of December 31, 2022, the Company's proportion of loans from financial institutions was 0.40 percent of total funding sources and the source of funds is from the equity of the shareholders accounting for 99.60 percent of the total sources of funds. Most of the loans of the Company are loans from the parent company, with approximately 65.75 percent of all funding sources. This is in line with the continuous growth of the customer base of the Company.

The Company has the policy to find funding sources in accordance with the objectives of the use. In addition, after the initial public offering, the Company will have more funds from the equity of shareholders, resulting in a decrease in the debt-to-equity ratio. As a result, the Company is able to receive loans from financial institutions for more expanding the loan value of the Company in the future.

Apart from becoming a listed company results the Company

has more options for financing both from loans from financial institutions and includes the issuance of debt instruments or equity instruments to support the business growth in the future.

1.2.5 Research and Development

The company has a plan for improving the internal operating system by inventing and developing information technology systems that will contribute to the analysis of credit information of customers applying for loans quickly and accurately. The Company expects to have clear research and development results by 2023.

1.2.6 Undelivered work

- None -

1.2.7 Business Assets

1.4.1 As of December 31, 2022, the main fixed assets used in the business of the Company consists of rental space for the head office space, cars, office equipment, leasehold improvements and equipment and right-of-use assets as shown in the Company's financial statements.

Asset of the Company	Net Book Value as of December 31, 2022 (million baht)	Ownership	Obligation
Leasehold improvement, furniture and office equipment and computer and equipment	21.47	Owner	-None-
Right-of-use assets consist of space rental agreements and car lease agreement	18.94	Lease Agreement	-None-
Total	40.41		

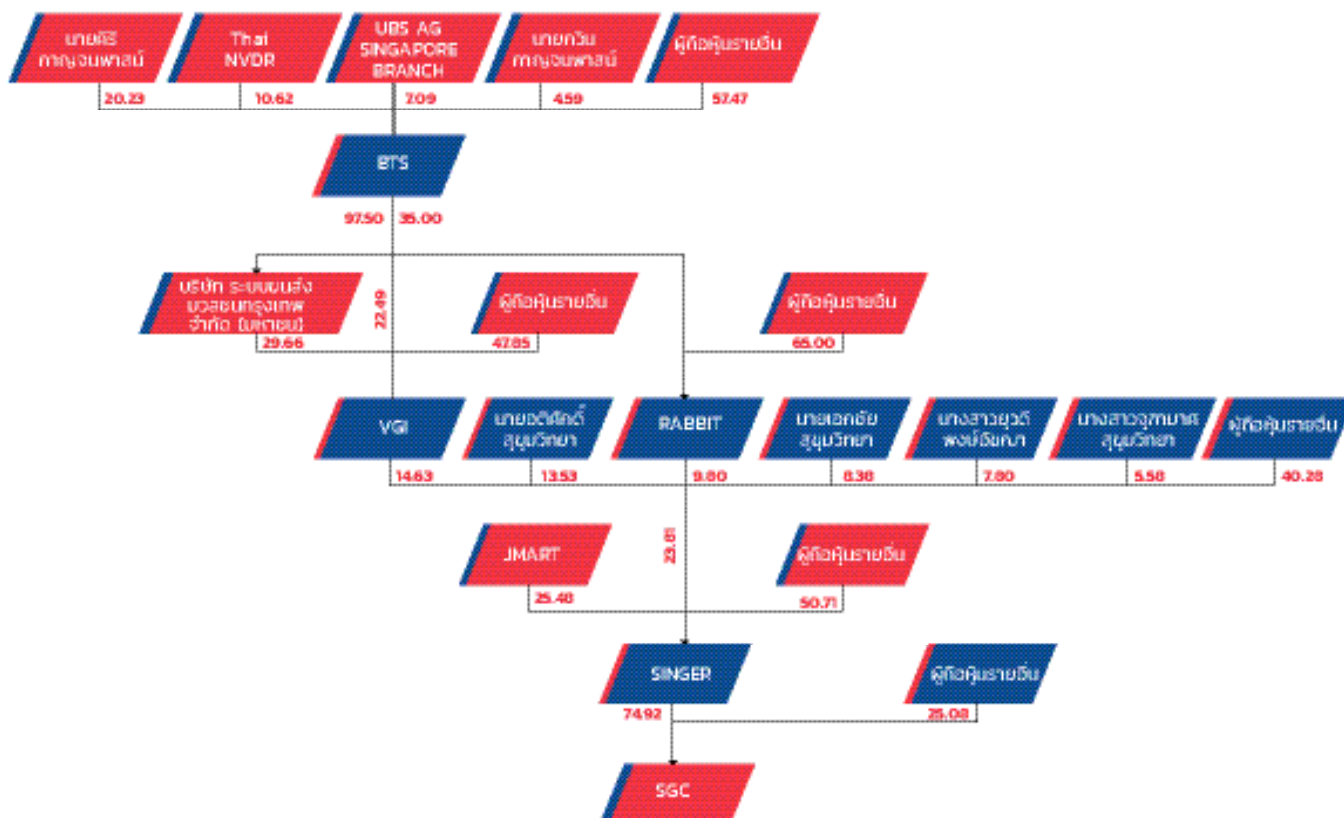
1.4.2 Intangible assets include software and utilization rights under agreements. The value is 6.27 million baht.

1.4.3 1 significant trademark and 2 trademarks are under the application process.

Trademark	Registration No.	Description	Registered Date	Expiration Date
	191101875	Category 36, providing hire purchase loans, open credit or loan.	Mar 2, 2017	Mar 1, 2027
Trademark	Request No.	Description	Date of Submission	Remarks
	220121054	Category 36, loan guarantees, providing loans and hire-purchase loans services, financial consulting for hire purchase loans.	June 16, 2022	กำหนดรับเข้าสู่กระบวนการพิจารณา 7 ส.ค. – 16 ส.ค. 66
	220121054	Category 36, provides hire purchase loans, installment loans, providing loans and credits financial, consulting financial services.	June 16, 2022	Request denied and pending appeal

1.3 โครงสร้างการถือหุ้นของบริษัทฯ

ณ วันที่ 31 ธันวาคม 2565 บริษัทฯ มีโครงสร้างผู้ถือหุ้นโดยมีรายละเอียดตามภาพด้านล่าง



1.1.3 relationship with major shareholders

The loan service business of the Company is part of the affiliated business of Jay Mart Public Company Limited (“JMART” or “indirect major shareholder”), which is a holding company or investment in other businesses under the main company is Jay Mart Mobile Co., Ltd. (“JMOBILE”) which is the core company. The major shareholder of the business group in the JMART group is Sukhumwittaya family (Please see the information JMART’s shareholding structure in JMART’s Form 56-1 One Report, which is disclosed on JMART’s website and the Stock Exchange of Thailand’s website)

As of December 31, 2022, the Company is a subsidiary of SINGER, holding 74.92% of the total issued and paid-up shares of the Company by SINGER, a company in the JMART group. SINGER is a listed company on the Stock Exchange of Thailand. in which JMART and Rabbit Holdings Public Company Limited (“RABBIT”) (formerly known as U City Public Company Limited or (“U”)) hold 25.48 percent and 23.81 percent respectively (Information as of November 1, 2022 from the website of the Stock Exchange of Thailand. www.set.or.th)

In the JMART group, there is a company that operates the same or similar business as the Company, namely KBJ Capital Co., Ltd. (“KBJ”), which operates a personal loan service in the category of multi-purpose personal loans, personal loan for payment of goods, car title loan, personal revolving loans (Revolving Loan) including multi-purpose loans for employees. The similar loan service is car title loan and mobile phone purchase loan.

However, for KBJ’s car loan service, the proportion of income from car loan service is insignificant to interest income. For mobile phone purchase loans, KBJ offers such loans in the form of personal loans for the purchase of mobile phones without a mobile phone as collateral.

However, the Company provides the loan in the form of hire purchase loans with a mobile phone as collateral. KBJ focuses on unsecured personal loans and home loans for refinancing, which the main target groups are different from the Company. The Company’s main loan portfolios are hire purchase loans for electrical appliances and vehicle loans with registration books as collateral.

In addition, KBJ is a joint venture between KB KOOKMIN CARD CO., LTD. (South Korea) and JMART. KBJ is an associated company

without consolidated financial statements (Consolidated) with JMART. Most of the key executives of KBJ are executives are appointed by KB KOOKMIN CARD

The Company has entered into related transactions with connected persons. The details and significant transactions are as



หมายเหตุ: (1) บริษัทฯ ไม่มีการรับเงินอุดหนุนตั้งแต่วันที่ 1 เมษายน 2564 เป็นต้นมา

(2) บริษัทฯ ไม่มีรายการรายได้จากการให้บริการนายหน้าบัตรเครดิตเงินสด กับ KBJ แล้ว ตั้งแต่วันที่ 2564 เป็นต้นมา

(1) Relationship with SINGER

SINGER operates the business of distributing electrical appliances, sewing machines, commercial products, and others. However, the Company and SINGER have significant related transactions as follows: 1) Purchase of goods from SINGER for loans business 2) hiring SINGER to sell seized products 3) subsidy income 4) debt collection services 5) management services 6) renting space and 7) loan and financial costs. The details are as follows;

1) Purchase of goods from SINGER for hire-purchase business SINGERAs the Company is a provider of hire purchase loans for home and commercial appliances for products sold by SINGER. As of December 31, 2022, the Company had a purchase transaction from SINGER equal to [Pending] million baht and a trade payable transaction equal to [Pending] million baht, with the same purchase price as the other customers buy from SINGER.

2) Hire SINGER to sell confiscated products from debtors As providing hire-purchase loans, there may be some debtors who do not pay installments and/or default on debt payments, which the Company will proceed to demand and follow up with customers to pay debts. In case the debtor refuses to pay the debt, the Company will follow up on the collateral and hire SINGER to

sell the repossessed collateral to reduce the damage from the default payment of the debtor.

Before April 1, 2022, the Company sold the confiscated products back to SINGER at the rate of 75 percent of SINGER's cost price, and after April 1, 2022, the Company revised the conditions for hiring the repossessed products and paid the service fee at the rate of As of December 31, 2022, the Company has sales revenue transactions of [Pending] million baht and other receivables of [Pending] million baht and from the adjustment of the said price conditions resulting in a transaction of [Pending] million baht. Commission from sales of goods equal to [Pending] million baht

3) Subsidy income from SINGER As the Company is a reliable sales channel for customers who buy SINGER products to meet the needs of consumers. This allows SINGER consumers to have the option to pay for their purchases in installments and increases the opportunity to sell products to SINGER. However, during 2018 - 2019, the hire purchase loan receivables had a high non-performing loan to total loan (NPL ratio), affecting the quality of loan receivables and the business performance of the Company.

Therefore SINGER began to enter into a memorandum of agreement with the Company. The objective is to offset the impact of



non-performing debtors arising from hire purchase loan services distributed by SINGER, which SINGER has paid such compensation since January 1, 2019, and gradually decreased until the end of that date. March 31, 2021, therefore, the Company. Therefore, there will be no cash receipts from subsidies from April 2021 onwards, and there will be only subsidy items that gradually recognize according to the installment period of the credit agreement

As of December 31, 2022, the Company has subsidy income items equal to [Pending] million baht, respectively, and deferred income items equal to [Pending] million baht. Such deferred accounts will gradually be recognized as income until the year 2023

4) Debt collection service. As the company is a hire purchase loan service provider for electrical appliances distributed by SINGER, which has a direct distribution channel for electrical appliances through SINGER's professional sales representatives who understand the needs of customers and are expert in the product. They are close and have a good relationship with customers. The remuneration is determined based on the number of customers that are under the SINGER sales representative account, channels, and ability to collect a debt, which the company will pay compensation to SINGER in order for SINGER to deliver such compensation to SINGER's sales representative in full amount without deduction of any expenses or operating expenses. As of December 31, 2022, the Company has a transaction of follow-up service fees equal to [Pending] million baht.

5) Loan and Finance Costs As SINGER is a big company that was listed on the Stock Exchange of Thailand before, thus having the ability to access a variety of funding sources before the Company. This includes the issuance and offering of debentures. Before the Company was listed on the stock exchange, the Company received a loan from SINGER to support the loan services the Company which continues to grow. The Company has entered into a loan agreement with SINGER with an interest rate equal to SINGER's interest rate through funding from the bond issuance

average plus a margin of 0.25% to compensate for the cost of issuing debentures of SINGER. As of December 31, 2022, the Company had a loan transaction from SINGER of 11,172.67 million baht and a financial cost of [Pending] million baht.

(2) Relationship with SGB

SGB operates as a life insurance broker and a non-life insurance broker. The mentioned transaction is a normal business transaction and the rate was comparable to the market rate and was reasonable.

(3) Relationship with JMT

JMT operates a debt collection business, non-performing debt management and insurance business, and insurance brokers. However, the Company and JMT have significantly related transactions, namely debt collection service fees. The said transaction is a normal business transaction and the service fee was as agreed upon income from sales of accounts receivable is an appropriate item because it is a transaction arising from the bidding process for the claims in the debtor under the loan service agreement.

(4) Relationship with SGS

SGS operates a repair and maintenance business for electrical appliances. The Company has a related transaction with SGS which is space rental. The mentioned transaction is a normal business transaction and the rental rate is calculated from the rent that SGS has to pay to the landlord. The allocation is done according to the proportion of the use of the Company's space.

(5) Relationship with JMOBILE

JMobile operates in the business of distributing mobile phones and related equipment both retail and wholesale. However, the Company and JMOBILE have significant related transactions which are purchases of goods from Jmobile, which are normal business transactions.

(6) Relationship with JIS

JIS operates non-life insurance business. However, the Company and JIS have a related transaction which is insurance premium. This transaction is a normal business transaction.

บริษัท เอสจี แคปปิตอล จำกัด (มหาชน)

1.3.2 Shareholders

1. Names of shareholders

The shareholding structure of the Company as of 31 December 2022 is as follows:

No.	Top 10 shareholders of SGC	No. of shares	Percentage
1	Singer Thailand PCL	2,449,998,000	74.92
2	Jay Mart PCL	145,798,585	4.46
3	Rabbit Holdings PCL (formerly known as U City PCL)	131,185,133	4.01
4	BNY MELLON NOMINEES LIMITED	54,500,000	1.67
5	Mr. Somsak Laosujaritkul	18,000,000	0.55
6	Mr. Chao Kara	17,946,040	0.55
7	Ms. Kulissara Kara	16,151,628	0.94
8	GUNKUL Group Co., Ltd.	14,000,000	0.43
9	Mr. Jeeradet Jongwatanasinkul	13,000,000	0.40
10	Thai NVDR Co., Ltd.	12,053,715	0.37
Total shares of top 10 shareholders		2,872,633,101	87.85
Total shares of other shareholders		397,366,899	12.15
Total issued shares		3,270,000,000	100.0

1.4 No. of registered capital and paid-up capital

As of 31 December 2023, the Company has the registered capital of 3,270,000,000.00 Baht, divided into 3,270,000,000 ordinary shares with as par value of 1 Baht, and has the paid-up capital of 3,270,000,000 Baht, divided into 3,270,000,000 ordinary shares with as par value of 1 Baht.

1.5 Issuance of other securities

As of 31 December 2022, the Company had not issued other securities.

1.6 Dividend payment policy

The Company has a policy to pay the dividend to its shareholders at the rate of not less than 50% of the net profit according to the Company's separate financial statements after deducting of taxes and reserve funds as specified in the laws and Articles of Associations of the Company each year. However, there shall not be accumulated loss in the shareholders'

equity according to the Company's separate financial statements. The Company, however, may determine the dividend payment rate that is different from the rate specified above, depending on operating performance, financial status, cash flow, need for working capital in business operation, investment plan and business expansion, liabilities as well as conditions and restrictions as specified in the loan contract, including other factors relating to the business management of the Company which the Board of Directors deems appropriate and such dividend payment does not cause the significant impact on the Company's normal operations. In this regard, such action shall be in the best interest of the shareholders and in accordance with relevant laws, regulations, criteria or notifications.

The annual dividend payment shall be approved by the shareholders' meeting except for the interim dividend payment which the Board of Directors can approve the interim dividend payment from time to time as appropriate. The payment of interim dividend shall be reported to the next meeting of shareholders.

2. Risk Management

2.1 Policy and Risk Management Plan

The Company is well aware that risk management is important to business operations. It also helps the business of the Company to be under good corporate governance. Therefore, the Company focuses on a risk management system that meets international standards to use throughout the organization. All executives and employees are aware of their responsibility to comply with the risk management policy in order to control the risk at an acceptable level by using it as a management tool. It also helps to maximize the chances of success of the Company, reducing or mitigating the chances of failure and loss to a minimum as well as reducing or alleviating uncertainties from the overall operating results of the Company.

2.2 Business Risk

1. Competitive risk in the hire purchase loan industry; personal loans under the supervision and other loans, including new competitors in the market

Nowadays, there are many service providers available for loan services; hire purchase loans, personal loans with vehicle registration as collateral, and other loans. In addition, there are various types of companies in the business, such as large companies listed on the Stock Exchange of Thailand, companies in the financial institution group that have advantages in terms of low financial costs and high capital base, small and medium-sized companies providing loan services locally and community-based in various regions spread across Thailand.

As a result, the loan industry is highly competitive. New entrepreneurs who operate a personal loan business under the supervision with a vehicle registration book as collateral must (1) obtain a business license from the Ministry of Finance, which must comply with the regulations. Therefore, such factors are one of the obstacles to entering the industry of new competitors (2) it takes time to build customer confidence; and (3) it takes a lot of capital to provide loans.

In addition, the Company also competes with other service providers in other aspects, for example, brand awareness and the ratio of loan limit compared to the value of assets insured (Loan-to-Value), difficulty and speed in loan approval, interest rate, quality of customer service, efficiency in debt collection and repossession of collateral assets, access to low-cost financing and technological efficiency to maintain competitiveness.

The Company has prepared a strategic plan to support competition

within the loan industry by expanding the customer base to increase the opportunity to provide more loans by increasing the number of sales representatives of the Company. They are building awareness of the Company's brand with local customers by building good relationships with customers to urge customers to recognize the brand (Brand Recognition) and select the Company beyond others as a loan provider when they are in need (Conversion).

Besides expanding the new customer base, the Company also has a strategy to maintain the existing customer base (Customer Retention). When the customer repays the loan on time for a period of time, the Company will offer a refinance loan plan to the customer to increase the credit balance (Top-up). This also results in increasing competitiveness.

The Company has the policy to focus on developing loan products, new channels for product presentation, customer database, systems, and expertise of personnel in loan analysis and evaluation.

The funding from the parent company and the issuance of bonds results in a low-cost funding source for the Company that is sufficient to expand its growing loan portfolio, together with the vision of the management team who are capable and with long experience in the loan business. The Company followed and analyzed the economic situation at both macro and micro levels for strategies and investment plans that fit economic conditions, including market surveys to track changes in consumer behavior and the implementation of operational systems to meet the determined standards and management to maximize efficiency and effectiveness.

2. Risk in building and maintaining the brand and reputation

It is accepted today that building and maintaining a brand to be recognized and remembered for loan services when customers are in need create a value add in the market and generates income for the Company. If there are causes that damage the brand and reputation of the Company, it will impact the revenue and profit of the Company as well as the confidence of shareholders. The factors that may have a negative impact on the image, brand, and reputation of the Company are such as dealing with complaints and incidents that negatively affect the public image of the Company, severe or negative allegations from consumers, and the media about the products and services of the Company.

As the Company is still not widely known in the loan service business, therefore, we must strive to build the brand "SG Capital" (SGC) for target customers, both new and existing customers, to recognize, remember, and have an interest in using the loan services of the Company. This can be achieved by providing a Company

website, <https://www.sgcapiat.co.th>, as a communication channel and promoting sales, especially in the loan service business; vehicle loan services "Rod Tam Ngoen" (C4C), welfare loans (Debt Consolidation), gold financing (Click to Gold), home appliances, commercial appliances, hire-purchase loan for machinery (Captive Finance), etc.

In addition, the Company does public relations through Facebook, Google Ads, or other new platforms. Recently the mascot, "Nong Ranger" was launched at Money Expo 2022 to be a trusted friend that understands, supports, is reachable, and extends better opportunities for customers from the grassroots level across Thailand to improve their quality of life. As well as with employees who are service minded to serve customers with good standards. Moreover, the Company also welcomes advice on various matters that are useful to continuously improve the image, credibility, and reputation of the Company.

3. The risk on quality of credit portfolio from approving non-performing loans in which the creditworthiness of the applicant cannot be assessed

The credit portfolio of the Company may consist of granting a loan to borrowers who do not have access to loans from commercial banks. There are many reasons causing the limited access to commercial bank loans, such as changing credit policies of commercial banks, the limitations of loan applicants, no complete documents

according to the bank requirements, no payment history, no clear business plan, debt value not worth the cost of loan processing, delay of application and approval process. Therefore, the Company is another option to access loans. The Company may have a risk of bad debt or default compared to applicants with good financial and credit history. In case the criteria of the loan approval fail to select potential customers with the ability to repay debt, this may cause non-performing loans to increase rapidly.

In addition, the quality of the loan portfolio of the Company may directly or indirectly be affected by various factors, many of which are beyond the control of the Company, for example, the slowdown of the Thai economy or the global economy changes in laws, policies and/or government regulations; tax change, increase in the unemployment rate, Thailand political situations, epidemics, and natural disasters. These factors, including others, could have a significant negative impact on the business, the liquidity or debt serviceability of the loan applicants, and the quality of the loan portfolio of the Company. The history of debt default and non-performing loans for the Company may not be an indicator of future default rates.

For the fiscal year ended 31 December 2019 – 2022, the Company has the ratio of non-performing loans to the total receivable loans (NPL Ratio) classified by type of loans as detailed in the table below.

อัตราส่วนค่าเพื่อผลขาดทุนด้านเครดิต ที่คาดว่าจะเกิดขึ้นต่อสินเชื่รวม (ECL Ratio)	ณ วันที่			
	31 ธันวาคม 2562	31 ธันวาคม 2563	31 ธันวาคม 2564	31 ธันวาคม 2565
	ร้อยละ	ร้อยละ	ร้อยละ	ร้อยละ
สินเชื่อเช่าซื้อเครื่องใช้ไฟฟ้า	4.75	8.26	5.50	8.09
สินเชื่อเช่าซื้อเครื่องจักร	0.63	6.39	6.41	10.24
สินเชื่อรทำเงิน	0.05	0.92	0.72	0.98
สินเชื่อสวัสดิการพนักงาน	0.00	0.41	0.28	1.12
สินเชื่อลูกหนี้อื่นๆ	N/A	N/A	0.00	-
รวมสินเชื่อให้เช่าซื้อและเงินให้กู้ยืม	2.33	4.29	2.80	3.38

4. The risk of debt collection failure according to the specified period, which may cause by uncontrollable external factors

The Company is exposed to the risk that customers may not pay the due installments as scheduled or are unable to collect installments due or overdue. This may cause by external factors that affect the ability and willingness of the customers to repay (Ability and Willingness to Repay), such as macroeconomic conditions, total liabilities of the debtor, career or income changes, or the ability to earn income, etc. In case the Company fails to collect debts due and overdue for a long time, it will affect the status of the debtor of the Company, and this also has an impact on the allowance of expected loan loss. The Company may incur additional operating expenses in case the Company fails to collect debts with overdue debtors and must proceed with the seizure of collateral in order to repay debts to the Company, or there might be litigation or legal action that will incur additional costs.

These factors may have a negative impact on the business, performance, financial position, and business opportunities of the Company.

In order to prevent the risk of such debt collection, the Company has analyzed and evaluated the loan by verifying the qualifications of the debtors from the repayment ability through the loan approval department. The relationship manager will visit customers regularly to check the status of their business.

Moreover, the Company also encourages loan applicants to get

additional Principal Protection Insurance (PPI) to protect against unexpected events to not be a burden to the family. In addition, the Company has a reporting system to control the results of daily and monthly debt collection. The result will be regularly reported to the management to manage the efficiency of debt collection to enable debt collection in a timely manner.

This will reduce the risk of non-performing loans (NPLs). However, for debtors with overdue over 60 days, the Company has hired a debt collection team that operates professionally, and the aforementioned external debt collection team must strictly comply with the law and the Debt Collection Act B.E. 2558 to follow up on debts of the target group.

As of December 31, 2022, the Company had hire-purchase contract receivables and loan contract receivables totaling 14,897.31 million Baht, divided into debtors without a significant increase in credit risk (performing) or Stage 1 of 78.50 percent of total outstanding loans, debtors with a significant increase in credit risk (under-performing) or Stage 2 of 16.86 percent of total outstanding loans, and debtors with credit impairment (non-performing) or Stage 3 of 4.64 percent of total outstanding loans.

5. Risk of loss of contract or collateral asset is damaged by a serious accident, unrest, and natural disasters

The Company stores loan agreements, and vehicle registration books, which are the collateral for the original agreement, at the

head office of the Company. Although the business operations of the Company have never confronted the issues of the agreements being damaged or lost, it is also a factor that the Company must take into account. The possible unexpected events are disasters, severe accidents, and causes that may arise from terrorism, sabotage, etc.

The company is well aware of the importance of agreements and collateral documents. Therefore, it established the policies and procedures to store agreements and collateral documents. The registration and agreements department is responsible for controlling the completeness and managing the storage of loan agreements and collateral documents to be stored systematically in a secure room that is only for the purpose of storing loan agreements and collateral documents as well as making copies of contracts and collateral to be stored in the information system of the Company and save the backup data through the E-Document Management Software on the Cloud, which is highly secure and considered an international standard security system. The access permissions are set through username and password, limited to only involved parties. The information system is monitored and improved to ensure the all-time efficiency of the system.

As of December 31, 2022, the Company has a total of 303,426 agreements of all loan types and a total of 15,159 vehicle registration books.

6. The risk of failing to follow up and retrieve the collateral from customers who have defaulted on payment

Incurring of outstanding loans is common in the business operations of the Company. In the preliminary process, the Company will assign the sales representative, tele-collectors, and field collectors to contact customers via telephone. SMS, letters, and visit customers on-site by allowing employees of the Company or an agent who is a third party to follow up on debt collection or through a legal process, which depends on the delay period of the repayment.

According to the regulations of the Company, in case the customer defaults on debt payment beyond the period specified by the Company, the Company must use documented evidence to identify the ownership of the property held by the Company in order to follow up to receive debt repayment including the vehicle registration book, a pre-signed ownership transfer document, and a letter of termination of the agreement to follow up and retrieve assets for debt repayment. However, in some cases, the Company may not be able to track, retrieve, or encounter difficulties in tracking and retrieving such assets since collateral such as cars, other types of vehicles, and home appliances are assets that are movable and depreciable.

Therefore, to reduce the chance of being unable to track and seize assets or collateral, the Company assigns the employees to visit the area to check the history of customers, and the loan approval department will call the customer directly to review and confirm the information including checking the history of customers

on the blacklist of the Company and credit information from credit bureaus. The customers shall not be prohibited persons on the database of bankruptcy and were or are under the auction case as well as not being prohibited persons in the Anti-Money Laundering Office database. The verification process will help reduce the risk of loan approval for customers. In case it is necessary to seize the property or collateral, the Company will act promptly within the specified terms and laws.

7. The risk of selling foreclosed asset does not cover the outstanding debt

As of December 31, 2022, the Company has car registration books as collateral for a total of 97.80 percent of the total loan value. The Company owns foreclosed assets from customers that defaulted on the agreement and are unable to pay the outstanding installments as a result, the Company must seize the asset and begin the process of selling the processed assets at the auction in order to pay off the outstanding debt of such customers.

The auction value of the collateral will cover the outstanding debt. The selling value of each agreement depends on the condition, age, and popularity of car brands and models, as well as market conditions, and demand at that time. In case there is any outstanding debt after the auction, the Company still needs to follow up on the remaining outstanding debt which costs legal proceedings. In case the Company fails to claim the remaining amount from the customers or the guarantors or the cost of further debt collection is higher than the expected cash flow, the Company may consider not continuing debt collection. As a result, the Company has a loss from the sale of foreclosed assets. However, the Company has a guideline for evaluating the impairment of collaterals. It starts with setting up a loan analysis policy that is appropriate to the situation and impairment of collateral and tight debt collection by evaluating the key factors comprehensively to assess the qualifications of the borrower and the condition of the collateral, including the purpose and suitability of the use of the car, the main residence and occupation of the borrower, car brand model, year of manufacture, the market price of the car, etc.

In addition, the Company has an auction channel through an external car auction contractor who has auction yards covering 20 provinces in Thailand. The target customers are both juristic persons and individuals.

8. The risk caused by corruption

Since the Company is a loan provider, it is often the target of corruption which cause damage to the Company. This includes the approved loan that the Company has not received repayment, causing the increase in the proportion of non-performing loans. The result of corruption is negative news that causes damage to the reputation of the Company. This may also cause customers to lose confidence in using the service of the Company, which

may have a significant negative impact on the business, financial position, performance, and business opportunities of the Company.

The Company requires that the analysis and evaluation of all loan applications from customers take place at the loan approval department. It is a center where the sales representatives are not eligible for loan approval. The sales representatives are only responsible for examining the preliminary loan application, information, and documents to be submitted to the loan approval department. In addition, for the home appliance products, the field collectors were assigned to inspect the site before the delivery of the product. This will reduce the risk of fraudulent sales representatives in the loan approval process.

Apart from that, the Company has hired Price Waterhouse Coopers ABAS Company Limited (“PwC”) as an internal auditor to inspect operations independently of the operations of branches and departments on a regular basis. The audit results will be reported directly to senior executives and the audit committee. There is an open channel to provide traces for any stakeholders both inside and outside the Company to report traces or complaints directly to the chairman of the audit committee via mail, e-mail, or the website of the Company. The Company is a certified member of the Thai Institute of Directors (IOD) and a member of the Private Sector Collective Action Coalition Against Corruption of Thailand (CAC). The certification period is 3 years, effective on September 30, 2021.

9. The risk of dependency on executives and key personnel with expertise and experience in various fields.

The success of the business of the Company depends on the expertise and abilities of the employees and senior executives of the Company for example, sales representatives need to have a good understanding of the policies and procedures of the Company. These employees play an important role in acquiring new customers, including senior executives who are involved in determining the business direction of the Company.

However, in case the Company is unable to motivate and retain sales representatives or senior executives or unable to recruit replacement or additional personnel within a required period, the changes may have a significant negative impact on operations and business opportunities of the Company.

The Company has a succession plan, including recruiting potential personnel outside the Company for executive personnel and other important positions in order to recruit personnel for the replacement of the key positions within a reasonable period of time, continuously train and develop employees to enhance their necessary knowledge and skills in various fields. The Company also evaluates the payment of compensation and other welfare appropriately with fair treatment. Besides, there is a written guideline for operations to use as standards in performance and reducing

dependency on an employee.

10. Risk of loan management for home and commercial appliances from Singer Thailand Public Company Limited, a major shareholder of the Company

The Company provides hire purchase loans for home and commercial appliances under the SINGER brand, distributed by Singer Thailand Public Company Limited, the major shareholder of the Company. The sales representatives of SINGER are responsible for introducing the loan services of the Company to customers who are interested in purchasing electrical appliances but are unable to purchase products with cash and coordinating and managing documents related to loan services and submitting them to the Company, delivering products to customers and follow-up on installment payments of customers who use the loan services. The Company also hires SINGER to distribute the confiscated products in case customers default on debt payments.

The hire-purchase loan service of the Company helps increase competitiveness and be a synergy within the SINGER group.

11. The risk of adapting to changes in the technology of financial business

The industry in which the Company is operating the business changes rapidly. Especially in terms of technological development, the success of the Company partly depends on the ability of the Company to offer products and services that meet the needs and trends of customers. Exclusively in the age of technological change in the industry, change in customer trends, or the introduction of new technologies or platforms.

The Company may be at a disadvantage to other service providers in the same business if the Company is unable to respond to such changes within a reasonable period of time use new technologies or platforms to support the business strategies of the Company, respond to changes in market conditions or consumer preferences or demand for the products and services of the Company. This may affect the business opportunities of the Company.

The Company has adjusted and continually developed channels for presenting financial products through online channels such as its website, Facebook, Google Ad, or new platforms. Regarding the payment channels, the Company offers various channels such as bank transfer, BIGC, Lotus, QR code, Bar Code, Counter Service, Mobile Banking, and Prompt Pay. Jay Wallet is still in progress. The Company is in the middle of bringing Office 365 for internal operations and E-Document to support work systematically and create operational standards that respond to ever-changing technology.

12. The company may be at risk from the interruption and crash of the information technology system

The business operations of the Company mainly depend on

the continuous operation of the information technology system. Especially in the area of information technology systems related to lending activities, for example reviewing and generating customer information loan approval, etc.

As a result, the efficiency and continuity of information technology system operations are important to the business operations of the Company. In case the system fails, it will cause the Company a risk of financial loss, business interruption, and damage to the reputation of the Company.

The information technology system of the Company may be affected by natural disasters, power or telecommunication system failures, viruses breaking into computer systems by hackers, criminal acts, and other threats to the security system. This may cause business interruption and misuse of information and may lead to reputational damage, regulatory penalties, or lawsuits.

The Company has its own servers to support the system infrastructure that is necessary for the business and the smooth operation of the Company. The Company has 2 servers in which; if one server is down, the Company will be able to use the data from another server within 24 hours. Besides, Company also has a business continuity and IT disaster recovery plan: IT DRP.

There are rehearsals to implement the plan to respond to emergencies at the operational level, including the specified access rights to information and information systems according to the area of responsibilities of each employee, setting passwords for access, and providing personnel with expertise to inspect, improve and control the operation of the information technology system in order to prevent and solve problems that may occur within a reasonable period of time and to limit the damage.

13. Risk of reliance on major shareholders by relying on Singer Thailand Public Company Limited in providing hire purchase loans and relying on JMT Network Services Public Company Limited to manage distressed debt

The Company is a financial service provider that is a non-financial institution It started by providing loan services for the purchase of electrical appliances and household appliances (Home Appliances), commercial appliances under the SINGER brand and other products distributed by Singer Thailand Public Co. Ltd., which is a major shareholder of the Company.

The sales representatives of SINGER is the one who introduces the loan services of the Company to customers who are interested in purchasing electrical appliances but are not able to buy products with cash. They also coordinate and manage documents related to loan services and submit them to the Company including delivery of products to customers and follow-up on installment payments from customers who use such loan services. The Company also hired SINGER to distribute the confiscated products in case customers default on debt payments.

However, the loan approval for customers who is willing to get hire purchase for the products from SINGER will depend on the discretion of the Company in accordance with the criteria, conditions, and loan approval process specified by the Company.

As of December 31, 2020 - 2022, the Company provides hire purchase loans under the purchase of SINGER products with hire purchase receivables equal to 2,778.70 million baht, 4,336.49 million baht, and 4,811.39 million baht, respectively, or equivalent to 41.51 percent, 39.56 percent, and 32.30 percent of the total loan. In the period of 2020 - 2022, the Company has interest income from providing hire purchase loans under the purchase of SINGER products equal to 889.77 million baht, 1,002.85 million baht, and 1,270.69 million baht, respectively, or representing 68.56 percent, 57.77 percent, and 52.10 percent of the total interest income. Therefore, in case SINGER is unable to supply products to the Company or in case customers choose to use loan services from other loan providers, which may have a material adverse effect on the business, cash flow, financial position, operating results, and business opportunities of the Company.

For the non-performing debt management process of the Company besides the debt collection through the debt collection team within the Company, the Company has managed the quality of its loan portfolio by distributing non-performing debts through the process of selling claims on loan agreement receivables. In the past, the Company has sent an invitation letter to not less than 3 non-performing debt management business operators to participate in the auction of such distressed debts. For the previous auctions, JMT Network Services Public Company Limited ("JMT"), a subsidiary of Jay Mart Public Company Limited ("JMART") won the auctions of non-performing loans. As of December 31, 2020 - 2022, the Company had income from non-performing debt to JMT equal to 67.17 million baht, 2.32 million baht, and 15.77 million baht respectively.

However, in August 2022, the Company approved the operation manual related to the auction process for the sale of distressed debt by requiring that the invitation letter be sent to at least 10 non-performing debt management business operators and announced on the website of the Company and published at least in one of the daily newspapers. In addition, a debt sale committee was set up to open the envelope and announce the name of the winning bidder. The committee comprises of accounts receivable management, legal affairs and risk management to enhance efficiency and transparency in claims tendering.

14. The risk of mainly relying on funding sources from a major shareholder

Currently, the source of funds of the Company is SINGER, which is a major shareholder of the Company. It is mainly used to support the loan service business of the Company. The total outstanding

loan from the major shareholder of the Company as of December 31, 2022, is 11,172.67 million baht.

However, after the initial public offering of newly issued common shares (IPO), the Company has additional sources of funds from the common shares offering approximately 3,104.85 million baht after deducting expenses related to the offering of securities. Part of the fund received from the funding is intended to be spent as a source of funds to support business operations and support the growth of the business of the Company.

As of December 31, 2022, the balance from the capital increase was 2,604.85 million baht, and the Company seeks additional sources of funding by getting loans from financial institutions. As of December 31, 2022, the total amount of loans from financial institutions is 60 million baht. In addition, the Company is considering financing from the issuance of debt securities after being listed on the Stock Exchange of Thailand in order to further reduce dependence on funding sources from the major shareholder of the Company.

15. Risk of changes in accounting and/or financial reporting standards applicable to the Company

The Company is obligated to comply with accounting and financial reporting standards issued by the Federation of Accounting Professions in preparing and presenting financial statements. The Federation of Accounting Professions may issue new standards for accounting to make a financial statement that reflects the actual financial position and performance of the business.

In 2020, the Company was obliged to apply the Thai Financial Reporting Standard No. 9 (TFRS 9) regarding financial instruments, effective as of January 1, 2020, which aims to improve accounting principles and methods so that financial instruments can reflect risks more effectively.

The Company may need to change the procedures for accounting and financial statement preparation. The aforementioned changes may result in an increase in the operating costs of the Company from the change in information systems for accounting records and financial statement preparation, additional personnel training on new accounting standards practices, and the Company may have to recognize accounting expenses in the changing period including may have to recognize changes in financial projections, etc.

As a result of changes in accounting standards, the Company has strictly complied with financial reporting standards by categorizing loans that are expected to not be repaid mainly (Expected Loss) and has created an Expected Credit Loss Model (ECL Model) to estimate expected credit losses to set aside provisions for impairment.

16. Risk of complying with laws, regulations, and announcements related to the business operations of the Company

The Company operates in the financial services business in Thailand, which is constantly evolving in terms of supervision and operations from related agencies. The agencies can impose penalties on the Company and personnel working for the Company in case of any business violates the relevant laws, regulations, and requirements. This results in a petition on business guidelines of the Company from the supervisory agencies.

The Company may incur significant expenses in pursuing the aforementioned litigation or investigation or other lawsuits and the Company may result in losing reputation. In case the result of a lawsuit is not favorable to the Company, the Company may be liable for large amounts of damages and restricted from operating business and must comply with other stringent requirements that may not be beneficial to the business and operations of the Company.

Any negative events or interruptions in the business of the Company may negatively affect the business, reputation, financial status, performance, and business opportunities of the Company significantly.

Therefore, the Company is well aware of such risks. The Company has established a Corporate Governance Department with knowledge of laws to supervise and control the operations of various departments within the Company in accordance with the law, including setting guidelines for control measures, suggestions, and preventions to reduce the level of risk to be at an acceptable level and to develop the risk management system of the organization for continuous efficiency including following up on law amendments, regulations and announcements of regulatory agencies related to the business operations of the Company. In case of necessity, the Company may hire an external legal advisor to provide legal advice and opinions for the Company to continue the business and comply with legal requirements.

However, there are no petitions from the supervisory agencies against the Company.

17. The risk of the relief measures according to the announcement of the Bank of Thailand regarding assistance to customers affected by the outbreak of Coronavirus (COVID-19) outbreak that may affect cash inflow and ability to pay debts of the Company

The outbreak of the Coronavirus (COVID-19) significantly affected the global economy, causing a slowdown in exports and tourism, and related industries caused by the closure of the country from foreign tourists and delaying the travel of tourists and business people worldwide. Many institutions predict that private consumption will tend to slow down in line with lower income fundamentals and the ratio of household debt will increase. Therefore, the Bank of Thailand has requested cooperation from financial institutions and non-financial entrepreneurs in issuing measures to help retail

debtors. In April 2020, the Company offered measures to help debtors affected by the economic situation, such as an extension of the repayment period, reduction of monthly installment payments of up to 50 percent and debt suspension, etc., with a maximum supported period of not more than 6 months.

Later in late 2020, another outbreak of the Coronavirus (COVID-19) occurred, and therefore the Bank of Thailand announced the extension of additional relief measures for debtors. In January 2021, the Company provided measures to help debtors; for example, granting the debtor the right to pay 50% less of the payable installments under the contract for a period of 6-12 months, or extending the installment period, etc.

Moreover, such measures affect the cash inflow of the Company. The decrease in the ability of the debtor to repay debt may result in the inability of the Company to collect the debt as targeted, and the Company may need to provide an additional allowance for expected credit loss in the future.

As a result, the Company closely monitors the status of debtors participating in the assistance measures to manage the efficiency of collecting debts promptly to reduce the risk of non-performing loans (NPL).

18. The risk of maintaining the financial ratios of the Company

The Company is exposed to normal business risks and has a policy to manage financial risks as follows: For the interest rate risk, the company has a policy to borrow from banks, financial institution, and institutional investors which contains the risk of interest rate fluctuations according to the conditions of the money market and capital market. Therefore, the Company will not rely mainly on funding from financial institutions. In order to diversify the risk and cost of the loan source most of the capital of the company comes from the issuance of debentures with interest rates that grows every year according to the amount of loans. This results in a profit from the difference in the increase of the interest rates as well. Regarding the risk of maintaining financial ratios, the operations of the Company requires funding sources from both bank loans and financial institution as well as investors which must comply with the conditions for maintaining financial ratios with financial institutions and from the increased debt burden. This causes the Company to risk complying with financial ratio maintenance (Covenant). Therefore, the significant conditions are determined that the Company must comply with financial conditions that must be maintained with financial institutions such as Good port to IBD, liquidity ratio, debt to equity ratio, NPL ratio, etc. As of December 31, 2022, the Company is able to maintain the ratio specified by financial institutions. However, the Company has an increased debt burden. There may be a risk that the Company will not be able to maintain financial ratios in accordance with the terms and conditions of financial institutions. If financial institutions do not

loan from the major shareholder of the Company as of December 31, 2022, is 11,172.67 million baht.

However, after the initial public offering of newly issued common shares (IPO), the Company has additional sources of funds from the common shares offering approximately 3,104.85 million baht after deducting expenses related to the offering of securities. Part of the fund received from the funding is intended to be spent as a source of funds to support business operations and support the growth of the business of the Company.

As of December 31, 2022, the balance from the capital increase was 2,604.85 million baht, and the Company seeks additional sources of funding by getting loans from financial institutions. As of December 31, 2022, the total amount of loans from financial institutions is 60 million baht. In addition, the Company is considering financing from the issuance of debt securities after being listed on the Stock Exchange of Thailand in order to further reduce dependence on funding sources from the major shareholder of the Company.



19. Liquidity risk and debt service

The loan business of the Company is a business that requires high capital to run the business. At present, the main source of funds of the loan of the Company mainly comes from loans from the major shareholders of the Company. In the future, if the Company has received a loan from a financial institution and/or issued more debentures, the Company may not be able to manage liquidity adequately with loans from major shareholders or other liabilities, including debentures and loans from financial institutions. Factors that may negatively affect the cash flow management efficiency of the Company including changes in macroeconomic conditions, money markets, and government policies related to the business

operations of the Company both directly and indirectly are efficiency in loan analysis, collection, and follow-up of the debts, etc. This may result in the granting of loans that do not meet the strategic plans or determined goals. The cash flow from operations may not be sufficient to repay loans from major shareholders and/or financial institutions and/or debentures which may have a period that is inconsistent with the debt due which negatively affects the liquidity of the Company.

As of December 31, 2020 – 2022, the Company has liquidity ratios of 0.47 times, 3.28 times, and 10.61 times, respectively. It shows an increase during the year 2022 due to the Company adjusting the loan conditions from the parent company to be a long-term loan to suit the loan period of the Company. In addition, the company received capital in late 2022 and had a debt-to-equity ratio of 7.54 times, 3.74 times, and 2.09 times, respectively. At the end of 2022, the ratio decreased from the capital increase by listing on the stock market. As a result, the equity of the shareholders increased. However, the Company closely monitored its liquidity by assigning the finance department to prepare monthly cash flow projections to closely monitor debt collection and cash flow from operations and plan for financing so that the repayment period is in line with the duration of the use of funds for the Company to have sufficient funds for lending and debt repayment. In the past, the Company has never encountered any financial problems or defaulted on debt payments.

20. The risk of being considered for a credit rating adjustment

At present, the Company has conducted a credit risk assessment of the Company which is prepared by TRIS Rating Co., Ltd. They are a credit rating agency. As of March 27, 2023, the Company has been rated at BBB level with a “stable” trend. It does not confirm that the Company will certainly be able to pay interest and repay debt.

Moreover, in case the business and results of operations of the Company are not as expected, the liquidity of the Company is insufficient for business operations or debt repayment, the inability of the Company to maintain the status or comply with the conditions in various contracts that the Company is an agreement party, or in other cases caused by external factors beyond the control of the Company, such as changes in economic conditions or business environment, etc., These may result in the cancellation or downgrading the credit rating or credit rating outlook of the Company. This may have a negative impact on the credibility and financial cost of the Company

Financial Instrument Risk

1. Credit risk

Bondholders are at risk of not being able to receive interest or principal payments. In the event that the business and performance of the debenture issuer do not meet expectations

or the issuer's assets are insufficient to cover debt repayment before investment. Investors should consider the issuer's financial status and ability to pay debts from the information stated in the registration statement and the draft prospectus. In assessing the credit risk of the debenture issuer the investors can view credit ratings, which are prepared by credit rating agencies to support investment decisions. In case the corporate credit rating is low and indicates that the credit risk of the debenture issuer is high, the return that investors receive should also be high to offset the high risk of such bonds.

The credit rating may be canceled or changed throughout the life of the debentures. Investors should follow the news of the bond issuer company as well as the change in the credit rating from the website of the Securities and Exchange Commission, credit rating agency, or the Thai Bond Market Association.

2. Price risk

The market price of bonds is subject to change depending on a number of factors, for example, the level of interest rates in the financial market Bank of Thailand policy, overall economic situation, inflation, term of debentures or excess demand or deficit of the debentures. Therefore, bondholders may be affected by volatility in bond prices. In case the bondholders are willing to sell the bonds before the maturity date of the bonds, bonds with longer maturities are more affected by this volatility.

3. Liquidity risk

The risk that arises when bondholders may not be able to sell bonds in the secondary market before maturity and immediately redeem them at the price they are willing to have. Since there may not be much trading of instruments in the secondary market, the debenture holders can trade debentures at commercial banks, securities companies, or any other juristic person with a securities trading license for debt instruments. In addition, bondholders may not be able to sell the bonds in the secondary market before the maturity of the bonds. Since the bond issuer has registered the transfer restriction with the SEC to restrict the transfer of bonds only within the group of institutional investors and/or high net worth investors according to the definition in the Notification of the Securities and Exchange Commission concerning the determination of definitions in notifications concerning the issuance and offering for sale of all types of debt securities, except for the transfer of inheritance.

4. 4. The risk that the debenture issuer may exercise the right to redeem the debentures before maturity (Reinvestment Risk) (In case of- call option)

The risk that the debenture issuer is eligible to redeem all or part of the debentures on any date as specified in the terms and

conditions. This exposes bondholders to the risk of unpredictable cash flows received from such bonds. In case the issuer exercises the right to redeem the debentures during low market interest rates the shareholders are at risk of losing the opportunity to receive high returns on investment in the offered instruments.

3. Driving business for sustainability

3.1 Policy and Goals for Sustainability

The Company is determined to be a leader in the hire purchase business and vehicle loans (Car for Cash) for customers nationwide by focusing on expanding the vehicle loans (Car for Cash) and expansion to various loans such as welfare loans, gold financing, etc., for people with limited access to loans from financial institutions and / or private company employees who have high debt from credit cards, cash cards or personal loans but work in well-established and reputable companies and/or individuals with low-income who are willing to accumulate long-term wealth through gold accumulation and get opportunities and access to the fund easily, conveniently, quickly, reasonable, fair and transparent financial costs. The Company focuses on growth by expanding the customer base by expanding the sales team of the Company in order to provide services throughout areas in the country and to be able to understand the needs, cultures and languages of customers in each area. In addition, it is mandatory for the sales representatives of the Company to go through the recruitment and training process both theoretical and practical in order to provide services to customers with an excellent understanding of the products and services of The Company. They are obliged to treat all customers equally and fairly with politeness, humbleness, and respect. The Company also focuses on expanding the service network through entrepreneurs and agents with knowledge and expertise in products, close to customers with excellent understanding of the needs of customers.

In order to achieve sustainable growth that can add value to both business sector, society and the environment, the Company has established a corporate governance policy and compliance with the principles of good corporate governance (Good Corporate Governance Policy), which emphasizes the rights of various groups of stakeholders such as shareholders, employees, customers, trading partners, competitors, etc., including focusing on compliance with laws and regulations requirements of government and relevant government organizations, anti-fraud and corruption with fairness and transparency and society and the environment in order to become a “loan provider with customer responsibility” to align with market conduct announcements of the Bank of Thailand. The Company recognizes the value of sustainable development and strives to raise the level of true sustainable development by integrating sustainability management issues into business operations and aligning with the business strategies of the Company both in short and long term. The policy on respect for human rights has been established to focus on promoting and maintaining an organizational culture that adheres to respect for human rights by complying to the principles of the United Nations on Business and Human Rights (UNGP), which consists of 3 pillars as follows:

Pillar 1	Human rights protection (Protect) means that the state has a duty to prevent human rights violations related to business operations whether from government or business organizations.
Pillar 2	Respect for human rights (Respect) refers to individuals and organizations that conduct business regardless of type or size with a responsibility to respect human rights.
Pillar 3	Remedy means improvement, rehabilitation, compensation when there is an impact or violation of human rights arising from business operations both government and business sectors need effective remedial mechanisms.

In order to ensure the sustainability of the Company to achieve the specified objectives, as of February 13, 2023, the board meeting No. 2/2023 resolved to appoint the "Sustainability Committee" to support and assist the board of directors with the responsibility to drive the activities of the Company in accordance with the principles of sustainability. This includes but is not limited to relevant laws, regulations, and requirements both nationally and internationally as well as creating a culture of sustainability in the organization.

Sustainable Development Goals: SDGs of the United Nations



Operations of the Company that drives sustainable development

Poverty	The Company has always participated in helping public hazard victims or hazards that occur to a large number of people, such as fires, storms, floods, as well as other disasters that cause damage to the lives and property of the people.
Education	The Company conducts activities to develop and promote education for underprivileged children and youth to have an opportunity for education and train to develop and instill a good sense of society as well as development activities for children and youth living in the community in order to instill them to conserve and apply resources to align with local ways of life and Thai wisdom. Furthermore, the Company also promotes access to education and reduces educational disparity gaps.
Gender Equality	The Company recruits and selects personnel based on the benefits and achievements of the Company with competence and skills related to business operations. The Company also focuses on the principles of morality and the main equality principle to get "good people" and "smart people" whose attitudes are conformed to the organizational culture and able to work happily (Happy Workplace) which leads to sustainable growth. This can be achieved by focusing on the job description of each position, educational qualifications, experience, and other requirements to perform the job without any barriers in terms of sexual orientation, age, race, religion, and political views, etc., including treating all employees with equality at all levels.

Operations of the Company that drives sustainable development

Inequality	The Company has organized vocational training activities for people with infirmities and disabilities by promoting the employment of disabled people to work in providing information about products and services to customers via telephone (Call Center) and in the production of souvenirs to give to customers or business partners. This creates a career and opportunities for the underprivileged and disabled people.
Community	<p>The Company has organized activities for housewives and communities including providing social and community assistance both locally and nationally by encouraging employees to join the CSR Club of the Group, which is a group activity of volunteer employees who promote and organize social service activities. In addition, the Company has a plan to implement forest planting projects or activities related to the environment.</p> <p>The project is expected to start within 2023. Over the past several years the Company has supported water purification machines for various educational institutions to promote good hygiene by consuming clean, standardized, safe drinking water and to improve the quality of life of Thai children and youth who are important resources of the nation.</p>
Society	The Company is aware of conducting business on the basis of ethics and good morals in parallel with helping and contributing to the creation of sustainable Thai society. The Company focuses on creating discipline and financial sustainability for the general public. The Company has a plan to organize activities to educate people about savings and smart spending in order to reduce the problem of household debt, which is a major issue for the Thai population, and it also helps to reduce the issue of poverty. The project is expected to start within 2023.

3.2 Business value chain and stakeholders impact management

3.2.1 Business value chain

3.2.1.1 Main activities

The board of directors participates in promoting fair treatment to customers by setting up a policy and communicating and disseminating it to all departments and personnel involved in providing services to customers through internal channels of the Company. This is to promote and create a culture practice in providing quality customer service with fairness throughout the process.

It begins from the development of loan services, advertisement, setting up distribution channels and providing loan service information by focusing on the needs and benefits of customers.

The Company is aware of the good corporate governance policy and is committed to conducting business in accordance with the policy and compliance with the principles of good corporate governance, which includes controlling business operations to be legal, honest, transparent, and verifiable as well as supporting all personnel of the Company to be a conscious and comply with morality and ethics. This is to promote and develop the operations

of the Company properly, appropriately, and sustainably as well as being able to build confidence and be accepted by society to underscore the achievement of the goal. The Company has prepared a code of conduct and business ethics, focusing on the values that aims to help all directors, executives, and employees to perform their responsibilities properly and appropriately and in accordance with the relevant laws in business operations and corporate culture.

The Company focuses on the stakeholders as well as the management of sustainability throughout the business value chain by creating stability and wealth with products and services that meet the needs of all groups along with effective risk management. The business value chain of the Company is as follows:

(1) Service development

With the vision of the Company being a leader in the non-bank financial service business, the Company therefore focuses on expanding its workforce through selection and training processes to provide them with knowledge and understanding of loan services including relevant laws and regulations as well as cultivating a team to focus on providing excellent service through providing services with the understanding of customer needs and listen to the opin-

ions of employees who are close to customers. This is to develop loan services that can fulfill the needs, income levels, and ability to pay appropriately for each group of customers under the laws and requirements of relevant regulatory bodies and authorities.

(2) Loan approval process and convenient payments

Loan Evaluation

The Company focuses on providing services at every step, from checking the initial information of customers with efficiency. This affects the quality of loan suitability for loan recipients including compliance with rules and regulations or guidelines prescribed by the Bank of Thailand, consumer protection office or related organizations. To evaluate the loan, the sales representatives of the Company and its affiliates will assist the customers to fill out the application form for loan services, together with identification documents and letter of consent to the disclosure of credit bureau information (depending on the case) so that the credit information department can verify the identity and the payment history of the customer and information completely. In case the customer cannot provide the pay slips: own a business etc., it is mandatory for the sales representative of the Company and affiliated companies or field collectors to meet customers to check the status of the business, social environment, and collateral conditions (if applicable) of the applicant for assessing income. They will collect supporting evidence to submit to the loan department to assess the ability to pay debt in order to evaluate the appropriate installment and loan limit.

In addition, the Company will assess the type and level of risk that the Company acceptable to target customers to ensure that the loan approval process of the Company can fulfill the behavior and needs of the customers, social requirements, technology, and various law adjustments. The Company will adjust these guidelines and procedures according to economic conditions and industry trends.

This approach also helps the responsible department to evaluate and approve a loan which is appropriate to the qualifications and ability to pay installments of customers under the acceptable risk level of the Company.

Transparent and swift payment of installments and fees

The Company facilitates customers by providing various payment channels; bank transfer, counter service, and payment via QR Code of the Company through SINGER sales representatives who are responsible for each customer. (For hire-purchase equipment: home appliances and commercial appliances) or post-dated checks. This is to ensure that the Company can facilitate and fulfill customer needs as well as to increase accuracy and transparency in the control and supervision of loan accounts and reduce the number of frauds from employees.

(3) Personnel Development and technology

The Company is controlled and operated by a team of management and personnel with experience in the retail lending business, personal loans under supervision and hire purchase loans. The manpower plan is in line with the business plan and continuously develops the knowledge and competency of personnel about products, laws, and related regulations. The company recruits local sales representatives in each area across the country in order to provide services covering all areas and able to understand the needs, cultures and languages of customers in each area. In addition, the Company has developed a loan approval system, accounts receivable management and a modern debt collection system that can support the development of additional operating systems to support the management to be efficient and facilitate the customers.

Besides, the Company also focuses on treating customers fairly in providing services that are appropriate to their needs and possibility to access funding sources and ability to pay including the determination to drive the team to raise the level of management, continuously train employees to improve their knowledge; communication skills, sales techniques, legal knowledge, data skills and digital tools, and understanding the services of the Company. The Company also communicates and instills culture within the organization to all departments to provide complete and comprehensive information to customers without providing information beyond reality or any information which misleads customers about the loan service and the Company.

(4) Customer base expansion through the sales team and a network of affiliated companies and business alliances

Apart from expanding the scope of service through distribution of sales teams across the country, the Company also expands its customer base through providing the loan services for the products of affiliated companies, which creates efficiency in business partnership (Synergy) as well as expanding the customer base through business alliances such as dealer networks (Dealer), agent networks (Agent) and employers, etc. that are distributed in many provinces.

As of December 31, 2022, the Company provides hire-purchase services for home and commercial electrical commercial appliances through the total of [4,154] branches of affiliated companies, for the vehicle loan services of Car for Cash through a network through the total of [1,859] dealers and agents, and for loan services for hire purchase of machinery (Captive Finance) through the total of [21] dealers respectively, which the aforementioned network has an excellent understanding of the product. The Company is close to the customers and can fulfill the needs of the customers. In addition, the Company has also entered into memorandums of agreement with [87] private companies with the objective to prepare employee welfare loan program that helps control debt burden



from credit card, cash cards, and personal loans to enhance and develop the quality of life of employees which helps the Company to expand the customer base to throughout the country and providing services in all areas. The Company also focuses on the complaints and issues of the products and services of the network and ensures to resolve the issues with fairness.

(5) After-sales service

The Company focuses on management with good governance principles, legal compliance, and internal audit in accordance with the rules and regulations or guidelines prescribed by the Bank of Thailand or the consumer protection office. There is a credit quality control system through a preliminary verification of customer information from the database of affiliated companies and external companies including convenient payment channels and debt collection control. The Company and external service providers focus on fairness and conducting business according to the principles of corporate governance under the guidelines prescribed by law as well as providing quality services by delivering services according to the expectation of the customer to gain satisfaction. This can be achieved through the development of strong employees and covering the country to meet the needs of customers and strengthen the ability to serve customers of the Company.

In addition, the Company pays attention to complaints and issues of products and services including problems of service of the branch network of affiliated companies and business alliance networks related to the loan services of the Company. This helps to develop products and services and manage problems for all customers equally and fairly.

3.2.1.1 Supporting activities

(1) Human Resource Management

The Company believes that its employees are an important asset of the company. Therefore, the personnel policy of the Company is based on the mission of cultivating highly competent, open-minded, and ethical personnel through the recruiting process and developing people with qualifications, abilities and attitudes that match the values of the Company. The Company is

also concerned and focuses on respecting human rights without discrimination in terms of sexual orientation, age, race, religion, and political opinion.

The Company has a policy to develop personnel, and a succession plan (Human Resource Development and Succession Plan), emphasizing on capacity building including focusing on developing personnel to be qualified persons with morals, ethics, adherence to honesty, integrity and responsibility to the organization and society and encourage employees to participate in Corporate Social Responsibility.

Moreover, the Company also focuses on the development of the next generation through the preparation of a backup manpower plan to accommodate various situations or changes that may occur. It also enhances working knowledge for employees of the Company and increases confidence in the performance and to create stability in the operations of the Company to achieve the goals in a sustainable way.

In addition, the Company provides training for the personnel of the Company, which are internal training and training outside the organization (Public Training). Training focuses on building skills, knowledge, expertise, abilities for employees to apply knowledge to increase efficiency and productivity in work and especially on anti-corruption by communicating to employees to acknowledge and be aware of practices or exemption of actions that are not complied with ethical principles, untransparent and penalties for corruption including complaints and traces channel. Additional courses are also provided to promote morality and ethics for employees at all levels to increase the efficiency of the work of employees at all levels. The Company also considers sending employees and executives of all departments to attend training and seminars on matters related to the operation of each department such as training on anti-money laundering and combating the financing of terrorism and counter-terrorism and proliferation of weapon of mass destruction financing, personal data protection laws, debt collection law and training on various products of the company, including professional ethics for employees of the Company.

The Company is committed to maintaining the remuneration and welfare of the Company at a competitive level and supports working under different situations and conditions. The employees

of the Company are eligible for flexible working time and place to suit personal situations of the employees. This helps employees to manage traveling and allocate time to increase work-life balance and reduces stress and the turnover rate. Moreover, it increases the work efficiency of employees. The Company also promotes education about personal financial management as well as supporting employees to volunteer or participate in activities for public benefit.

(2) Technology and infrastructure development

The Company is committed to supporting innovation in order to change the work process for better efficiency along with creating benefits to society by focusing on the use of technology that can be used easily and generate maximum benefits, such as internal management systems, support various payment methods and communication channels for product and service information of the Company through the SG Home and SG Connect applications, as well as online services through the website of the Company. In addition, the Company has also laid the foundation for information and digital technology to align with the changes as follows:

1. Creating a system for collecting customer information in order to verify the identity of customers and being able to analyze information in various aspects in order to fulfill the needs of customers properly.
2. Development of sales promotion tools for sales representatives, dealers, and agents to convey appropriate information to customers conveniently, quickly, and accurately.
3. Data analytics of the platform for collecting customer data to understand and offer suitable services and target groups of customers in each product group both present and in the future.
4. Improving work processes within the organization to increase service capability and to help manage expenses effectively.

The Company encourages employees of the Company in having a digital mindset and supports employees in their data literacy skills through essential learning tools such as SOPs and policies and procedures of information technology in order for the employees of the Company to keep pace with changes in technology and have operational standards, including safety in operations related to the data of the Company and information technology to meet current and future digital demands.

3.2.2 Stakeholder analysis for the business chain

The Company focuses on the rights of all groups of stakeholders of the company which is related to the value chain of the business and defines the guidelines to meet the expectations of stakeholders as follows:

Stakeholder	Engagement Channels	Expectation of stakeholder	Guidelines to meet stakeholder expectations
1.Shareholder	<ul style="list-style-type: none"> - Shareholder meeting - Company website 	<ul style="list-style-type: none"> - Good performance and sustainable business growth. - Fair and equal treatment to shareholders. - Disclosure of accurate, complete, and timely information. - Transparent operation and verifiable. - Good corporate governance and risk management. 	<ul style="list-style-type: none"> -Defining a clear business plan in order for the Company to generate income, build market share and maintain a profitable rate and be competitive to maintain the growth rate of the Company. -Manage and operate with integrity and business ethics. -Disclosure of accurate and complete information. -Supervise shareholders to receive fair treatment and equality for all shareholders, regardless of major or minor shareholders.

Stakeholder	Engagement Channels	Expectation of stakeholder	Guidelines to meet stakeholder expectations
2. Customer	<ul style="list-style-type: none"> - Receiving complaints and providing customer service through branches and customer service centers on the website of the Company and a call center Tel. 02-028-28281 - Receiving complaints via application Line: @SGCare 	<ul style="list-style-type: none"> - Obtaining strict compliance with business conditions towards customers with fairness and reliability. - Obtaining complete, accurate, timely product information, equal and fair service. - Getting complaints handled quickly and accurately. - Protection of customer personal information. 	<ul style="list-style-type: none"> - Provide quality services according to customer requirements, disclose complete, accurate, up to date without distorting the facts. - Determine fair trade conditions and comply with contracts, agreements or other conditions with transparency and equality. - Provide communication channels for customers to complain about product quality. - Focus on the confidentiality of customer information and do not seek personal benefit from such information.
3. Trading partner	<ul style="list-style-type: none"> - Telephone contact or through electronic media regularly. - Company visits or seminars to manage relationships with partners. - Complaints or clues about fraud via email and postal channels to the inspection group. 	<ul style="list-style-type: none"> - Fair and transparent procurement. - Payment for goods and services according to agreed terms and periods. - Sustainable business growth. - Fully comply with the conditions of the contract with a process to prevent fraud and misconduct in every step of the procurement/hiring process. 	<ul style="list-style-type: none"> - Do not demand, accept, and pay any trade benefits to business partners dishonestly. - Set up a management and monitoring system to ensure that contracts, agreements, and conditions are strictly complied with business partners. In case the condition cannot be fulfilled the partners shall be notified in advance to jointly consider finding solutions to problems with the principle of reasonableness.
4. Competitor	<ul style="list-style-type: none"> - Keeping track of news through various channels such as web-sites - Joint activities through government agencies 	<ul style="list-style-type: none"> - Conducting business and competing with fairness and transparency 	<ul style="list-style-type: none"> - Comply with the rules of fair competition and based on fair returns to both parties. - Do not seek confidential information for the competitors through dishonest or improper means. - Do not damage the reputation of commercial competitors. with derogatory accusations without truthful information

Stakeholder	Engagement Channels	Expectation of stakeholder	Guidelines to meet stakeholder expectations
5. Creditor	<ul style="list-style-type: none"> - Telephone contact or through electronic media. - Disclosure and company visit to check the status of business. 	<ul style="list-style-type: none"> -Payment of debt completely and on time -Compliance with contracts, laws, or relevant agreements 	<ul style="list-style-type: none"> -Strictly comply with contracts, terms and conditions made with creditors. Especially the treatment of assets which are collateral for debts. -Company financial positions report to creditors with honesty, accuracy and on time consistently. -Notify creditors in advance, in case of unable to comply with the obligations in the contract to discuss solutions and prevent damage.
6.Employee	<ul style="list-style-type: none"> -Communication via e-mail or the intranet of the Company and through meetings; employee meetings from the management of the Company to all employees. 	<ul style="list-style-type: none"> -Treated equally and fairly. -Do not discriminate, such as work assignments, learning and development including compensation and various welfare. -Secured occupational health and working environment, good health, and well-being. -Providing an opportunity to express opinions and receive complaints without being intimidated, suspended, terminated, 	<ul style="list-style-type: none"> -Treat employees with politeness, humanity and maintain the working environment to be safe for life and property. -Provide fair and appropriate returns including considering appointing, transferring, rewarding, or punishing employees. with equality and based on fairness and propriety. -Strictly comply with laws and regulations related to employees. -Listen to comments, suggestions, and complaints from employees at all levels equally and encourage employees to participate in determining the direction of work.
7.Society and environment	<ul style="list-style-type: none"> -Website: www.sgcapital.co.th -Participating in activities of public and private organizations, communities, or other organizations concerning environmental management. -Organizing CSR activities. 	<ul style="list-style-type: none"> -Environmental management, promote awareness and continuously train employees regarding the environment. -Conducting business with environmental and social responsibility and supporting environmental conservation society and various organizations. 	<ul style="list-style-type: none"> -Operate business under a choice that will create the least impact on society, environment, and people's quality of life. -Do not take any action that damages natural resources and the environment beyond what is required by law and continually cultivate awareness of social and environmental responsibility among employees at all levels. -Promote the efficient use and conservation of energy for the benefit of the public and future generations.

Stakeholder	Engagement Channels	Expectation of stakeholder	Guidelines to meet stakeholder expectations
			<ul style="list-style-type: none"> -Support community and social activities by focusing on the development of society, community, environment, including supporting education for youth and public activities. -Do not support any activities that are harmful to society or good morals and/or activities that promote vices. -Prompt response and effectiveness in events that affect the community and the environment resulting from the Company's operations by fully cooperating with government officials and related agencies.
8.Government agencies / organizations	-Cooperation with the government and setting related policies.	-Compliance with laws, regulations, official requirements	-Set up a good corporate governance policy. One of the important parts is compliance with laws, regulations, and various official requirements, whereby the corporate governance committee of the Company has trained and provided necessary knowledge to employees of the Company appropriately and consistently.
9.Corporate Government Committee	<ul style="list-style-type: none"> -Compliance with requirements announced or set by regulatory bodies. -Participated in various training seminars organized by regulatory agencies. 	-Good corporate governance and in accordance with the laws set by the regulatory authorities.	-Provide manuals and guidelines that are fully consistent with the rules and regulations of regulatory agencies and strictly cooperate in supervision.

3.3 Environmental Sustainability

Management

3.3.1 Environmental policies and practices

The Company is committed to conducting business sustainably on the basis of environmental responsibility by realizing and focusing on reducing the impact on the environment caused by business operations with a good environmental management system. The Company has the determined goals for the use of natural resources consciously and encourages the reduction of limited use of natural energy along with preparing various plans and measures in order to contribute to solving the challenges of climate change, promotion of energy management, water management, effectively managing waste and pollution, as well as supporting the protection of ecosystems and biodiversity. According to the resolution of the Board Meeting No. 7/2022 on November 7, 2022, an environmental management policy has been established. (Environmental Management Policy). The guidelines are as follows:

1. Strictly comply with international and local environmental laws, rules, and regulations of the Company.
2. Conduct business with environmental and social responsibility by developing an environmental management system according to international standards to confirm that the activities and operations of the Company comply with applicable environmental standards and laws.
3. Monitoring performance and environmental impact of the performance and ongoing performance improvement by setting purposes, goals, and operations and with an environmental impact assessment.
4. The Company will promote awareness and continuously train employees in environment related topics so that the environmental management system can be operated efficiently. This also builds knowledge and understanding of climate change, conservation of natural resources and focusing on preventing negative environmental impacts including the impact on the ecosystem that will negatively affect biodiversity.

The Company will support environmental conservation to society and other organizations as well as disseminate information to enhance image and good understanding of environmental management. The environmental policy of the Company covers the following issues:

Environmental and pollution prevention

The Company is committed to preserving the environment including preventing pollution and improving the environment in the workplace of the Company to have a good environment by using resources and energy efficiently and maximize benefits from consumption and waste controlling by adopting the 3 R

principles, namely 1) R-Reduce, reducing the use and consumption of unnecessary resources 2) R-Reuse: maximize the use of resources by reusing and 3) R-Recycle: choose to use resources that can be recycled to reduce the amount of waste generation and sending waste to landfills and reduce the release of waste to the environment including planning for various emergencies with appropriate methods. The Company organized the Big Cleaning Day activity to manage resources in the workplace to clean up, reduce consumable and properly sorting and disposal of materials that do not benefit the workplace and environment.

Consume materials that are environmentally friendly

The Company selects products that do not cause negative effects on the environment, such as paper and cloth, and reduces the use of products that are toxic or contain chemicals that harm the environment in the workplace including refrain from consuming materials, equipment and products that contain hazardous substances.

Energy and resources conservation

The Company sets practices for saving electricity and water for all departments in the organization to act and align by campaigning for the most economical and the most effective use worthwhile, such as turning off the air conditioner before the end of the working time, selection of electrical equipment that has energy saving properties especially the light bulb, air conditioner and electrical equipment within the office building.

In addition, the Company also allows employees to select to work from home, if works allow to help reduce pollution from driving vehicles to work.

Environmental protection and energy conservation education for personnel in the organization

The Company provides information and knowledge about environmental protection and energy conservation and announces the environmental policy to employees for acknowledgment through internal communication channels such as e-mail and the intranet of the Company. The Company also promotes and cultivates awareness of environmental preservation and energy conservation for all employees to cooperate and seriously and continuously comply with environmental policy.

Green Business Development

The Company focuses on business development and investment that does not cause environmental problems. It also promotes sustainable business by creating digital marketing technology to facilitate customers and for the benefit of reducing the

use of resources such as paper and energy consumption from the paper copying process or destruction of documents.ลดการใช้พลังงานจากกระบวนการทำสำเนากระดาษ หรือการทำลายเอกสาร

3.3.2 Sustainable environmental and performance management

The Company has a policy to encourage employees, executives, including customers and business partners to participate in the valuable use of natural resources and encourage the reduction of limited use of natural energy as well as preparing various plans and measures to contribute to solving the challenges of climate change, promotion of energy, water, waste, and pollution management efficiently including supporting the protection of the ecosystem and biodiversity. The Company has developed information technology systems and requires employees to use the systems of the Company for operations. The process for reviewing loan application, data of the operations and business support department will be proceeded on the information technology system to reduce the use of paper.

Storing and managing documents in the form of electronic documents to help facilitate the data collection of employees. In addition, the Company is in the process of developing a process for drafting electronic hire-purchase and lending contracts including customer authentication through the system to help reduce the amount of paper and waste.

3.3.3.1 Energy management

The Company recognizes the importance of energy efficiency in both lighting and air conditioning systems. The Company is in the process of planning to collect data in order to prepare a report comparing the amount of electricity used within the Company and expects that data will be collected for the year 2023 and will subsequently disclose information in the annual registration statement.

3.3.3.2 Water management

The Company recognizes the importance of efficient use of water resources. Therefore, the Company is in the process of planning to collect data on the use of water resources within the office building in order to prepare a report comparing the amount of water consumption within the Company. The Company expects that the data will be collected for the year 2023 and will subsequently disclose information in the annual registration statement.

3.3.3.3 Waste and pollution management

The Company recognizes the importance of waste management in business operations. The process is still in planning for data collection on waste management and environmental quality measurements in the offices of the Company to prepare a report comparing the amount of waste and noise including monitoring the

quality standards of air, smell, sound, and light within the Company. The data will be collected for the year 2023 and will subsequently disclose information in the annual registration statement.

3.3.3.4 Reduction of greenhouse gas issue

The Company is in the process of selecting a consultant to make recommendations on assessing greenhouse gas emissions in order to plan for data collecting and consider selecting a carbon footprint verifier in order to prepare a report on greenhouse gas emissions and conduct disclosure, the Company expects to collect such information for the year 2023 and will subsequently disclose information in the annual registration statement.

3.4 Social sustainability management

3.4.1 Social policy and practice

The Company recognizes and focuses on supporting social activities under the framework of good governance. It is transparent and verifiable. The Company is committed to business development along with balancing the economy, society and the environment, being a good role model for society (Good Corporate Citizen) along with sustainable business operations and being able to manage the business to grow steadily and be accepted in society based on ethics and good corporate governance principles as well as being able to efficiently generate returns for shareholders by focuses on the impact of business operations on all stakeholders from the fact that the company is aware of social responsibility to develop and build a foundation of continuous and sustainable responsibility according to the resolution of the board meeting No. 7/2022 on November 7, 2022, a social responsibility policy is established. The policy covers the following topics:

(1) Fair business operations

The Company has established guidelines in the code of business ethics to govern the stakeholders by focusing on the responsibility to stakeholders, shareholders, employees, customers, partners, contract parties, communities, society and the environment. It also promotes free and fair-trade competition and avoiding any operations that may cause conflicts of interest and infringement of intellectual property, including anti-corruption in all forms on the following topics:

Corporate Governance

The Company is committed to conducting business correctly with honesty, fairness, transparency, disclosure of important information and can inspect which the Company will focus on benefits and the impact on shareholders, customers, partners, employees, and all stakeholders including the sharing of benefits appropriately and fairly with social responsibility.

The company has a policy to conduct business with social responsibility

(Corporate Social Responsibility: CSR)

Under ethical principles to achieve fairness to all stakeholders along with applying good corporate governance principles as guidelines to maintain the balance of operations in terms of economy, community, society, and environment which will lead to sustainable successful business development

Supervision of compliance with laws, rules, and regulations

The Company focuses on compliance with the law, regulations related to; local, national, and regional environmental, health and safety including compliance with the international business ethics by requiring directors, executives, and employees to conduct themselves within the framework of laws, rules and regulations and must not be involved in helping or doing anything that violates other relevant laws and regulations.

Supervision of Compliance with Intellectual Property Laws

The Company does not support actions that infringe intellectual property such as copyrights, patents, and trademarks by requiring directors, executives, and employees to conduct themselves within the framework of laws, rules and regulations and must not be involved in helping or doing anything that violates laws and other rules and regulations related to intellectual property.

Promotion of efficient use of resources

The Company encourages directors, executives, and employees at all levels in the organization to use resources efficiently, appropriately, sufficiently and maximize benefits including communicating, educating, supporting, and creating awareness among employees and all other relevant parties in managing the use of available resources for the utmost benefit to the organization.

(2) Respect for human rights

The Company focuses on human rights protection, respect human rights and remedies when affected by business with the desire to create equality within and outside the organization. The Company regularly monitors and supervises the business of the Company not to be involved in the violation of human rights and liberty both directly and indirectly, such as not accepting forced labor, forced child labor. The Company respects and treats all stakeholders fairly on the basis of human dignity with no discrimination as well as the personnel of the Company. Everyone is equal, do not discriminate against origin, race, sexual orientation, age, skin color, religion, physical condition, family status, political opinion or other status that is not directly related to the performance.

It also promotes monitoring of compliance with human rights requirements within the Company and to encourage compliance with human rights principles according to international standards. The business responsibility for human rights extends to its affiliates, joint ventures, and partners to promote equality in society and respect for human rights. Therefore, the Company selects personnel with an equal recruitment and selection process based on the benefits and achievements of the Company with competence and skills related to business operations. The Company also focuses on the principles of morality and the main equality principle to get "good people" and "smart people" whose attitudes fit with the organizational culture.

The Company also concentrates on educational qualifications, experience, and other job requirements with no barriers to sexual

Employee	Male Employee (Person)	Female Employee (Person)
Field auditor	210	56
Employees in other departments	221	402
Management	5	3
Total	436	460

In addition, the Company provides opportunities for people with infirmities and disabilities to work at the Company. As of December 31, 2022, the Company has 8 employees with disabilities. They provide information about products and services to customers via telephone (Call Center) and work on the production of souvenirs to be given to customers or business partners.

The Company also promotes the selection of business partners that hire disabled persons with the requirement that such partner companies are still able to deliver quality products and services to the Company.

(3) Fair labor practices

The Company has a policy for all employees to work together under a happy and accepting working environment and treat employees at all levels like brothers and sisters. There is no exploitation of each other. It takes good care of the well-being of its employees. The Company manages resources in every single step to maximize efficiency starting from; recruitment, personnel development including continuous training for employees, fair compensation, and appropriate welfare arrangements. In addition, the Company also encourages all employees to have the opportunity for advancement; learning at all levels of the organization and developing skills to raise the level of professionalism in a suitable

working environment. The policies of the Company are as follows

Remuneration and welfare payments to employees

The Company has a policy to pay compensation in the form of salary and/or bonuses that are fair and appropriate according to their potential through annual performance appraisals including creating career stability and fair career advancement opportunities and provide various welfare benefits for employees of the Company as required by law, such as social security with the additional of what required by law such as health and accident insurance for employees including various types of allowances such as employee subsidies for family funeral expenses; death of parents of employees etc.

Development of knowledge and potential of employees and training

The Company has a policy to promote personal development by encouraging employees to develop their knowledge, abilities and potential through various training courses organized both inside and outside the organization. This includes knowledge sharing through the intranet of the Company as well as having a good attitude, moral, ethics and teamwork. In addition, the Company also supports the development of the organization and human resources by focusing on efficient work processes; clearly defining roles and responsibilities of employees, determination of appropriate returns, developing a system for evaluating and increasing the performance of employees.

Occupational Safety and Health Policy

The Company has established a policy to encourage employees to work safely with good hygiene in the workplace by focusing on preventing accidents that may occur to the best of their ability and strengthening employees to have a sense of safety. In addition, knowledge is provided through training and promoting good health to employees and avoiding any harmful acts that could be harmful to the health of customers or service users including always taking care of the workplace to be hygienic and safe.

The Company evaluates, prepares, and implements training plans that are consistent with knowledge and the ability of current and new employees at all levels to develop the knowledge and abilities of employees to drive them to have opportunities for advancement and growth. The Company also focuses on the quality of life that is necessary in accordance with the target group of employees, such as knowledge of personal finance for employees, etc. In addition, the company has prepared an environment with flexibility in working to suit the operation, such as arranging work areas with sufficient lighting, requiring employees to work from home (Work from Home) during the epidemic of the coronavirus (COVID-19) to reduce the outbreak and allow employees to have flexible working hours to reduce travel time during rush hours, etc.

(4) Responsibility to customers and consumers

The Company realizes the importance of customers and

consumers and focuses on the efficiency of communication to provide services based on the customer-centric principle in order to provide the services conveniently and promptly to customers, as well as to provide justice and maintain benefits for customers with fair and equal benefits to all customers.

In addition, the Company also focuses on collection, use or disclosure of personal data of customers in accordance with the Personal Data Protection Act B.E. 2562 and the Company will not seek benefits from personal data of the customer unless there is a consent in advance.

The Company continuously improves its services to meet customer satisfaction with responsibility, honesty, and ethics. In 2022, the Company received significant complaints regarding loan service such as communicating information between customers and sales representative of the Company, the request for termination of the contract due to misunderstanding of the terms of service, refunds for wrong account payments and a request to update payment balance information and credit bureau information, which the company has promptly solved the problem and handling such complaints within a reasonable period.

(5) Environment protection

The Company pays attention to risk analysis and environmental and safety impacts in all processes of business operations, including using resources efficiently and saving energy according to national and international principles.

(6) Community development

The Company has a policy to conduct business that is beneficial to the economy and society and adhere to good citizenship and completely comply with relevant laws and regulations. The Company will strive to develop, promote, and enhance the quality of life of society and communities where the Company operates as well as the business growth. The Company adheres to a policy that must take care and build relationships with the nearby communities. Therefore, the Company regularly supports community activities such as participating and sponsoring the annual activities of each province by carrying out various projects that focus on the suitability and benefits that the community and society will receive for sustainable community development including sending employees of the company to participate in community events and regularly supporting community activities.

(7) Environmental report

The Company will disclose information in accordance with the social, community and environmental responsibility guidelines for the benefit of all stakeholders by preparing accurate performance reports and various information channels for stakeholders to conveniently access information, such as disclosure in the annual report sustainability report or company website.

4. Management Discussion and Analysis

4.1 Operation and Financial Status



1.1 Overview of past operations

The Company is a financial service provider that is not a financial institution with its head office in Bangkok. It provides services (1) hire-purchase of electrical appliances and household (Home Appliances), commercial appliances (Commercial Appliances), and machinery (Captive Finance) (2) vehicle loan - Rod-Tam-Ngoen (loan with vehicle registration books as collaterals and hire purchase loan with registration books transferred), (3) welfare loans (Debt Consolidation), and (4) gold financing ("Click2Gold")

However, in the description of the analysis and the discussion of the management, product groups are categorized as follow: hire purchase of equipment, electrical appliances, household appliances, commercial appliances, and machinery are under "hire-purchase loans". The vehicle loans for both loans with vehicle registration books as collaterals and hire purchase loans with registration books transferred "Rod-Tam-Ngoen".

The welfare loans and gold financing are under other loans. The Company operates the business of providing secured and unsecured loans. This includes personal loans under supervision in the category of loans with vehicle registration books as collaterals. It is under the supervision of the Bank of Thailand ("BOT") where the Company is allowed to operate a personal loan business under supervision with vehicle registration books as collaterals by the Ministry of Finance

In December 2019, other loans are under the supervision of the Office of the Consumer Protection Board (OCPB) and the Royal Decree of the Civil and Commercial Law. The Company has diversified the risks by providing both personal and corporate loans throughout all regions in Thailand.

As of December 31, 2020, 2021, and 2022, the Company had total net loan receivables of 6.40 billion baht, 10.65 billion baht, and 14.39 billion baht, which continued to grow at a rate of 66.31% and 35.08% in 2021 and 2022 respectively. The growth was mainly from vehicle loans with vehicle registration books as collaterals. The Company started to provide vehicle loans with vehicle registration books as collateral in 2017.

The Company discovered that the demand for vehicle loans with vehicle registration books as collateral is high in the market. There-

fore, it is an opportunity for the Company to focus on a business plan with the objective of providing more vehicle loans with vehicle registration books as collateral. Besides, after the launch of vehicle loans (Rod-Tam-Ngeon) for a period of time, the personnel of the Company gained more expertise and potential to expand the customer base with an understanding of the target market with debtor quality control and efficiency in problems solving. In addition, the information system of the Company started to engage seamlessly and quickly responding to various operational procedures. Therefore, it is a supporting factor for the Company to have the readiness and potential to proactively expand the growth of vehicle loan receivables. As a result, the vehicle loan receivables of Rod-Tam-Ngeon grew rapidly in 2020 and 2021 and became the main loan receivables of the Company and replaced the hire-purchase loans.

The main debtors are the transportation, construction, and agricultural business, etc

1.2 Performance Analysis

Income statement

Profit and Loss (in million baht)	2563	2564	2565	เพิ่มขึ้น (ลดลง)	
Income					
Interest income from Hire-purchase contract and loans	1,298	1,736	2,399	2,399	38%
Other income	65	46	40	(6)	(14%)
Total income	1,363	1,782	2,439	657	37%
Expenses					
Service and administrative expenses	468	492	642	150	31%
Total expenses	468	492	642	150	31%
Profit from operating activities	895	1,290	1,797	507	39%
Finance costs	(195)	(353)	(600)	247	70%
Expected credit loss	(193)	(211)	(395)	184	87%
Income before tax	508	726	802	76	11%
Tax expense	(91)	(133)	(135)	2	2%
	1,298	1,736	2,399	633	38%
	65	46	40	(6)	(14%)
Total comprehensive income for the year	417	593	667	74	13%

Total income

The total income consists of interest income, namely (1) home & commercial appliances (2) vehicle loans (loan with vehicle registration books as collaterals and hire purchase loan with registration books transferred) (3) interest income from other loan receivables (Debt Consolidation) and gold financing (“Click2Gold”) and others. Other incomes are mainly fees and commissions.

In 2022, the total income of the Company was 2.43 billion baht, with an increase of 657 million baht or 37% from the previous year. This was mainly due to an increase in interest income from hire purchase contracts and loans.

Interest Income from the Hire Purchase Contract and Loans

In 2022, the interest income of the Company from hire purchase contracts and loans was 2.39 billion baht, with an increase of 663 million baht or 38% from the previous year. The details are hire purchase contracts and loans classified according to the loan portfolio as follows:

Interest Income from Hire Purchase Loans

In 2022, the interest income of the Company from hire purchase loans was at 1.29 billion baht which is an increase of 240 million baht or 23% from the previous year. This is mainly due to the increase in income from the electrical appliances group from the ability of the Company to expand the market both to SINGER and Jay Mart Mobile Co., Ltd. (“JMB”).

Interest Income from Vehicle Loans Rod-Tam-Ngoen

In 2022, the Company has interest income from vehicle loans (Rod-Tam-Ngoen) in the amount of 1.067 billion baht which is an increase of 407 million baht or 62% from the previous year. The continuous growth of vehicle interest income (Rod-Tam-Ngoen) was mainly due to the large volume of loans issued during the period because the Company is at the beginning of the business cycle. Therefore, the loan base is still small, so the growth potential is high.

Interest Income from Other Loan Types

It consists of interest income from welfare loans and gold financing and others. In 2022, the Company has other interest income of 35 million baht which is an increase of 16 million baht or 84% from the previous year. It has a steady growth in interest income.

After seeking opportunities for production line expansion to be more diverse. Welfare loans and gold financing are evaluated as low-risk loans. It can increase the potential for diversification of the overall loan portfolio.

Service and Administrative Expenses

In 2022, the Company had service and administrative expenses of 642 million baht, which is an increase of 150 million baht or 31% from the previous year. This was mainly due to an increase

in employee benefit expenses, vehicle expenses, and other taxes. This aligned with the continuous expansion of the loan portfolio.

Finance costs

In 2022, the Company had financial costs of 600 million baht, which is an increase of 247 million baht or 70% from the previous year. The proportion of financial costs increased due to the portfolio growth of vehicle loans Rod-Tam-Ngoen which is higher than the hire-purchase loans.

The financial costs arose mainly from loans that the Company received from Singer Thailand Public Company Limited mainly comes from the issuance and offering of debentures. In addition, the financial costs are growing continuously because of the expansion of the loan limit which aligns with the increase of the approved loans.

Expected credit loss

In 2022, the Company has an expected credit loss of 395 million baht which is an increase of 184 million baht or 87% from the previous year. This was mainly due to an increase in the accounts receivable portfolio.

Net profit

In 2022, the Company had a net profit of 667 million baht which is an increase of 74 million baht or 13% from the same period of last year. This was mainly due to an increase in interest income from the continued expansion of the hire-purchase and vehicle loans (Rod-Tam-Ngoen) portfolios.

ผลขาดทุนด้านเครดิตที่คาดว่าจะเกิดขึ้น

สำหรับปี 2565 บริษัทมีผลขาดทุนด้านเครดิตที่คาดว่าจะเกิดขึ้นจำนวน 395 ล้านบาท เพิ่มขึ้น 184 ล้านบาท หรือ 87% จากปีที่ผ่านมา โดยมีสาเหตุหลักมาจากการเพิ่มขึ้นของพอร์ตลูกหนี้

กำไรสุทธิ

สำหรับปี 2565 บริษัทมีกำไรสุทธิจำนวน 667 ล้านบาท เพิ่มขึ้น 74 ล้านบาทหรือ 13% จากงวดเดียวกันของปีที่ผ่านมา โดยมีสาเหตุหลักจากการเพิ่มขึ้นของดอกเบี้ยรับ จากการขยายตัวอย่างต่อเนื่องของพอร์ตสินเชื่อเช่าซื้อและสินเชื่อรถทำเงิน

1.3 Financial Position Analysis

Statement of financial position (in million baht)	31 ธันวาคม 2563	31 ธันวาคม 2564	31 ธันวาคม 2565	เพิ่มขึ้น (ลดลง)	
Assets					
- Cash and cash equivalents	156	391	3,106	2,715	694%
- Current portion of hire-purchase contract receivables	1,788	3,076	3,439	363	12%
- Current portion of loan receivables	651	1,225	2,006	781	64%
- Other current assets	291	255	118	(136)	(54%)
Total current assets	2,886	4,947	8,669	3,722	75%
- Hire-purchase contract receivables	1,558	2,076	1,918	(158)	(8%)
- Loan receivables	2,410	4,278	7,030	2,752	64%
- Other non-current assets	149	129	166	36	28%
Total non-current assets	4,117	6,483	9,114	2,631	41%
Total assets	7,003	11,430	17,783	6,353	56%
Liabilities and equity					
Current liabilities					
- Loan from financial institution	4,772	10	65	55	556%
- Other current liabilities	1,382	1,500	752	(748)	(50%)
Total current liabilities	6,155	1,510	817	(693)	(46%)
Assets					
- เงินสดและรายการเทียบเท่าเงินสด	156	391	3,106	2,715	694%
- ลูกหนี้ตามสัญญาเช่าซื้อที่ครบกำหนดชำระภายในหนึ่งปี	1,788	3,076	3,439	363	12%
- Long-term loans from the parent company	-	7,463	11,173	3,710	50%
- Long-term loan from financial institution	-	14	4	(10)	(73%)
- Other non-current liabilities	28	29	38	9	31%
Total non-current liabilities	28	7,506	11,215	3,708	49%
Total liabilities	6,183	9,016	12,032	3,016	33%
Equity	820	2,414	5,751	3,337	138%
Total liabilities and equity	7,003	11,430	17,783	6,353	56%

Assets

The total assets as of December 31, 2022, and December 31, 2021, were 17,783 million baht and 11,430 million baht, respectively. They mainly consist of hire-purchase and vehicle loan receivables. It accounted for 81% and 93% at the end of 2022 and 2021, respectively.

The total assets as of 31 December 2022 increased by 6.35 billion baht or 56% from 31 December 2021, mainly due to (1) an increase in vehicle loan receivables of 3.53 billion baht or 64% and hire-purchase receivables which increased 205 million baht or 4% (2) an increase in cash and cash equivalents remaining from the proceeding the initial public offering in the amount of 2.7 billion baht.

Liabilities

The total liabilities as of December 31, 2022, and December 31, 2021, were 12.03 billion baht and 9.01 billion baht, respectively. The main liabilities consist of loans received from the parent company.

The total liabilities as of 31 December 2022 increased by 3.01 billion baht or 33% compared with the liabilities as of 31 December 2021. The increase is mainly from the loans received from the parent company. The loans are spent as a source of funds to expand the loan portfolio to grow continuously.

Equity

The equity as of December 31, 2022, and December 31, 2021, was 5.75 billion baht and 2.41 billion baht, respectively. The increase is at 3.33 billion baht or 138% compared to December 31, 2021. It is mainly due to (1) an increase in issued and paid-up capital in the amount of 820 million baht, (2) the share premium related to the initial public offering in the amount of 2.292 billion baht, (3) net profit of 667 million in 2021, and (4)) dividend payment of 441 million baht to shareholders.

1.4 Analysis of key financial ratios

The following table shows the key financial ratios of the Company

Key Financial Ratios	Unit	Financial Statement as of		
		2563	2564	2565
Net profit margin	%	30.56%	33.28%	33.28%
Return on equity ratio	%	55.73%	36.67%	36.67%
Interest income ratio	%	26.11%	20.35%	20.35%
Interest expense ratio	%	5.26%	5.76%	5.76%
Interest rate spread	%	20.85%	14.58%	14.58%
Net interest income to net assets ratio	%	20.06%	15.00%	15.00%
Return on assets ratio	%	7.57%	6.43%	6.43%
Debt to equity ratio	times	7.54x	3.74x	3.74x
Expected credit loss allowance to total loans	%	4.29%	2.80%	2.80%
Expected non-performing receivables to total loans	%	4.36%	3.85%	3.85%

Net Profit Margin

The net profit margin as of December 31, 2022, decreased by 5.92% compared to 2021. It is mainly due to the higher proportion of finance costs compared to the total income of 353.29 million baht or 19.83% in 2021 increased to 600.22 million baht or 24.61% of total revenue in 2022. The Company focused on expanding the vehicle loan portfolio of Rod-Tam-Ngoen. As a result, the vehicle

loan portfolio of Rod-Tam-Ngoen grew faster than the other hire purchase portfolio, as well as the lower interest rate of the vehicle loan portfolio of Rod-Tam-Ngoen, compares to other groups of hire purchase loans.

Return on Equity

The return on equity as of December 31, 2021, and December 31, 2022, was 36.67 percent and 16.34 percent, respectively. From 2021 the return on equity continuously declines due to the increase in shareholders' equity caused by the increase of the capital registration of the Company.

Interest Income Ratio

The interest income ratio as of December 31, 2021, and December 31, 2022, was 20.35 percent and 19.16 percent respectively.

The ratio of interest income gradually and continuously decreased. It decreased by 5.76% in 2021 and 2022 by 1.19% in 2022 compared to 2021 due to the focus of the Company on the vehicle loan portfolio of Rod-Tam-Ngoen. As a result, the vehicle loan portfolio of Rod-Tam-Ngoen grew faster than the other hire purchase portfolio, as well as the lower interest rate of the vehicle loan portfolio of Rod-Tam-Ngoen, compares to other groups of hire purchase loans.

Interest Expense Ratio

The interest expense ratio as of December 31, 2021, and December 31, 2022, was 5.76 percent and 6.41 percent, respectively. The Company mainly spent the loans received from the parent company or Singer Thailand Public Company Limited which came from the issuance and offering of debentures. The interest rate is based on the parent company's average debentures issued in each period plus a margin.

Interest Spread Ratio

The ratio of interest income and interest expenses above interest spreads as of December 31, 2021, and December 31, 2022, were 14.58% and 12.75%, respectively, with the interest margin decreasing due to a decrease in the interest income ratio. The interest income ratio declined as the vehicle loan portfolio grew faster than the other hire purchase portfolio. Whereas, the interest rate of the vehicle loan portfolio per total vehicle loan portfolio is lower than the interest rate of the hire purchase for appliances portfolio per total hire purchase for appliances portfolio.

Interest Income Ratio to Assets

The ratio of net interest income to assets as of 31 December

2021 and 31 December 2022 was 15.00% and 12.32% respectively. The ratio of net interest income to assets decreased by 2.68% in 2022 compared to the ratio of net interest income to assets in 2021.

This is mainly due to the expansion of the vehicle loan portfolio (Rod-Tam-Ngoen) is in higher proportion compared to the appliance hire purchase portfolio. The interest rate of the appliance hire purchase loan portfolio to the total appliance hire purchase loan is usually higher than the interest rate of the vehicle loan portfolio against the total loan portfolio. As a result, the ratio of net interest income to assets decreased accordingly.

Return on Assets Ratio

Return on assets as of December 31, 2021, and December 31, 2022, were 6.43% and 4.57% while interest income is gradually recognized monthly. As a result, the rate of return on assets continued to decline

Debt to Equity

The debt to equity ratio as of December 31, 2021, and December 31, 2022, was increased by 3.74 times and 2.09 times, respectively. It is increased due to the increase in liabilities at the end of 2021, due to an increase in long-term loans from parent companies.

Expected credit loss allowance of non-performing loans

Allowance for expected credit losses to total loans as of December 31, 2021, and December 31, 2022, were 2.80% and 3.38%. It is expected to be incurred to total loans as of December 31, 2022, increased in accordance with the increased of the loan portfolio.

Expected non-performing receivables to total loans

The ratio of non-performing receivables to total loans as of December 31, 2021, and December 31, 2022, was 3.85% and 4.64%, respectively to total loan. This was due to an increase in debtors of non-performing loans in the loan portfolio of non-collectible appliance hire purchase loans.

4.1 Factors or events that may affect the financial position or performance

The impact of Covid-19

The impact of Covid-19 continues to occur. Due to the uncertainty of the situation since 2020, the Bank of Thailand ("BOT") has issued various measures to support financial institutions and financial businesses to assist affected debtors and there are continuous additional assistance measures.

In 2022, the Company has complied with accounting guidelines No. PFRD 049/2564 dated December 3, 2021, subjecting Guidelines for Assisting Debtors Affected by COVID-19. This accounting guideline is effective for providing assistance to debtors affected by COVID-19 between January 1, 2022, and December 31, 2023, or until there are any changes from BOT.

Regarding the debt restructuring according to specified conditions from January 1 to December 31, 2021, the business will be able to apply the relevant principles for classification and provisioning in accordance with this Accounting Guidance from January 1, 2022, until December 31, 2023. The above criteria depend on the method of debt restructuring which can be classified into 2 groups as follows;

It aligns with the circular letter of Bank of Thailand No. BOT.RPD2.C. 802/2564 dated 3 September 2021 on Guidelines regarding the provision of financial assistance to the debtors affected by COVID-19 (sustainable debt resolution).

Regarding the impact on the performance of the Company, non-performing loans continue to reflect fair values through close monitoring including additional estimation by management (Management Overlay), if necessary. This is to ensure that during the economic downturn, the increase in credit risk is carefully evaluated.

As of December 31, 2022, the Company has changed the conditions for the group of debtors affected by COVID-19, which has an outstanding balance of approximately 15.03% of the total amount of hire purchase receivables and loan receivables (December 31, 2022). 2021: 15.66 percent). An additional estimation is defined by the management of the mentioned debtor group.

4.3 Key information from financial statements

4.3.1 Overview of past operations

Audit period	Name of auditor	No of Certified Public	Auditing Company
As of December 31, 2020	Mr. Chokchai Ngamwuthikul	9728	KPMG PHOOMCHAI AUDIT CO., LTD
As of December 31, 2021	Mr. Chokchai Ngamwuthikul	9728	KPMG PHOOMCHAI AUDIT CO., LTD
As of December 31, 2022	Mr. Chokchai Ngamwuthikul	9728	KPMG PHOOMCHAI AUDIT CO., LTD

The Company has adapted its financial reporting standards from TFRS for NPAs to Financial Reporting Standards (TFRS for PAs) in 2020.

Summary of the audit report for the financial statements as of December 31, 2020

I hereby support that the above financial statements show the financial position of the Company and cash flow as of December 31, 2020, as it should be with the material correctness in accordance with Thai Financial Reporting Standards.

Summary of the audit report for the financial statements as of December 31, 2021

I hereby support that the above financial statements show the financial position of the Company and cash flow as of December 31, 2021, as it should be with the material correctness in accordance with Thai Financial Reporting Standards.

Summary of the audit report of the financial statements as of December 31, 2022

I hereby support that the above financial statements show the financial position of the Company and cash flow as of December 31, 2022, as it should be with the material correctness in accordance with Thai Financial Reporting Standards.

4.3.2 Financial Statements

Statement of Financial Position

Statement of Financial Position	As of date					
	December 31, 2020 (audited)		December 31, 2021 (audited)		December 31, 2022 (audited)	
	in million	Percent	ล้านบาท	in million	in million	Percent
Assets						
Current Assets						
- Cash and cash equivalents	155.66	2.22	391.37	3.42	3,106.14	17.47
- Current portion of hire-purchase contract receivables	1,787.94	25.53	3,076.26	26.91	3,438.46	19.34
- Current portion of loan receivables	651.17	9.30	1,225.05	10.72	2,006.26	11.28
- Other receivables	277.50	3.96	228.98	2.00	67.32	0.38
- Accrued income	12.53	0.18	25.57	0.22	11.67	0.07
- Asset foreclosed	1.00	0.01	-	0.00	39.05	0.22
- Other current assets	0.02	0.00	0.01	0.00	0.08	0.00
Total current assets	2,885.81	41.21	4,947.24	43.28	8,668.98	48.75
Non-current assets						
- Hire-purchase contract receivables	1,558.14	22.25	2,076.04	18.16	1,918.40	10.79
- Loan receivables	2,409.50	34.41	4,277.93	37.43	7,030.47	39.53
- Leasehold improvement and equipment	6.75	0.10	14.32	0.13	21.47	0.12
- Right-of-use assets	15.63	0.22	14.90	0.13	18.94	0.11
- Intangible assets	0.53	0.01	4.72	0.04	6.27	0.04
- Deferred tax assets	125.11	1.79	93.63	0.82	116.91	0.66
- Other non-current assets	1.18	0.02	1.46	0.01	1.92	0.01
Total non-current assets	4,116.84	58.79	6,482.99	56.72	9,114.39	51.25
Total assets	7,002.65	100.00	11,430.24	100.00	17,783.36	100.00
Liabilities and equity						
Current liabilities						
- Short-term loan from financial institution	4,772.41	68.15	-	0.00	55.00	0.31
- Trade accounts payable	934.65	13.35	1,179.63	10.32	486.48	2.74
- Other payables	405.23	5.79	263.44	2.30	163.96	0.92
- Current portion of long-term loan from financial institution	-	0.00	9.89	0.09	10.48	0.06
- Current portion of lease liabilities	5.98	0.09	7.55	0.07	9.02	0.05
- Current income tax payable	36.28	0.52	49.26	0.43	92.40	0.52
Total current liabilities	6,154.56	87.89	1,509.77	13.21	817.33	4.60

Statement of Financial Position	As of date					
	December 31, 2020 (audited)		December 31, 2021 (audited)		December 31, 2022 (audited)	
	in million	Percent	ล้านบาท	in million	in million	Percent
Non-current liabilities						
- Long-term loans from the parent company	-	0.00	7,463.09	65.29	11,172.67	62.83
- Long-term loan from financial institution	-	0.00	14.44	0.13	3.92	0.02
- Lease liabilities	10.45	0.15	8.61	0.08	11.77	0.07
- Provisions for employee benefits	15.87	0.23	19.14	0.17	24.14	0.14
- Employee security deposits	1.63	0.02	1.20	0.01	2.14	0.01
Total non-current liabilities	27.95	0.40	7,506.48	65.67	11,214.64	63.06
Total liabilities	6,182.50	88.29	9,016.25	78.88	12,031.97	67.66
Equity						
Share capital						
- Authorised share capital	1,450.00	20.71	3,270.00	28.61	3,270.00	18.39
- Issued and paid-up share capital	1,450.00	20.71	2,450.00	21.43	3,270.00	18.39
- Share premium:	-	-	-	-	2,292.00	12.89
Share premium on ordinary shares						
- Difference arising from business combination under common control	(974.12)	(13.91)	(974.12)	(8.52)	(974.12)	(5.48)
- Retained earnings	145.00	2.07	176.02	1.54	209.38	1.18
- Appropriated-Legal reserve	199.261	2.85	762.09	6.67	954.13	5.37
- Unappropriated ¹	820.15	11.71	2,413.99	21.12	5,751.40	32.34
	199.261	2.85	762.09	6.67	954.13	5.37
Total equity	820.15	11.71	2,413.99	21.12	5,751.40	32.34
Total liabilities and equity						

Remark: ¹ As of January 1, 2020, the Company has implemented TFRS 9 and has adjusted retained earnings to 271.42 million baht from the impact of the change in hire-purchase receivables, car for cash debtors, and related deferred income assets.

Statement of comprehensive income

Statement of comprehensive income	As of date					
	December 31, 2020 (audited)		December 31, 2021 (audited)		December 31, 2022 (audited)	
	in million	Percent	in million	Percent	in million	Percent
income						
- Interest income from hire-purchase contract and loans	1,297.77	95.22	1,735.93	97.42	2,399.08	98.37
- Other income	65.20	4.78	45.88	2.58	39.68	1.63
Total income	2,885.81	41.21	4,947.24	43.28	8,668.98	48.75
Expenses						
- Service and administrative expenses	(467.96)	(34.33)	(491.63)	(27.59)	641.60	26.31
Total expenses	(467.96)	(34.33)	(491.63)	(27.59)	641.60	26.31
Profit from operating activities	895.00	65.67	1,290.19	72.41	1,797.15	73.69
- Finance costs	(194.63)	(14.28)	(353.29)	(19.83)	(600.22)	(24.61)
- Expected credit loss	(192.83)	(14.15)	(211.37)	(11.86)	(395.21)	(16.21)
Profit before income tax expense	507.54	37.24	725.51	40.72	801.73	32.87
- Tax expense	(90.96)	(6.67)	(132.48)	(7.44)	(134.49)	(5.51)
Profit for the year	416.58	30.56	593.03	33.28	667.24	27.36
Other comprehensive income						
- Gain (loss) on remeasurements of defined benefit plans	-	-	1.01	0.06	(1.04)	(0.04)
- Income tax relating to items that will not be reclassified	-	-	(0.20)	(0.01)	0.21	0.01
- Total items that will not be reclassified to profit or loss	-	-	-	-	(0.84)	(0.03)
Other comprehensive income for the year, net of tax	-	-	0.81	0.05	(0.84)	(0.03)
Total comprehensive income for the year	416.58	30.56	593.84	33.33	666.41	27.33
Basic earning per share						
- Basic earning per share (in baht)	0.29		0.29		0.27	
- Ordinary shares (in million) ¹	1,450		2,450		3,270	

Remark : ¹ As of 31 December 2018, 31 December 2019, and 31 December 2020, the Company had 1,450,000 ordinary shares with a value of 1,000 baht per share and in 2021 the shares are fractured to 1 baht per share which increased the number of shares to 3.27 billion.

Statement of Cash Flows

Statement of Cash Flows	Statement of Cash Flows as of		
	December 31, 2020 (audited)	December 31, 2021 (audited)	December 31, 2022 (audited)
	in million baht	in million baht	in million baht
Cash flows from operating activities			
- Profit for the year	416.58	593.03	667.24
Adjustments to reconcile profit (loss) to cash receipts (payments)			
- Tax expense	90.96	132.48	134.49
- Interest income from hire-purchase contract and loans	(1,297.77)	(1,735.93)	(2,399.08)
- Finance costs	194.63	353.29	600.22
- Depreciation	10.24	18.44	19.83
- Amortisation	0.21	0.22	0.59
- Expected credit loss	191.04	211.37	395.21
- Provision for employee benefit	3.60	6.48	4.01
- Loss from impairment of asset foreclosed	19.24	0.64	6.87
- Gain on sale investment	-	(0.59)	0.00
- Loss on written-off equipment and intangible asset	-	0.30	1.18
- Other interest income	(0.16)	(0.13)	(0.23)
Changes in operating assets and liabilities	(371.42)	(420.40)	(569.67)
Operating assets (increase) decrease			
- Hire-purchase contract receivables	(1,261.59)	(2,013.76)	(547.41)
- Loan receivables	(1,818.24)	(2,435.40)	(3,563.42)
- Other receivables	(98.22)	51.01	149.01
- Assets foreclosed	2.42	1.00	(45.92)
- Accrued income	(8.84)	(13.04)	13.90
- Other current assets	(17.26)	(0.63)	(0.07)
- Other non-current assets	(0.24)	(4.19)	(0.45)
Changes in operating assets and liabilities			
- Trade accounts payable	510.61	244.98	(693.15)
- Deferred interest subsidies	(133.74)	(258.41)	(83.24)
- Other payables	(18.64)	68.80	(16.24)
- Other non-current payables	(0.01)	-	-
- Employee security deposits	0.41	(0.43)	0.94
- Provident fund for employee	-	(2.19)	(0.06)
- Employee benefit paid	(1.30)	-	-
Cash used in operating activities	(3,216.05)	(4,782.68)	(5,355.78)
- Interest received hire-purchase contract and loans	1,319.85	1,770.53	2,379.53
- Tax paid	(79.18)	(83.08)	(104.92)

Statement of Cash Flows	Statement of Cash Flows as of		
	December 31, 2020 (audited)	December 31, 2021 (audited)	December 31, 2022 (audited)
	in million baht	in million baht	in million baht
Net cash used in operating activities	(1,975.37)	(3,095.24)	(3,081.17)
Cash flows from investing activities			
- Other interest received	0.16	0.13	0.23
- Proceeds from sale investment	-	600.59	0.00
- Acquisition of investment	-	(600.00)	0.00
- Acquisition of leasehold improvement and equipment	(2.63)	(11.34)	(14.08)
- Acquisition of intangible assets	(0.01)	(4.54)	(2.15)
Net cash used in investing activities	(2.48)	(15.16)	(16.00)
Cash flows from financing activities			
Proceeds from issued of shares - net	-	1,000.00	3,112.00
- Dividend	-	-	(441.00)
- Finance cost paid	(193.97)	(353.29)	(598.93)
- Proceeds from loan from financial institution	-	30.00	55.00
- Repayment of loan from financial institution	-	(5.67)	(9.94)
- Proceeds from loans from parent company	2,849.83	4,206.78	7,718.84
- Repayment of loans from parent company	(686.11)	(1,516.10)	(4,009.26)
- Payment of lease liabilities	(6.62)	(15.61)	(14.78)
Net cash from financing activities	1,963.14	3,346.10	5,811.94
Cash and cash equivalents at 31 December	(14.72)	235.70	2,714.78
Net cash from financing activities	170.38	155.66	391.37
Cash and cash equivalents at 31 December	155.66	391.37	3,106.14

3.3 Key Financial Ratios

อัตราส่วนทางการเงินที่สำคัญ	UOM	As of December 31		
		2563	2564	2565
Liquidity ratio				
Liquidity ratio ¹	time	0.47x	3.28x	10.61x
Profitability Ratio				
Net profit margin ²	%	30.56%	33.28%	27.36%
Return on equity ratio ³	%	55.73%	36.67%	16.34%
Interest income ratio ⁴	%	26.11%	20.35%	19.16%
Finance cost ratio ⁵	%	5.26%	5.76%	6.41%
Interest rate spread ⁶	%	20.85%	14.58%	12.75%
Operating Efficiency Ratio				
Net Interest income to net assets ratio ⁷	%	20.06%	15.00%	12.32%
Return on assets ratio ⁸	%	7.57%	6.43%	4.57%
Operating expense ratio ⁹	%	34.33%	27.59%	26.31%
Financial Policy Ratio				
Debt to equity ratio ¹⁰	time	7.54x	3.74x	2.09x
Dividend pay-out ratio ¹¹	%	-	-	-
Asset Quality Ratio				
Expected credit loss allowance of non-performing loans ¹²	%	98.33%	72.63%	72.83%
Expected credit loss allowance to total loans ¹³	%	4.29%	2.80%	3.38%
Expected credit loss of non-performing paybles to total loans ¹⁴	%	4.36%	3.85%	4.64%

Remarks: ¹Liquidity ratio means total current assets divided by total current liabilities.

²Net profit margin means net profit divided by total revenue.

³Return on equity means net profit divided by equity (average).

⁴Interest income ratio means interest income divided by earning assets (average).

⁵Finance cost means interest expenses divided by total loan (average)

⁶Interest rate spread is the yield on an earning asset minus the cost of finance

⁷Net interest income to assets ratio means net interest income divided by total assets (average).

⁸Return on assets means net profit divided by total assets (average).

⁹Operating expense ratio to total income ratio means operating expenses divided by total income.

¹⁰Debt to equity ratio means total liabilities divided by shareholders' equity

¹¹Dividend pay-out ratio means dividend divided by net profit.

¹²The expected credit loss allowance ratio to non-performing loans means expected credit loss allowance divided by non-performing loans

¹³Expected credit loss allowance Ratio to total loans means the expected credit loss allowance ratio divided by total loan receivables

¹⁴The non-performing payables to total loans mean non-performing debtors divided by total loans



of vehicle registered as collateral, depending on the case, including consumer care guidelines.

- In case the non-financial business operators use services from external service providers (outsourcing) to reduce operating costs and increase flexibility in business efficiency to be able to use the service only for non-core tasks related to strategic decision-making (strategic function) in accordance with the regulations prescribed by the Bank of Thailand such as the selection of outsourcing service providers, consumer care and responsibility outsourcing, business continuity management and risk management of external service providers, etc.

- In this regard, the Bank of Thailand may consider waiving or adding conditions for compliance with the rules or conditions relating to the use of services from outsourcing service providers (Outsourcing) and data reporting to the Bank of Thailand, as the case may be.

Risk Management

Business operators must obtain an internal personal loan risk management system under supervision as follows:

- The system for determining the qualifications of consumers applying for a personal loan for approving and determining personal loan limits under supervision according to debt repayment capability.
- Debt collection system is used to warn when consumers begin to have problems in paying debts or are unable to pay debts according to the agreement as well as strategies for debt collection in various cases.
- Management information system is used in the formulation and review of policies and work plans relating to personal loans under supervision.

Market Conduct

For the management of providing services to customers, personal loan business operators under supervision must operate their business in accordance with the Bank of Thailand Notification No. SorKorSor 2. 4/2563 Re: Market Conduct, which prescribes guidelines for the management of personal loans under supervision providing services to customers in various areas such as

- Corporate Culture and Roles and Responsibilities of Board Directors and Senior Management
- Product Development and Client Segmentation
- Remuneration Scheme
- Sales Process
- Communication and Training
- Data Privacy
- Problem and Complaint Handling
- 3 Lines of Defense and
- Operation and Business Continuity

In addition to comply with the Bank of Thailand Notification Re: Market Conduct, personal loan business operators under supervision the business operators must comply with the regulations on disclosure of information on credit quality, provide services and products and additional practices as follows:

- Announcement of interest rates, fines, fines, service charges, any fees and any expenses related to personal loans under supervision

(1) The business operators must disclose details about interest rates, penalties, fines, service charges, fees and actual paid expenses that is deemed to be appropriate on the day prior to the effective date on interest rates, fines, fines, service charges, any fees and expenses. The business operators must have a process to ensure that consumers clearly understand and are aware of such details, for example, publicly posted at all offices, on the website, or other channels of the business operators.

(2) The business operators must keep the original collection of interest rates, fines, fines, service charges, fees, and expenses as actually paid expenses that are deemed to be appropriate whether in the form of documents or storage media via computer or in any forms for a period of not less than 10 years from the effective date on which interest rates, fines, fines, service charges, any fees, actually paid expenses that are deemed to be appropriate to provide to consumers, courts or government agencies upon request.

(3) The business operators must inform details of interest rates, fines, fines, service charges, any fees, and actual and reasonable expenses actually which are in effect at that time consumers or persons that are willing to receive personal loans under supervision or requests to increase loan limit in the prospectus, application, and contract or in any other documents related to the application for a personal loan under supervision or request for an increase of loan limit.

- Preparation of debt obligations table

For the consumers to get clear information, business operators must prepare a debt obligations table for each consumer. It shall show details of the information in installments, which each installment shall consist of the amount of money that the consumer must pay separately as principal, interest, and outstanding principal amount. This must be provided to consumers upon entering into an agreement for a personal loan under supervision or when such loan is approved.

- Debt payment and debt collection process

(1) In case there is a charge of interest, other service fees, and penalties or expenses on outstanding debts, the business operators must show the details of the calculation of such items in the invoice.

(2) Business operators must notify consumers of debt default

before taking legal enforcement of debt repayment or before proceeding with the sale of a registered vehicle as collateral, transfer, or taking any other action to pay off the debt provided. There must be sufficient time for consumers to review and dispute such items.

(3) The business operators must operate fairly to consumers by referring to fair value as specified by financial reporting standards for the sale, acceptance of transfer, or any other action in order to bring the registered vehicle as collateral to pay off the debt. If the value of the vehicle registered as collateral for debt repayment is greater than the outstanding debt, the business operator shall return the surplus money to the consumer.

- Change of Loan Type

The business operators must not transfer the debt arising from a personal loan under supervision to current account debt or debt under other types of loan agreements unless the consumer gives consent. For debts under personal loan under supervision that have not been transferred to current account debt, the interest will not be compounded on the principal and interest.

- Consumer Data Management

(1) Business operators must focus on providing accurate and complete information about consumers and should be aware of all the liabilities of the consumers to evaluate and approve the loan limits under supervision, including appropriate increasing loan limits and aligning with the ability of the consumer to pay the debt. The business operators can use information from reliable central sources or other sources to verify consumer information such as personal history, total loan limit received, the total number of other business operators where consumers received personal loans under supervision, liabilities, and other information. The business operators may communicate to the consumer to acknowledge all the debt obligations of the consumer as information for making a decision to apply for a loan or to increase the personal loan limit under supervision.

(2) Business operators must keep consumer information confidential. However, there are some exemptions: disclosure with written consent from the consumer, disclosure in line of duty or to facilitate an investigation or court proceeding, disclosure to the auditor of such non-bank, sending loan information to a loan information company under the law governing credit information business or disclosure for the purpose of complying with the law.

- Handling of Complaint

Business operators are required to conduct investigations when consumers file a complaint about the use of supervised personal loans and notify the progress of the inspection results including clarifying the steps to take action to the consumer within 7 days

from the date of receiving the complaint including completing the resolution of the complaint and notify consumers as soon as possible.

Reporting Information to the Bank of Thailand

The business operators of personal loans under supervision that are non-financial institutions must prepare a report to be submitted to the Bank of Thailand in the form and time period specified by the Bank of Thailand. This includes preparing a financial services fee report, submission of annual financial statements that have been audited by an auditor and signed to certify the accuracy by the authorized director of the personal loan under supervision business that is a non-financial institution to the Bank of Thailand within 180 days from the end of the accounting period and preparation and submission of additional reports and information on a case-by-case basis as requested by the Bank of Thailand.

Determining additional conditions, amendment, suspension, or revoking the license of the business operator

In case a personal loan under supervision business is a non-financial institution, the Bank of Thailand is eligible to request to fully or partially amend or temporarily suspend operations in the personal loan business under supervision. The Bank of Thailand may prescribe rules, procedures, or other conditions for personal loan business operators under supervision that are non-financial institutions to comply with.

They may submit their opinions to the Minister of Finance to consider revoking the permission. In case the Minister of Finance revokes the permission, the operators of the personal loans under supervision that are non-financial institutions shall return their licenses to the Bank of Thailand within 15 days.

In addition, the loan agreement for the Company's personal loan is still under the control of the Committee on the Notification of the Contract Committee Re: Stipulation of Loan Business for Consumers as a Contract-Controlled Business B.E. 2565 (2022) which requires the companies who are business operators under the announcement to prepare a loan agreement in Thai language that can clearly be seen and read and must contain significant contract terms and conditions as follows:

- Details of interest rates and other fees as required by law, including notes on calculation methods must be attached to the agreement.
- Details of any fees or expenses in debt collection according to the rate announced by the Debt Collection Supervisory Board. However, there must be evidence or documents related to debt collection to be able to be examined.
- Conditions that the lender is eligible to change the interest rate but must notify the borrower in writing at least 30 days in advance or in an urgent case, notify via letter or electronic

media or announced in a Thai daily newspaper prevalent in the country at least 7 days in advance. In case of publishing in the newspaper, such changes shall be notified again in a written form.

- Breach of any agreement terms that the lender is eligible to terminate the contract, the terms must be specified by the lender specifically mentioned and are more prominent than the general text. Before the termination of the contract, the borrower must be notified in a written form at least 30 days in order for the borrower to settle the breach of contract or breach of such conditions.

- Conditions relating to the right to distribute or transfer claims in the agreement, the lender and the transferee must notify the borrower and guarantor (if any) in a written form in advance of at least one installment of the loan or interest payment or period of interest calculation or must obtain the consent of the borrower. Except in case there is a law specifically stipulating that no notice or notice must be given to the borrower or obtaining consent from the borrower.

- In case a loan agreement is scheduled to be paid in installments and the borrower is willing to fully pay all debts at once. Lenders must not charge interest on loans that are not due under the contract and return the collateral assets (if any) within 7 days from the date the lender receives the full payment and attach the debt obligations table to the agreement.

- In case the law or contract requires the lender to send notice in writing The lender must send notice by registered mail to the borrower and the guarantor (if any) as contained in the contract or according to the latest change notification unless the borrower or guarantor is willing to receive a notice by email. The borrower and the guarantor must notify the lender in a written form or by email.

- In case the lender has to store the personal information of the borrower and will disclose that information to third parties, written consent from the borrower must be obtained on a case-by-case basis.

- In the case the loan agreement requires a guarantor, the guarantor agreement must contain a warning to the guarantor in the Thai language that can be easily seen and read and attach a warning for the guarantor to the agreement.

- The agreement made between the lender and the borrower must not use the agreement terms that included the nature or meaning as follows:

- (1) A term that excludes or limits the liability of the lender for breach of contract.

- (2) A term that gives the lender the right to terminate the contract with the borrower or require the borrower to fully or partially pay all debt before the expiration of the agreement in which there is no default payment by the borrower or

breach of an agreement or fails to comply with or perform any agreement terms or obligations in the agreement.

- (3) A term that gives the lender the right to terminate the contract between the borrower without written notice to the borrower.

- (4) A term that gives the lender the right to change the interest rate, service rates, and other expenses related to the loan agreement unless any changes in interest rates must be notified to the borrower in a specified written form.

- (5) A term that requires the borrower to make an insurance policy or life insurance except for the loan for housing or having assets as collateral. However, the lender must make an insurance policy, clearly specifying the premium amount separately, and deliver the insurance policy to the borrower if premiums are paid in installments, specify the amount of premiums to be paid in the repayment table attached to the agreement.

- (6) A term that the lender is eligible to charge penalties or fees from the borrower to fully or partially of the debt before the contract period except for housing loans where the borrower receives a lower interest rate than usual, and the borrower intends to make full payment in order to change the lender within 3 years from the date of the agreement.

Interest on defaulting debt

- Calculation of the interest on defaulting debt

- For installment loans and revolving loans, the loan service provider can charge default interest rates higher than the normal maximum interest rate actually charged as specified in the agreement by not more than 3 percent per year. This must be evaluated from the relevant and appropriate factors and must disclose the default interest rate as specified by the Bank of Thailand. In addition, the personal loan service provider under supervision, which the law specifies the maximum rate of interest, fines, service charges, and any other fees must comply with the specific law.

- For the loan with installment payments the service provider must calculate the default interest on the basis of the principal of the installments that the debtor owes in each installment until the court accepts the lawsuit. Filing a case in court the overdue period must be over 90 days from the due date. Unless there is a necessity that significantly affects the position of the debtor by virtue of the agreement in the agreement or by law. The service provider may file a case in court before the 90-day overdue period. Moreover, in the case of a revolving loan, the service provider must calculate the default interest on the basis of the full defaulted amount.

- The service provider must specify a grace period to not charge default interest in case the debtor may have force

majeure causing an inability to pay debts on schedule which can be set as the internal rules of the service provider.

- Debt Repayment

- In case the loans with installment payments, the service provider uses the money received to pay off the debt according to the amount of debt each installment by deducting fees, interest, and principal of the debt amount that the debtor has been overdue for the longest time first and then gradually cut off the outstanding amount of debt, respectively (horizontally cut off debt). In the case of revolving loans, the service provider can use the received money to write off the debt by cutting off all outstanding fees, interest, and principal.
- Principles of debt payment for installment loans and revolving loans shall also be applied to debt restructuring debtors who have defaulted during debt restructuring. The service provider can perform actions that are more beneficial to the debtor than the aforementioned criteria.

- Other rules

- The service provider must notify and clarify the details of each item that the debtor has to pay or will collect from the debtor. In this regard, they shall comply with the Bank of Thailand Notification Re: Market Conduct
- The service providers who sell or transfer debt must submit all information related to the debt sold or transferred, such as the agreement, debt repayment table including payment history and outstanding debt to service providers who buy or accept a transfer of debt. The service providers who buy or accept debt transfer can continually charge default interest and debt payment sequence from the original service provider.

Practice Guidelines and Disclosure of Information on Interest Rates, Service Charges, and Penalties for Financial Products and Services

- Scope

(1) The collection of interest, service charges, and fines from customers are appropriate. The price or rate specified must be fair, not taking advantage of customers no duplicate charges consider the actual costs incurred from the provision of products or services such as capital in finance cost of risk services, operating costs, or other costs that the service provider can demonstrate to be relevant or necessary to take part in determining the price or rate. The service provider must not include actually paid expenses and deemed to be reasonable with the amount of the outstanding debt to calculate interest and other fines.

(2) The calculation principles and bases used in calculating service charges and penalties are reasonable and in accordance with the factors that cause the cost of each item as well as other factors that the service provider can demonstrate

to be relevant or necessary for the evaluation.

(3) Charge a service fee prorated for the actual service time. In case the service providers charge service fees for using products or services from customers in advance and at a later time the customer notifies the cancellation of the service before the expiration of the period for which the service fee has been paid the service provider shall return the service fee in proportion to the period of time that the customer has not used the service. The service provider can consider deducting actual costs or expenses from such service fees before giving the refund to the customers.

In addition, the service provider must specify the principles or conditions for refunding services by clearly notifying the principles or conditions for refunding the service to customers and must inform the customer about the way to return the service. Service providers should consider selecting a method for refunding services that are free of fees or expenses as the first priority. However, if the service provider needs to use other channels or the customer wishes the service provider to return the service fee through other channels which may have fees or related expenses. The provider shall also inform the customer of any fees or charges that the customer may be responsible for.

(4) Do not push the burden or create unreasonable burdens on the customers. The ability of the customer to repay must also be taken into account. The service provider must not charge for service fees resulting from normal internal operations or the risk management of the service providers themselves without creating additional benefits for customers.

(5) Disclose information about interest, service charges, and penalties to customers accurately, completely, clearly, and up to date. To provide customers with information to make decisions in choosing products or services.

(6) The service providers must take care and communicate to business partners and business support service providers acting on their behalf, such as outsourcers or financial agents (Agents) of their intentions in ensuring that the service fee rates are set, the customers will be charged fairly for services and do not take advantage of customers which may be referred to or considered from the general service charge rates and should focus on the benefit of the customer. The service providers shall not create a burden on the customers. It must not impair the quality of service received by the customer or pass on the general expenses of the service provider to the customer. Moreover, the business partners and business supporters of the service providers acting on their behalf must disclose information about service fees related to providing services to customers accurately, completely, clearly, and up-to-date.

5.2.1.2 Significant laws relevant to the loans that are not supervised by the Bank of Thailand.

In the car hire purchase business 2522 (and its amendments) (“Consumer Protection Act”), Notification of the Contract Committee re: Prescribing Hire Purchase Business for Cars and Motorcycles as a Contract Controlled Business dated September 22, 2022, and the Notification of the Committee on Contracts on letting the hire-purchase business of electrical appliances be a contract-controlled business, B.E. 2544, effective from July 1, 2001, which can be summarized as follows:

Vehicle Hire Purchase Business with the Register Books Transferred

Car and motorcycle hire purchase business is under the supervision of the Office of the Consumer Protection Board as it is a contract control business set by the Board of Contracts under the Consumer Protection Act. The business operators must comply with the act to protect consumers. The significant agreement terms and conditions must be as follows:

- Specify the make, model, engine number, and chassis number, the condition of the car or motorcycle whether it is a new car or a used car and the distance traveled including contingencies of cars or motorcycles (if any).
- Specify details about the cash price, booking amount, down payment amount, remaining cash price fixed annual interest rate (Flat Interest Rate), effective interest rate per year, number of installments, the total amount of hire purchase, amount of hire-purchase paid in each installment, the amount of VAT paid in each installment, set the installment payment period.
- Specify details of the method for calculating the amount of hire purchase, amount of hire purchase, the amount of interest paid, and the amount of VAT paid in each period including a table showing the debt obligations under the hire purchase agreement for each hirer by showing the details as prescribed by the announcement.
- Prepare a table showing the debt obligations under the hire purchase agreement for each hirer by showing details about the number of installments of the hire purchase that must be paid, the day, month, year of payment, details of the amount in each installment and the outstanding amount of hire purchase including the discount that the hirer will receive to deliver to the hirer with the hire purchase agreement.
- Specify details about the rates of fees or any expenses in the collection of hire purchase debt that the Debt Collection Supervisory Committee announced under the law on debt collection.
- Specify the agreement terms for changing the lease contract as requested by the hirer. The cost is charged only as much as the owner actually spends as necessary and reasonable, but not over 2,500 baht.

- Specify an agreement term that the ownership of the hired car or motorcycle becomes the hirer's right when the hirer pays the hire purchase including the full amount of expenses that the owner requests and register the change of ownership of the car or motorcycle within 30 days from the date the owner receives all the necessary documents for registration. Unless there is an obstruction in which such transfer cannot be registered which is the fault of the owner.

- Specify the agreement terms that the owner is eligible to terminate the agreement. In case the hirer fails to pay the installment for three consecutive installments and the owner has a written notice sent to the hirer to pay the installment overdue within at least 30 days from the date the hirer received the letter and the hirer fails to comply with the notice.

However, when the owner exercises the right to terminate the contract and possesses cars or motorcycles before taking the car or motorcycle out for sale by auction or by an appropriate auction method the hirer has the important duties as follows:

(1) There is a written notice to the hirer and the guarantor (if any) at least 30 days in advance so that the hirer can exercise the right to buy first within 20 days according to the amount of the outstanding debt. The owner must give a discount to the hirer as specified.

(2) Notify the hirer and the guarantor (if any) in a written form not less than 15 days before the auction date. In case the owner can sell the car or motorcycle and the price is higher than the amount of debt that is missing, the owner must return the surplus to the hirer. In case the price is less than the outstanding debt under the hire-purchase agreement, the hirer is liable for the difference.

- There is a letter informing about the name of the seller, date, place of sale, selling price, and details of expenses relating to the sale, to the extent that it has actually been paid as necessary and with reasonable grounds including the excess amount returned to the hirer or the amount that the hirer is liable for the difference for the hirer to acknowledge within 15 days from the date of sale.

- The owner must not enter into a bid directly or indirectly by means of an auction of the car or motorcycle.

- Specify the agreement terms that specify the discount to the hirer, in the hirer is willing to close the hire purchase account by fully paying off the hire purchase debt at once to close the hire purchase account and not pay installment payments on a periodic basis under the hire purchase agreement. The owner must provide a discount to the hirer as follows:

(1) In case the installments have already been paid for no more than one-third of the hire-purchase installments specified in the agreement, they will receive a discount of not less than 60 percent of the unpaid interest on the hire-purchase.

(2) In case the installments are paid for not less than one-third but not more than two-thirds of the hire-purchase installments specified in the agreement, they will receive a discount of not less than 70 percent of the unpaid interest on the hire-purchase.

(3) In case the installment has already been paid for more than two-thirds of the hire-purchase installment specified in the agreement, all discounts on the unpaid hire-purchase interest have been received.

- The agreement terms must not take advantage of consumers unreasonably or have the same meaning as follows:

(1) A term that pushes the burden on the hirer to pay fees, taxes, or any expenses related to cars or motorcycles that occur before the hirer enters into a car or motorcycle hire purchase agreement.

(2) A term that requires the owner to charge a penalty in case the hirer fails to pay installments under the hire-purchase agreement exceeds the rate of 5 percent per year, calculated from the default amount.

(3) A term that requires the owner to change the guarantor except in case the guarantor is dead or the court has an absolute receivership order or is bankrupt or incompetent or a quasi-incompetent person.

(4) A term that requires the hirer to be liable to fully pay the debt according to the agreement in case the hired car or motorcycle is lost, destroyed, confiscated, attached, or confiscated without being the fault of the hirer. Except for the penalty fee or any expenses in demanding the purchase debt or the remaining value-added tax. However, only to the extent that the owner has actually spent, saving as necessary and with reasonable grounds.

(5) A term that requires the hirer to be liable for any payments in case the wonder terminates the hire purchase agreement and possesses the hired car or motorcycle. Except for fines, fees, any expenses in demanding the hire-purchase debt, or the remaining VAT. However, only to the extent that the owner has actually spent savings as necessary and with reasonable grounds.

(6) A term that requires the hirer to accept the transfer of claims under the hire-purchase agreement or accept any additional obligations from the hire-purchase agreement without a written consent from the hirer.

(7) A term that requires the hirer to collect money or expenses other than those mentioned in the announcement.

consumers. It must contain the significant agreement terms and conditions as follows:

- Specify the details of the brand, type, type, model, number, and condition of the electrical appliance whether it is a new or used product.

- Specify the agreement clauses that the ownership of the hire-purchased electrical appliances shall be transferred to the hirer immediately upon the full hire-purchase payment including any other money as specified.

- Specify the agreement terms that the owner will bring the installment to pay fees, taxes, or any other expenses paid by the owner on behalf of the hirer must notify the hirer in a written form in advance. The hirer does not bring that amount to pay within 7 days from the date of notification.

- Specify the agreement terms that the owner has arranged for the hirer to claim the right to comply with the warranty conditions for electrical appliances directly from the seller or manufacturer.

- Specify agreement clauses that the owner is eligible to receive benefits under the insurance policy in the amount of outstanding debt under the hire-purchase agreement only. The surplus from the outstanding debt is to be paid by the insurance company to the hirer.

- Specify the contract terms which set the discount to the hirer at the agreed rate at the time of the agreement. In case the hirer is willing to close the hire purchase account by fully paying the hire purchase amount at once and does not pay installment payments on a periodic basis under the hire purchase agreement.

- Specify the contract terms which require the owner to provide a written notice to the hirer not less than 30 days in case of termination of the agreement and any breach of the agreement by the hirer that the owner is eligible to terminate the agreement a clause must be stated clearly more than the general message.

- Specify an agreement clause that the guarantor has the right to continue as a hirer according to the outstanding debt under the hire-purchase agreement before the hirer exercises the right to terminate the contract in case the guarantor is willing to be a hirer.

- Specify the contract clauses that determine the liability of the hirer in case the owner terminates the hire purchase agreement and possesses the hire purchase electrical appliances for sale to other people and receives the money less than the outstanding debt according to the hire purchase agreement, the hirer must be liable for the difference only in the case of selling by an appropriate auction. The wonder must notify the hirer in a written form not less than 7 days in advance.

- Specify the contract clause which requires the hirer to be

Home Appliances Business

The business of providing hire-purchase loans for electrical appliances is under the supervision of the Office of the Consumer Protection Board because it is a contract control business that the Committee on Contracts under the Consumer Protection Act sets. The business operators must comply with these in order to protect

liable to pay for the costs related to the debt collection, tracking hire purchase appliances, attorney's fees, and others related to the default of the hirer or taking possession of the hired purchase electrical appliances of the owner due to the termination of the agreement. However, only to the extent that the owner actually spent for such purposes as necessary and with reasonable grounds.

- Specify an agreement that the owner will send a written notice by registered mail to the hirer at the address specified in the agreement or the address that was last notified in a written form.

- Agreement terms must not take advantage of consumers unreasonably or have the same meaning as follows:

- (1) An agreement term that requires the hirer to be liable in case of damage to electrical appliances by force majeure or any reason unless the owner can prove that it is the damage caused by the hirer own fault.

- (2) An agreement term that excludes or limits liability arising from the breach of contract of the owner.

- (3) An agreement term that excludes or limits the liability of the owner for defects of electrical appliances which is not in accordance with the law

- (4) An agreement term that excludes or limits the liability of the owner to the hirer or to third parties in case of loss or damage due to defects of electrical appliances unless the hirer already knew at the time of the hirer purchase or should have known so if he had exercised the expected caution, but prudent or the defect is evident at the time of delivery and the hirer accepts the electrical appliances.

- (5) An agreement term that the hirer is eligible to terminate the contract in case the hirer fails to pay less than 2 consecutive installments.

- (6) An agreement term that gives the owner is eligible to terminate the agreement with the hirer or request the hirer to pay all or partially debts before the expiration of the agreement whereby the hirer does not default on payment or breach of an agreement or any of the material terms of the agreement.

- (7) An agreement term that requires the owner to charge interest, fines, or any other expenses in case the hirer has defaulted on the total payment of more than 15 percent per year.

- (8) An agreement term that requires the owner to request the hirer to change the guarantor unless the death of the guarantor or the court orders of absolute receivership or bankruptcy or being an incompetent or a quasi-incompetent person.

5.2.1.3 Debt Collection Law

In following up and collecting debt from the debtor, the Company must comply with the Debt Collection Act B.E. 2558, the Debt Collection Supervisory Committee's announcement, Re.the number of times to contact for debt collection dated 30 July 2019 and the Announcement from Debt Collection Supervisory Committee, Re. Determination of Rates of Fees or Any Expenses in Debt Collection dated August 13, 2021, which can be summarized as follows

- Debt collectors are prohibited from contacting other persons who are not debtors for debt collection purposes except the person specified by the debtor for debt collection. Contacting with other persons can be done for the purpose of inquiring or confirming information about the place of contact of the debtor or persons specified by the debtor only for debt collection purposes which must comply with the methods and procedures prescribed by law.

- In case of contacting the debtor in person or by post, the specified location or person by the debtor shall be used as a first contact. In case such person did not notify in advance or the location that has been reported cannot be contacted and the debt collector has proceeded with multiple attempts, the next contact is the domicile, residence, or workplace of the debtor.

- Contacting by person, telephone, electronic media, or other types of information technology media within the date, time, and the number of times specified by the announcement.

- In case an attorney from the creditor, the attorney-in-fact for debt collection, debt collection business operators, or an attorney from a debt collection business operator, the debt collector must inform the name and surname. or the name of their agency and the creditors and the amount of the debt. If the attorney collects the debt in person, the proof of authorization to collect the debt must be shown.

- In case the debt collector requests payment of a debt, the debt collector must present proof of authorization to receive payment from creditors to the debtor or a person specified by the debtor for debt collection. When the debtor has paid the debt to the debt collector, the debt collector shall issue a receipt as evidence of debt repayment to the debtor.

- A debt collector is prohibited from collecting debt in the following manners:

- (1) Threats, violence, or any other action that causes damage to the body, reputation, or property of the debtor or others

(2) The use of words or language that insults the debtor or others
(3) Notifying or disclosing the information of the debtor's indebtedness to others who are not involved in debt collection except in the case where the other person is the husband, wife, ascendant or descendant of the debtor and such other person inquired the debt collector about the cause of the agreement by allowing the debt collector to clarify information about the debt as necessary and as appropriate.

(4) Contacting the debtor by postcard, unsealed documents, facsimiles, or anything else that clearly conveys that it is a debt collection except in the case of notice forcing the mortgage by means of a newspaper announcement. The creditor cannot contact the debtor by other means.

(5) The use of text, signs, symbols, or the business name of the debt collector on the envelope when contacting the debtor lead to the understanding that as a debt collection unless the business name of the debt collector does not indicate that it is a debt collection business operator; and

(6) Improper debt collection in other ways as required by law.

- A debt collector is prohibited from collecting debt in a false manner or in a manner that causes misunderstanding as follows:

(1) The display or use of a message, sign, symbol, or uniform that is believed to be an act of the court, government official, or agencies.

(2) The display or use of statements that lead to believe that the debt collection is proceeded by a lawyer at a lawyer's office or law firm.

(3) Expression or a statement to make one believe that he will be prosecuted or will be subject to seizure of property or salary; or

(4) contact or presence that leads to the belief that the debt collector acts for a loan information company or hire a credit information company.

- A debt collector is prohibited from collecting debt in an unfair manner by collecting any fees or expenses more than the rate specified by law or offering or persuading the debtor to issue a check despite the knowledge that the debtor is in a position of being unable to pay the debt.

- When the debtor defaults on payment and the debt collection is proceeded, the debt collection may charge any expenses for debt collection according to the debt collection cycle starting from the default payment date of that period until the due date of the next debt payment period. The counting of such period must not be less than one month which can be collected at the rate announced specifically for debtors who are overdue more than one installment.

- And are overdue debts or accumulated due debts of more than 1,000 baht and are prohibited from charging any fees or expenses for debt collection after receiving the full amount of debt or the agreement has been already terminated according to law.

5.2.1.4 Consumer Protection Act

The business operations of the Company is in connection with the Consumer Protection Act B.E. (amended version) (Consumer Protection Act B.E. with the objective to determine the right of consumer and the obligations to be performed by manufacturers or service providers Consumer Protection Can determine the need to claim the rights of consumers, which can be summarized as follows:

- The determination of protected consumer rights includes:

(1) the right to receive accurate and sufficient information and descriptions of quality relating to goods or services.

(2) the right to have freedom in choosing goods or services

(3) the right to receive safety from the use of goods or services

(4) the right to be fair in contract and

(5) the right to be considered and compensated for damages

- Determining the right of the Consumer Protection Board to order in cases where a specific law does not authorize the authority in that specific law to issue consumer protection orders except in the case where such law already has a competent official. The Consumer Protection Board may authorize the competent official under the law on such matters to exercise their authority under the Consumer Protection Act instead of the Consumer Protection Board for specific matters.

- Consumer protection in regard to the agreement, the Contract Committee shall have the power to prescribe any business to be a contract-controlled business. If in the business of selling products or providing services, sales contracts or service contracts are required by law in a written form or as usual, traditionally made into a book. In conducting a business that controls the contract, the agreement that the business operator has with the consumer must contain necessary contractual clauses which, if not used, the consumer would be unreasonably disadvantaged to the business operator. Moreover, unfair terms must not be used in the agreement. The terms must be in accordance with the rules, conditions, and details of the agreement form prescribed by the Contract Committee.

- In case the Contract Committee prescribes that any contract of a contract-controlled business must contain any contract terms or must use any contract terms with conditions for using those contract terms as well as the contract does not use such contract terms or uses such contract terms but does not comply with the conditions, it shall be deemed that the contract uses the said contract terms or the said contract terms under those conditions. However, in case the Committee on Contract prescribes that a contract of a contract-controlled business must not contain any contract terms, and the contract uses such contract clauses it shall be deemed that such contract does not contain such contract terms.

5.2.1.5 Personal Data Protection Law

The Personal Data Protection Act B.E. 2562 (“PDPA Personal Data Protection Act”) aims to protect personal data from the collection, use or disclosure of personal data by data controllers, and the processor of personal data. Personal Data Controller and personal data processors according to the Personal Data Protection Act means as follows:

“**Personal Data**” means information about an individual that enables it to be directly or indirectly identified but does not include information on the deceased in particular; and

“**Personal Data Controller**” means a person or juristic person who has the authority to make decisions regarding the collection, use or disclosure of personal data; and

“**Personal Data Processor**” means a person or juristic person who carries out the collection, use or disclosure of personal data in accordance with the instructions or on behalf of the data controller. However, such persons or juristic persons are not personal data controllers.

The Personal Data Protection Act under the supervision of the Personal Data Protection Committee which is responsible for supervising and taking any action to protect personal data by the Personal Data Protection Act has set conditions for the processing of personal data from the collection, use, and disclosure of personal information including the determination of various measures such as

- The collection of personal data will only be stored as necessary under the data controller's legitimate purposes.
- Before the data collection the personal data controller must notify the data owner before or during the collection of personal data as follows:
 - (1) Purpose of collection for use or disclosure of personal data
 - (2) Necessity for data collection and the possible consequences of not providing information.
 - (3) Determine the period of data collection.
 - (4) The categories of persons or entities to whom the collected information may be disclosed.
 - (5) Information about the controller of personal data
 - (6) Rights of the data subject according to the Personal Data Protection Act
- The collection, use, or disclosure of personal data can only be done with the consent of the data owner. To request for a consent must be made explicitly via a written form or email. The collection, use, or disclosure of personal data must be for the purposes that the personal data owner has been notified

of before or during the collection of personal data unless it is a collection that is exempt by law, etc.

- Collecting information is proceeded to prevent or suppress a danger to a person's life, body, or health, collecting information for the performance of contracts or legal duties of the data controller, etc.

- Sending or transferring personal data abroad the destination country or international organization that receives the personal data must have adequate personal data protection standards. It must be in accordance with the personal data protection rules announced by the Personal Data Protection Committee. unless exempted by law.

- The owner of the personal data has the right to request access to and obtain a copy of the personal data concerning him/her which is under the responsibility of the data controller or request disclosure of the acquisition of such personal data for which he/she has not given consent unless the personal data controller refuses a legal request or a court order that accessing and obtaining a copy of that personal data will have an effect that may damage the rights and freedoms of others.

- The owner of the personal data is eligible to request the controller of the personal data to proceed and send or transfer their personal data to another data controller: the right to object to the collection, use, or disclosure of your personal data The right to request the personal data controller to delete or destroy or suspend the use of their personal data, etc.

- In the course of the Company's operations, it is necessary for the Company to collect, use or disclose information of customers, business partners, employees, or third parties that are personal information, and the Company may be a data controller for personal information, collection use or disclose personal data for any activity or many activities according to the Personal Data Protection Act.

As a result, the Company is obligated to act in accordance with the rules set forth in the Personal Data Protection Act as a data controller and/or a data processor.

However, the Personal Data Protection Act regarding the collection, storing, and use of personal data, was effective as of June 1, 2022. Therefore, the personal data that the Company has collected before the Personal Data Protection Act is also effective.

The Company will be able to continue collecting and using that personal information according to the original purpose but must specify methods for revoking consent and disseminating such information to the data owner who does not wish the data controller to collect and use such personal data can easily revoke their consent.

5.2.2 Summary of significant agreements in business operations

5.2.2.1 Agreements related to hire purchase loans services for “Home Appliances” and “Commercial Appliances”.

The Company provides hire purchase loans for home appliances such as refrigerators, washing machines, water filters, etc., and commercial appliances such as freezers, beverage coolers, vending machines, coffee makers etc.

The Company uses a standard agreement form to provide loan services and debt guarantee. The agreement for hire purchase of mentioned appliances has an agreement period of not over 48 installments and for hire purchase of commercial appliances of not over 72 installments. The agreement has details of terms and conditions are as follows;

(1) Hire purchase agreements for home appliances and commercial appliances

Parties	:	SG Capital Public Company Limited (“Owner”) Loan recipient (“Hirer”)
Key Terms	:	<ul style="list-style-type: none">- The Hirer has checked the suitability of the service usability as well as the quality of hire purchase asset along with accessories to meet the satisfaction and accepted the hire purchase asset from the Owner in good and functional condition on the day of the Hire purchase agreement.- The Hirer will not sell, transfer, pledge, rent, lend the hire purchase asset, create an obligation or cause the right of retention or allow others use or store the hire purchase asset in other locations than the one that is informed to the Owner. The asset will not be used or involved in any illegal acts.- The Hirer has an intention to fully settle the payment at once to close the account of the hire purchase agreement. The Owner will offer a specified discount to the Hirer.
Cancellation / Termination	:	<ul style="list-style-type: none">- The Hirer defaults on 2 consecutive installments of the hire purchase agreement, the Owner has issued a written notice to the Hirer to settle the outstanding amount within not less than 30 days and the Hirer does not comply with the notice.- Death of Guarantor, absolute receivership, bankruptcy, a incompetent or a quasi-incompetent person and the Hirer does not place a new, equivalent Guarantor to the former Guarantor within 30 days- The Hirer is appointed for absolute receivership, insolvency or bankruptcy by the court or the Hirer has modified or allowed others to proceed modifications, elaboration or other actions to the hire purchase asset causing the deterioration and reduction of the hire purchase asset value beyond normal use or the Hirer conduct in the circumstances to take the hire purchase asset out of the kingdom or seized, detained or forfeited the asset.
Consequence of Default	:	<ul style="list-style-type: none">- The Hirer breaches one of terms and conditions of agreement- The Hirer defaults the installment of the hire purchase agreement, the Hirer is obliged to pay for debt collection expenses and the interest of the outstanding amount at the rate of not over 5 % per annum of the outstanding amount or in accordance with the announcement of the Office of the Consumer Protection Board or Bank of Thailand- Hire purchase of an online top-up machine for mobile phones or other products with top-up online service, the Hirer allows the Owner to deduct the money from the money system or electronics system available in the online top-up machine.

(2) Guarantee agreement for hire purchase of home appliances and commercial appliances

Parties	:	SG Capital Public Company Limited (“Owner”) Hire-purchase loan Guarantor (“Guarantor”)
Key Terms	:	<ul style="list-style-type: none"> - The Guarantor requests to guarantee in compliance with the hire purchase agreement by agreeing to commit to the Owner within the specified loan limit until the debt is fully settled to the Owner according to the hire purchase agreement. - The Hirer fails to settle the payment and the Guarantor is willing to purchase the hire purchase asset or take over the hire purchase agreement. In case of taking over the hire purchase agreement, the Guarantor shall inform the Owner to set up the agreement and seek for a Guarantor for the hire purchase agreement before the Owner exercises the right to terminate the agreement. - The Hirer is willing to transfer the rights and obligations under the hire purchase agreement to others. The Guarantor is informed and signed the right to transfer agreement and agrees to act as a Guarantor for the hire purchase agreement for the transferee. - The Guarantor agrees to allow the Owner to proceed the debt generation under the hire purchase agreement or transfer of claims under the hire purchase agreement and agree to be bound to the right of claim. - The Owner sends a notice to the Guarantor within 60 days from the date the Hirer fails to settle the payment and the Owner is not able to collect the payment from the Hirer before the Guarantor receives the notice.

5.2.2.3 Agreement for vehicle loan services Rod Tam Ngoen (“Car for Cash”)

The Company provides vehicle loan services (“Car for Cash”) covering both vehicle registration books as collaterals and auto hire purchase with vehicle registration books transferred. The service covers trucks, passenger cars and commercial vehicles. The Company uses a standard agreement form to provide loan services and debt guarantees according to loan agreement. Rod Tam Ngoen (“Car for Cash”) has a loan agreement period of not over 72 installments, with the key terms and conditions are as follow;

(1) Vehicle hire purchase loan agreement with vehicle registration books transferred

Parties	:	SG Capital Public Company Limited (“Owner”) Loan recipient (“Hirer”)
Objective	:	- Owner agrees to provide the loan under hire purchase agreement and the Hirer agrees to hire a vehicle including equipment, accessories and replacements for the original, extension or add-on to the vehicle as specified in the agreement.
Repayment	:	- In case the Hirer is willing to terminate the agreement before the expiration of the agreement by fully settling the outstanding amount. The Owner shall offer a specified discount rate.
Key Terms	:	<ul style="list-style-type: none"> - The Hirer shall inspect the conditions and usability of the vehicle before entering into the hire purchase agreement. The Owner is not obliged to take any responsibility for any damages of the vehicle. - The Hirer is responsible for all kinds of loss or damage and must not modify the vehicle without the prior written consent of the Owner. - The Hirer must not take any actions that causes deterioration or damage to the ownership of the vehicle, or take the vehicle out of the kingdom of Thailand or allow it to be freed from the Hirer’s possession or control (unless the Hirer operates a vehicle rental

		business) or causes any damages to vehicle, alters, creates an obligation, sells, or incurs any liabilities over the vehicle.
		- The Hirer must insure the vehicle with the insurer as agreed by the Owner. The insurance coverage amount is not less than the remaining outstanding hire purchase agreement and the Owner shall be specified as the beneficiary of the insurance policy.
		- In case the Hirer complies with the terms of the agreement and has fully settled the outstanding amount, the ownership of the vehicle shall be transferred to the Hirer promptly. The Owner must register the transfer of ownership of the vehicle within 30 days from the date the Owner receives all documents completely.
		- In case the Owner terminates the agreement and takes possession of the vehicle, the Owner will notify the Hirer and the Guarantor in writing (if any) at least 7 days in advance before selling the vehicle to another person in order for the Hirer to exercise the right to purchase the vehicle at the specified price and
Termination	:	- In case the Owner does not receive the vehicle registration book because the Hirer does not inspect the vehicle or modify the vehicle and it is ineligible to be registered within 90 days from the agreement date.
		- The vehicle is lost, damaged or destroyed to the extent nor repairable or the Hirer acts or does not act in any ways that may damage or harm ownership rights of the vehicle or fails to comply with any terms, conditions and requirements.
		- The Hirer does not insure the vehicle or insurance premiums are not settled as scheduled and causes the insurance policy to be invalid.
		- The Hirer defaults on payments for 3 consecutive installments and the Owner has issued a written notice to settle the outstanding amount within not less than 30 days and the Hirer fails to settle the outstanding amount within the specified time.
		- The Hirer has insolvent debt or is appointed for absolute receivership or bankruptcy by the court. A liquidator, trustee or official receiver is assigned or the Hirer requests for a creditor meeting, transfer asset, composition, make a settlement to the creditor or resolve for the liquidation or file a repetition for the liquidation or request for the receivership, garnishment through the court or agree to confiscate the vehicle according to any executions.
		- The Hirer is willing to terminate the agreement by delivering the vehicle in repaired condition or in the same condition as received along with equipment and all spare parts to the Owner and settle any outstanding amount or contractual debt immediately.
Consequence of Termination	:	The Owner forfeit the payment that has been settled and take possession of the vehicle. The Hirer must return the car with all components, equipment and spare parts to the Owner immediately.

(2) Guarantee agreement to guarantee loan repayment according to a vehicle hire purchase agreement with Ownership transfer

Parties	:	SG Capital Public Company Limited (“Owner”) Hire purchase loan Guarantor (“Guarantor”)
Key Terms	:	- The Guarantor requests for a guarantee against the Owner in liquidation and responsibility of the Hirer and guarantees that the Hirer will settle each and every amount due including guaranteeing that the Hirer will comply with all terms and conditions.

- The Guarantor must not revoke, depreciate or consider that the obligation has been fulfilled until the Owner has received a complete payment from the Hirer.
- The Guarantor will pay and reimburse the Owner upon notice and/or demand in case the Hirer defaults on installment payment or the Hirer breaches of agreement.
- The Guarantor agrees to allow the Owner to set-off debts, deduct money and / or liabilities and / or sell the property of the Guarantor or the property that will be in the possess of the Guarantor in order to bring the money to settle the debt to the Owner under the responsibility of the Guarantor under this agreement.
- The Guarantor will settle the payment and reimburse the Owner when the Guarantor is notified and/or demanded by the Owner. A written notice will be issued to the Guarantor within 60 days from the date of default of the Hirer.

(3) Loan agreement with vehicle registration as collateral (personal loan with car registration as collateral)

Parties	:	SG Capital Public Company Limited ("Lender") Loan recipient ("Debtor")
Loan Withdrawal	:	- The Debtor can withdraw the loan from the Owner only when the Debtor has presented the collateral to the Lender in order to guarantee the payment of debt including preparing documents for loan withdrawal as required by the Lender to the Debtor
Key terms	:	- The Debtor must provide insurance as requested by the Lender with the insurance company approved by the Lender with the sum coverage insured not less than the loan amount or not less than the amount of debt that the Debtor still owes and must specify the Lender as the beneficiary - In case of a change in interest rates, the Lender must notify the Debtor in written form at least 30 days in advance. - The Debtor will not transfer the ownership of the vehicle to third parties and/or create any obligations that may cause the Lender to lose the rights
Collateral	:	- The Debtor agrees to provide a person whom the Lender deems appropriate to enter into an agreement of guaranteeing the loan to the Lender. - The Lender agrees to provide the car as collateral for loan repayment and / or any other debts owed by the Debtor to the Lender both at present and continue thereafter.
Term of Termination	:	The Debtor does not provide insurance or default on insurance premium payment
Breach of agreement	:	- The Debtor fails to comply with the agreement, representation or agreement, including default on payment under this agreement or other debts of the Lender or default on payment to other creditors. - The Debtor and/or the Guarantor are not able to pay debts that are due, sued or subject to execution and become incompetent quasi or end of legal personality or assigning others to act for the benefit of other creditors or acting as a bankrupt person or take any action

in order to appoint an official receiver or to show consent and approval or accepting the process of appointing an official receiver or forced to pay debts or confiscated property.

- In case of a dispute over the ownership of the collateral or cause the Lender to lose the right to enforce the collateral or the Guarantor is released from liability for the guarantee or has notified the intention to terminate the guarantee agreement.

- The collateral asset is no longer in a condition that can be used normally or subject to execution by other creditors or the asset value is reduced.

Consequence of Default : - The Debtor defaults on payment according to the agreement and does not settle within the specified period in the written notice. The Lender is eligible to request the Debtor to pay the outstanding debt under the agreement and it shall be deemed that the Debtor breaches the agreement or any other debts to the Lender as well.

(4) Loan guarantee agreement to guarantee the repayment of debt with vehicle registration as collateral (personal loan under vehicle registration as collateral)

Parties : SG Capital Public Company Limited (“Lender”)
Loan Guarantor (“Guarantor”)

Terms : - The Guarantor requests the Lender for a guarantee and guarantees that the Debtor will pay the amount due including guaranteeing that the Debtor will comply with all terms and conditions.
- In the case that the Debtor breaches the agreement or the Lender does not receive payment or does not receive a full payment, the Guarantor must be responsible for debt repayment to the Lender including any damages or losses suffered or incurred to the Lender under the agreement.
- The Guarantor agrees to allow the Lender to set-off debts, withdraw money and / or liabilities and / or sell the property of the Guarantor and / or that will become the property of the Guarantor in order to pay the debt to the Lender under the responsibility of the Guarantor under guarantee agreement.
- The Guarantor must not revoke or deteriorate benefits or be deemed to have fulfilled the obligation until the debt of the Debtor has been fully settled to the Lender.

5.2.2.4 Agreements related to employee welfare loan service (“Debt Consolidation”)

(1) Employee Welfare Loan Agreement (“Debt Consolidation”)

The Company provides employee welfare loans (“Debt Consolidation”), which is a loan aimed at supporting private company employees with high debt burden. The employees shall calculate the total debt of credit cards, cash cards, and personal loans for employees in other organizations.

The Company will provide money to employees to pay off debts from other financial institutions. The Company uses a standard agreement form to provide loan services and debt guarantees according to loan agreements. The Employee welfare loan agreement (“Debt Consolidation”) has a loan agreement term of not over 72 installments, with key details and conditions are as follows:

Parties : SG Capital Public Company Limited (“Lender”)
Loan recipient (“Debtor”)

Loan Objective : In order for the Debtor to repay debt / close the loan account from other financial institutions or other creditors of the Debtor.

Duties of Debtor : - Submit the proof of debt repayment / closing loan account to the

		Lender within 30 days. In case of credit card debt repayment, cash cards and/or personal loans from financial institutions, the Debtor will close the account, cancel the card, and card membership and will send proof to the Lender within 60 days from the date that the Debtor has settled payments to the Debtor's creditors or the date the Debtor received money from the Lender.
		- In case the specified period is due, the Debtor agrees to fully pay the loan, interest, fees and other expenses to the Lender immediately.
Other key terms	:	- In case the Debtor terminates or ends the employment agreement with the Employer for any reasons, the Debtor agrees to fully pay the loan, interest, fees and other expenses to the Lender immediately. However, this must not exceed 30 days from the date of termination of employment.
		- The Debtor shall not terminate or revoke his consent under this agreement until the Lender has fully received the payment.
		- The Debtor can repay / close the account before the expiry of the agreement but the installment must be paid at least 12 months from the date of the agreement. The Debtor must pay all remaining capital and interest, along with fees and other expenses to all Lenders. The Lender must be notified in advance for a period of not less than 1 installment.
	:	- The Debtor misuses the loan

(2) The guarantee agreement to guarantee debt repayment according to an employee welfare loan agreement ("Debt Consolidation")

Parties	:	SG Capital Public Company Limited ("Company") Loan Guarantor ("Guarantor")
Terms and Conditions	:	- The Guarantor agrees to enter the guarantee agreement as a Guarantor for debt repayment including interest on compensation that the Debtor owes The Company as well as the encumbrance which is the instrument of debt under the loan agreement until the Lender receives complete repayment of the debt. The Guarantor agrees to be bound and comply with existing or to be existing terms and conditions of the employee welfare loan agreement (attached to this request),

5.2.2.5 Agreement for gold financing

The Company provides gold financing. The objective of the loan is purchasing gold whereby The Company will gradually purchase gold according to the amount and weight specified in the agreement. The Company will deliver the gold when the debt is fully repaid according to the loan agreement. The Company uses a standard agreement for providing loan services. The loan agreement of gold purchasing has a loan agreement period of not over 24 installments. The key details of the loan service agreement are as follows:

Parties	:	SG Capital Public Company Limited ("Company") Loan recipient ("Debtor")
Loan Objective	:	To purchase gold
Duties of Debtor	:	- The Debtor shall not terminate or revoke his consent under this agreement until the debt has been fully settled. - The Debtor will be able to receive gold in the specified amount and weight of gold upon the fully payment of the capital, interest and fees as specified in the agreement or beyond what is specified - The Debtor agrees to that Lender distribute or transfer the right of

		claim in receiving loans, whether in whole or in part, to a third party. The Lender shall notify in writing not less than one installment of loan or interest payments.
Duties of Lender	:	<ul style="list-style-type: none"> - The Lender will buy gold as required and maintain it until the Debtor completely settles the debt. It is deemed that the Debtor has put the gold as collateral for the loan under the agreement. - The Lender is not responsible for all certification, descriptions, properties, quality, suitability, warranties of the service of the Gold Shop or any person, defects including any obligations relating to gold
Termination	:	<ul style="list-style-type: none"> - The Lender terminates the agreement due to the breach of loan agreement from the Debtor. - The Debtor defaults on loan payments or any other due amount that must be paid under the agreement. - False of guarantee, facts, information, and/or news and any documents provided by the Debtor for the agreement. - The Debtor defaults on any other debt payments, is prosecuted or subject to execution or to assign others to act for the benefit of other creditors or act as a bankrupt or take any action to cause the appointment of a receiver for himself or for his own property or become a legally incompetent, quasi-incompetent person or end of personality. - The collateral asset under the agreement is not in a condition that can be used normally or subject to execution by other creditors or has reduced in value. - The Debtor entered to the agreement to hide or disguise and/or for any other benefit in any illegal acts
Consequence of default	:	<p>In case the Debtor defaults on any installment payment, the Debtor agrees to transfer ownership of the collateral to the Lender in order to pay off all outstanding debts, including any charges and/or fees.</p> <ul style="list-style-type: none"> - In case the Debtor breaches one or more terms of conditions of the agreement under the cause of the termination, the Lender is eligible to terminate the agreement and enforce the collateral asset to pay the outstanding debt including interest, fees and any other expenses that the Debtor owes to the Lender.

5.2.2.6 Agent Appointment Agreement

(1) Memorandum of agreement appointing a machinery vendor (“Captive Finance”)

The Company has entered into a memorandum of agreement on business cooperation with a group of machinery vendors. (“Machinery Vendors”) to promote the service, prepare and collect relevant documents from customers to The Company. As of September 30, 2022, The Company has entered into a memorandum of agreement using a standard memorandum of agreement with a total of 21 machine vendors. The key details of memorandum of agreement on trade cooperation are as follows:

Parties	:	SG Capital Public Company Limited (“Company”) Loan recipient (“Machinery Vendor”)
Duration	:	3 years if either party is willing to extend the agreement, the said party shall issue a written notice to the other party at least 30 days

		in advance before the expiration date of the agreement.
Payment	:	The Company will proceed the payment for the machine within 10 days from the date The Company get an invoice according to the conditions and time period mutually agreed upon
Duties of Machinery vendor	:	<p>The vendor has a duty to promote loan service, prepare and collect documents from customers to deliver to The Company according to the methods and conditions specified by The Company.</p> <ul style="list-style-type: none"> - The machine vendor must carry out the installation and deliver the product to customers. - The machine vendor must not represent themselves to customers as an agent or acting on behalf of The Company in granting loans or providing any services related to the services of The Company. - The machine vendor must verify the customer and Guarantor information in the document. Do not conceal information that should be notified to The Company and will proceed accordingly with the prudence and caution according to the circumstances and circumstances to avoid errors in loan approval
Duties of Company	:	<ul style="list-style-type: none"> - The Company shall provide knowledge to the sales representative of the machine vendor about the procedures and methods in obtaining loan approval, collecting, delivering and preparing required agreement documents as requested by the machine vendor. - Verifying customer documents and qualifications. and inform the approval result to the machine vendor
Responsibilities	:	<ul style="list-style-type: none"> - The machine vendor agrees to be responsible for the defects of the product caused by the production according to the warranty terms of the product. Any damages caused by unsafe products or according to the consumer protection law from product quality or according to other acts of law. - The machine vendor must accept the return of the product from The Company at the remaining capital price (remaining hire-purchase price deducted by interest that has not yet been charged)
Termination	:	Either party can terminate the memorandum of agreement at any time, in case the other party fails to comply with the agreement.

(2) Agreement of appointing an agent (“Agent”) for car loan service (“Car for Cash”)

The Company has entered into an agreement to appoint an agent (“Agent”) who is responsible for procuring, processing and contacting customers who are interested in the hire purchase loan service with the transfer of ownership of the registration book and loans with vehicle registration as collateral. The Company uses a standard agreement to appoint an agent (“Agent”). As of September 30, 2022, The Company has made an agent appointing agreement with 1,751 agents. The key details of the agreement are as follows:

Parties	:	SG Capital Public Company Limited (“Company”) Customer provider (“Agent”)
Commission	:	The Company will set a monthly commission for agents at the rate of a percentage of the loan per agreement as specified in the agreement.
Duties of Debtor	:	- Verify and follow up information, customer identification documents and countersign of related documents completely and submit

		documents related to the loan service agreement to The Company within the same day or the next business day from the acceptance date of documents from customers.
		- Agents cannot claim or collect any further expenses from customers.
Termination	:	The agreement ends when the agent becomes an employee or conducts business in the same manner of The Company or becomes an employee of The Company's competitors or when the agent is convicted of a serious crime.

(3) Agreement to appoint a dealer (Dealer) for a vehicle loan service (“Car for Cash”)

The Company has prepared a letter appointing a dealer who is a car dealer to recommend a car hire purchase loan service with vehicle registration book transferred to customers and submit the asset details and related documents to The Company. The Company uses a standard agreement to appoint a dealer. As of September 30, 2022, The Company has signed agreements with a total of 98 dealers. The key details of the dealer appointment agreement are as follows:

Parties	:	SG Capital Public Company Limited (“Company”) Car dealer (“Dealer”)
Commission Payment	:	The Company will determine the commission for the dealer which is calculated as a percentage of the interest that The Company received under the hire purchase agreement.
Duties of Dealer	:	- Submit documents for hire purchase agreement and receipt / tax invoice to The Company in order to approve payments for goods to the dealer. - Guarantee the usability of the car according to general conditions of general terms of business.
Duties of Company	:	- The Company will provide loan support to dealers by purchasing cars from dealers to provide customers of the distributor for providing a lease or a hire purchase agreement. - The Company will provide loan services in areas throughout the Kingdom of Thailand except the specified provinces. - The Company will determine the interest rate from the qualification of the customer and loan amount.

(4) Memorandum of agreement with an employer for the debt consolidation project

The Company has entered into memorandums of agreement with various juristic persons having the status as an Employer with the objective to establish a welfare loan project for employees of the Employer in order to enhance and develop the quality of life of employees. As of September 30, 2022, The Company has a memorandum of agreement with a total of 87 Employers. The details of the memorandum of agreement for employee welfare loans are as follows:

Parties	:	SG Capital Public Company Limited (“Company”) Juristic person which is the Employer of employee welfare loan customers (“Employer”)
Duration	:	The agreement is effective until it is terminated by one of the parties. The party that is willing to terminate the agreement must notify the other party in writing at least 60 days in advance.
Duties of Employer	:	- Ensure that employees sign a letter of consent to deduct or hand over salaries to pay off the loan until the debt repayment is completed

as specified. The Employer must remit the deducted money to the Company within the day the Employer pays salaries to employees participating in the loan welfare project.

- In case an employee resigned, retired or ended of personality or ended of the employment relationship by other causes or the salary of an employee is not enough to be deducted for the installment payment or the Employer is not able to deduct the salary of an employee for the installment payment, the Employer must notify the Company immediately

- The Employer has no involvement in the terms and conditions of the loan and/or is not the Guarantor of the loan.

Duties of Company :

- Providing project-based loan services to employees of the Employer. For those who are still in the employment relationship with the Employer.
- Protect personal information of employees confidential. The information will not be published in whole or in part, forwarded and / or used to seek personal benefits whether commercially or doing anything that causes any damages to the Owner of the information.

Termination : The Employer or employees of the Employer commit fraud or act of concealing the facts or intend to modify the documents.

(5) Memorandum of agreement on loan service for old purchasing project

The Company has entered into a memorandum of agreement to cooperate with Aurora Design Co., Ltd., a gold bullion dealer business and gold ornaments to carry out the project to provide loan services for gold purchasing by jointly organizing promotional projects for customers of the Gold Shops which contains important details of the memorandum of agreement on the loan service for for purchasing gold as follows:

Parties	:	SG Capital Public Company Limited (“Company”) Aurora Design Co., Ltd (“Gold Shop”)
Duration	:	The agreement is effective until terminated by one of the parties. The party that is willing to terminate the agreement shall notify the other party.
Payment	:	The Company will proceed with the payment to the Gold Shop within 7 days from the date of receipt of the invoice.
Duties of Gold Shop	:	<ul style="list-style-type: none"> - Publicize and recommend the project to customers and deliver the gold to the Company within 7 days from the date of receipt of payment - Verify the identity of the customer according to the details and documents received in order to deliver the gold to the customer at the agreed date and place. - Repurchase the gold traded according to the agreement at the price at the time of trading when The Company is willing to sell. - Responsible directly to the customers, in case of complaints from customers due to the fault of the Gold Shop and the Gold Shop must clarify and resolve such complaints
Duties of Company	:	<ul style="list-style-type: none"> - Proceed with documents for loan evaluation - Notify details of customer information of loan approval, purchasing gold, delivering gold repayment, selling gold to the Gold Shop - Deliver the stored gold to the Gold Shop when the customer has fully settled the debt.
Termination	:	- One of the parties is willing to terminate the agreement and notify another party in writing at least 30 days in advance.

	- In case one of the parties breaches the agreement and did not resolve the cause within 30 days from the date on which the party that was not in breach of the agreement received a written notice, another party is eligible to terminate the agreement claim for damages caused by breach of the agreement.
Consequence of Default :	- In case the Company defaults on the payment, the Company is obliged to the default interest at the rate of 3% per annum until the outstanding balance is fully settled.
Payment	- In case the gold shop fails to deliver the gold within the specified period, the Gold Shop agrees to pay the fine at a rate of 3 % per annum until the gold is successfully delivered

(6) Memorandum of agreement with Jaydee Group Co., Ltd. (“Jaydee”)

The Company has entered into a memorandum of agreement with Jay Dee Group Co., Ltd. (“Jaydee”), an home appliance retailer under Jaydee stores, to establish a loan service project for purchasing home appliances by cooperating in organizing a sales promotion project for the customers of Jaydee. The key details of the memorandum of understanding for the sale of electrical appliances are as follows:

Parties	:	SG Capital Public Company Limited (“Company”) Jay Dee Group Co., Ltd. (“Jaydee”)
Duration	:	The agreement is effective until one of the parties is willing to terminate the agreement and notify another party in writing at least 30 days in advance.
Commission	:	In case Jaydee wants to do marketing by supporting interest rates for customers, Jaydee will pay support fees for the loan services to the Company at the specified rate calculated from the total amount of loan services.
Payment	:	The Company will make payment for products within the 15th and the 30th of the month.
Duties of Jaydee	:	<ul style="list-style-type: none"> - Publicize and persuade customers to obtain the Company's loan services and coordinate with customers in order for the Company to be able to provide loan services according to the terms, conditions and loan limits of the Company. - Verify customer identity along with coordinating with customers to sign loan agreements including collecting and storing documents properly and completely in accordance with the forms, methods and conditions specified by the Company. - Collect down payment for the product or any other similar amount and deemed to be as part of the installment payment under the hire purchase agreement of the product according to the regulations and methods of the Company. - Deliver and install products to customers at Jaydee's expense. - Jaydee is responsible for product defects according to the terms of the warranty for each type of product. and responsible for any damages or legal liabilities occurring to the product. - Selling products that are accepted/returned from customers by the Company at market price of the used products.
Duties of Company	:	<ul style="list-style-type: none"> - The Company has to publicize loan products to customers. - Evaluate to provide loan to customers by approving loan limits in accordance with the details, criteria and methods for loan approval specified by the Company

Termination	:	<ul style="list-style-type: none"> - One of the parties is willing to terminate the agreement and notify another party in writing at least 30 days in advance. - In case one of the parties breaches the agreement and did not resolve the cause within 15 days from the date on which the party that was not in breach of the agreement received a written notice. Another party is eligible to terminate the agreement and claim for the damages caused by the breach of agreement.
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(7) Memorandum of agreement with Power Buy Co., Ltd. (“Power Buy”) on cooperation in providing loan services to customers

The Company has entered into a memorandum of agreement with Power Buy Co., Ltd. (“Power Buy”), a retailer of household appliances including various equipment necessary or related to such equipment in order to carry out a personal loan service project for the purchase of electrical appliances. The key terms of memorandum of agreement to provide loan services to customers are as follows

Parties	:	SG Capital Public Company Limited (“Company”) Power Buy Co., Ltd. (“Power Buy”)
Duration	:	The agreement is effective until one of the parties is willing to terminate the agreement and notify another party in writing at least 30 days in advance.
Commission	:	The Company will make payment of the service fee at the specified rate, calculated from the number of loan approval transactions.
Payment	:	- The Company will make the payment for the products within the 1st and the 16th of the month.
Duties of Power Buy	:	<ul style="list-style-type: none"> - Publicize and persuade customers to obtain the Company's loan services and coordinate with customers so the Company is able to provide loan services according to the terms, conditions and loan limits of the Company. - Verify customer identity along with coordinating with customers to sign loan agreements including collecting and storing documents properly and completely in accordance with the forms, methods and conditions specified by the Company. - Deliver and install the product for the customer that the loan application approved at the expense of Power Buy in accordance with the method and delivery plan specified by Power Buy, and report the delivery of the product, including the delivery note and other related document to the Company - Power Buy is responsible in case the customer disputes that the product is not as described in the order and the customer denies to accept the product within 7 days from the date of delivery. - Power Buy is responsible for product defects according to the terms of the warranty for each type of product including all damages or any legal liability occurring to the product.
Termination	:	<ul style="list-style-type: none"> - One of the parties is willing to terminate the agreement and notify another party in writing at least 30 days in advance. - In case one of the parties breaches the agreement and did not resolve the cause within 30 days from the date a written notice received from another party, another party has the right to terminate the

	:	agreement and claim damages for the breach.
	:	- In case one of the parties is bankrupt or liquidated or out of business or caused by has a serious situation which impacts on the financial status of the party and may cause another party to be unable to comply with this agreement, another party has the right to terminate the agreement by notifying the other party in written form.
Consequence of Default Payment	:	- In case one of the parties breaches the agreement, another party is obliged to notify the party at fault to comply with the agreement within the specified period. In case the one of the defaults on payment or damage costs as agreed, the party at fault is obliged to pay the interest rate of 15% of the outstanding amount or damage cost per annum

(8) Memorandum of agreement with Home Hub Co., Ltd. (“Homehub”)

The Company has entered into a memorandum of agreement with Home Hub Co., Ltd. (“Homehub”), a construction material distribution business, home appliances and home decoration to carry out a personal loan service project for the purchase of electrical appliances, furniture, mechanic tools, kitchenware, electrical equipment, and home decoration equipment. The key details of the memorandum of agreement to provide loan services to customers are as follows:

Parties	:	- SG Capital Public Company Limited (“Company”) Home Hub Co., Ltd. (“Homehub”)
Consequence of	:	The agreement is effective until one of the parties is willing to terminate the agreement. The party shall notify another party in writing at least 30 days in advance.
Payment	:	The Company will make the payment for the product within the 15th and the 30th of the month.
Duties of Homehub	:	- Publicize and persuade customers to use the loan services from the Company and coordinate with customers so the Company can provide loan services according to the terms, conditions and loan limits of The Company. - Coordinate with customers to sign loan agreements including collecting and storing documents properly and completely in accordance with the forms, methods and conditions specified by the Company. - Deliver and install products to the customers that the loan application is approved according to the method and delivery plan determined by Homehub and report the delivery of the product, including the delivery note and other relevant documents. - Homehub is responsible in case the customer disputes that the product is not as described in the order and the customer denies to accept the product within 7 days from the date of delivery. - Homehub is responsible for product defects according to the terms of the warranty for each type of product including all damages or any legal liability occurring to the product.
Duties of Company	:	- Evaluate the loan application of customers by approving the loan limit according to the details, criteria and loan approval methods set by The Company and notifying Homehub of the loan approval results in order to deliver products to customers.

6. Corporate Governance Policy

6.1 Overview of the Corporate Governance Policy of the Company

SG Capital Public Company Limited (“Company”) adheres to good corporate governance guidelines according to corporate governance principles which are essential to business success. Therefore, the Company is committed to business management with morality, transparency, accountability and no corruption to maximize shareholders’ returns with responsibility for all stakeholders to build good relationship between the Board of Directors, executives, employees, shareholders and all stakeholders under the following principles

1. Focus on sustainable value creation according to ethical code and business ethics.
2. Define good corporate governance guidelines to lead the business toward sustainability.
3. Conduct business with social and environment responsibility, respect of rights and equitable treatment of all stakeholders.

The Board of Directors adopted the Corporate Governance Code for listed companies recommended by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to formulate the Company’s corporate governance policy to conduct its business to benefit the society and the environment with an awareness of long-term impacts as well as minimizing conflicts of interest and ensuring that the business can adapt to change factors. Therefore, the Company set forth the following principles as practical guidelines for the Board of Directors to create value for the business in a sustainable manner

Principle 1: Establish Clear Leadership Roles and Responsibilities of the Board

The Company has clearly defined roles and responsibilities of the Board of Director in the Board of Directors Charter and ensures that the Board and subcommittees are fully aware of the Charter. All directors are qualified professionals with leadership, vision and independence in decision-making and are well-informed of their roles and responsibilities according to their fiduciary duties as a member of the Board of Directors. All directors have accountability, responsibility, duty of care and duty of loyalty to create value to the business in a sustainable manner. The Board has also clearly defined scope of authority and responsibilities of the CEO and the Management as well as regularly monitoring the CEO and the Management to ensure that they perform their duties as assigned in the best interests of the Company according to good corporate governance principles.

Principles and Guidelines

1. The Board of Directors has defined objectives, goals, work plans,

strategies, policies and annual budgets as well as supervising directors and executives to perform assigned duties effectively with accountability, responsibility, duty of care and duty of loyalty to create sustainable value for business which are subject to a revision at least once a year.

2. The Board of Directors is fully aware of the scope of authority and responsibilities according to different committee charters as well as supervising and delegating executive directors and the Management to perform their assigned duties. The Board clearly defined scope of authority and responsibilities of each subcommittee including the CEO while ensuring that they conduct business in compliance with law, rules, regulations, resolutions of meetings of the Board, resolutions of shareholders’ meetings and other policies related to securities and exchange law, rules and guidelines imposed by the Securities and Exchange Commission.
3. The Board of Directors is responsible for ensuring good internal control systems and adequate risk management measures as well as proper allocation of important resources to meet objectives and key goals. The Audit Committee and the Internal Control Unit must be established and supervised by the Board to ensure compliance with relevant law, rules and meeting resolutions. The Board shall put in place authorization processes for key activities including investment, transaction making with significant impacts, related party transactions, acquisition and disposition of assets and whistleblowing mechanism especially for urgent matters in case of corruption and fraud, in the best interests of shareholders and stakeholders to promote credibility in conducting business with sustainability.
4. Monitor, evaluate and report operating performance on a regular basis to ensure effectiveness and maximized return.

Sustainable Value Creation

1. Prepare Code of Conduct and Business Ethics and important policies in conducting business in writing according to good corporate governance principles to conduct business with morality and ethics.
2. Undertake business with ethics in compliance with law, regulations and resolutions of shareholders’ meetings including respect of rights and highest responsibility for shareholders and all stakeholders.
3. Undertake business to achieve goals alongside with creating benefits for the organization, the society and the environment with a focus on sustainable value creation for the business.

4. Generate satisfactory and stable performance in the long term with an awareness of the competition as well as being able to adapt under changing environment related to economy, society and politics.
5. Disclose information transparently to directors, executives and employees at all levels for their complete understanding to be able to practice accordingly as well as disseminating and communicating information and promoting understanding to ensure adequate mechanism that fosters compliance. Monitor performance through periodical bulletin announcements, orientation programs and the Company's website and review the policies on a regular basis.

Principle 2: Define Objectives that Promote Sustainable Value Creation

The Board of Directors places highest importance on defining objectives and key goals including vision, mission, annual work plans and strategies clearly and properly so that related parties at all levels can adopt as guidelines to drive the organization toward same directions to become a proper organization culture under good corporate governance principles. Alignment with business format and key goals in conducting business is also essential to sustainably grow together with the society.

Principles and Guidelines

1. The Board of Directors has defined strategies and annual work plans that are aligned with objectives and key goals of the business through analyzing business context and risk factors that may affect stakeholders on the basis of social and environmental responsibility. The Board also monitors performance to supervise and control the business conduct to be consistent with objectives and key goals in a sustainable manner.
2. The Board of Directors is responsible for fostering communication to convey objectives, key goals, strategies and work plans to related parties to acknowledge and observe across the organization while objectives and key goals are aligned with value creation for the organization, customers, stakeholders and the general public in order to achieve objectives and key goals of the business with sustainability.
3. The Board of Directors has a supervising duty to ensure that short, medium and long terms and/or annual objectives, goals and strategies are in line with the achievement of objectives and key goals of a sustainable business with the proper and safe adoption of innovation and technology.

4. The Board of Directors put in place systems to regularly evaluate performance as well as analyzing business context and risk factors that may affect stakeholders on the basis of social and environmental responsibility.

Principle 3: Strengthen Board Effectiveness

The Board of Directors is considered a leader in designing and revising the Board structure according to good corporate governance principles. The Board is composed of qualified individuals with knowledge, abilities, expertise, leadership, vision and independence in decision making who perform their duties with responsibilities, prudence and honesty. Directors must have required qualifications with no prohibited characteristics according to the Securities and Exchange Commission and the Stock Exchange of Thailand. Note that the Board of Directors is responsible for designing and revising the Board structure including size, composition and suitable proportion of independent directors. Therefore, the Board structure is designed according to the following principles to ensure that the Board leads the Company to success consistent with objectives and key goals.

Principles and Guidelines

Roles, duties and responsibilities related to good corporate governance

1. Independent directors must account for at least 1/3 (one third) of the total number of directors with no less than 3 (three) people. Independent directors must have required qualifications with no prohibited characteristics as stipulated by the Board of Directors and rules set by the Securities and Exchange Commission and the Stock Exchange of Thailand as well as other relevant laws.
2. The Board of Directors must consist of at least 3 (three) none-executive directors who are independent directors for checks and balances and appoint subcommittees to assist the Board to handle matters according to charters of each subcommittee to ensure efficiency and effectiveness of the Board.
3. The Board of Directors selects and appoints qualified persons to be the Chairman of the Board with discretion and independence in decision-making. Note that in case that the Chairman is not an independent director, the Board shall assign 1 (one) independent director to jointly set agenda of the Board meetings to ensure checks and balances between the Board of Directors and the Management in accordance with the Corporate Governance Code for listed companies.
4. The Company stipulates that subcommittees are to be

appointed to consider specific matters as necessary to ensure the separation of roles and responsibilities of the Board of Directors, subcommittees and the Management. Clear financial approval authority is also required so that important matters are contemplated carefully before proposing the opinions to the Board of Directors.

5. The Board of Directors considers and appoints the Nomination and Remuneration Committee with qualified individuals without prohibited characteristics imposed by the Board of Directors including rules set by the Securities and Exchange Commission and the Stock Exchange of Thailand through a transparent and defined process. The subcommittee has a duty to support the Board to ensure that remuneration structures and rates are suitable for roles and responsibilities to encourage the Board of Directors to lead the organization toward short, medium and long term goals before proposing director fees to shareholders' meetings for approval. The following criteria shall apply
 1. Director fees are suitable and consistent with scope of duties and responsibilities of each director.
 2. Director fees are sufficient to incentivize and retain directors with knowledge and abilities to perform their duties with quality for the organization.
 3. Director fees are simple to understand with transparent composition for both monetary and non-monetary forms.
 4. Director fees are comparable to peers in the same or similar industry.

Note that the Nomination and Remuneration Committee also has a duty in selecting individuals according to principles and approaches written in the Company's Articles of Association. Those candidates must have knowledge, abilities and qualifications and no prohibited characteristics as imposed by the Securities and Exchange Commission and the Stock Exchange of Thailand. The committee takes charge in searching for and selecting directors to fill director positions in case of retirement by rotation or other vacancies before proposing to the Board of Directors for appointment.

6. The Board of Directors has a policy to separate the position of the Chairman of the Board of Directors and the CEO to be different persons for the clarity of responsibility between policy formulation and day-to-day supervision and management. The Board of Directors is responsible for setting policies and supervising performance of executives while executives are in charge of managing the Company's business in different areas according to the Company's policies. To prevent an absolute power, scope of authority is clearly defined per following.

Board of Directors: Set objectives and key goals in conducting business and creating an organization culture with commitment to ethics as well as acting as a role model to monitor organization structure and ensure that the Board of Directors perform duties properly. The Board also searches, develops, sets remuneration and evaluates performance of the CEO including designing

compensation structure that is attractive for directors, executives and employees at all levels and in alignment with objectives and key goals of the organization.

Board together with the Management: Formulate and revise strategies, targets and annual work plans to be consistent with objectives and key goals of the business as well as properly reviewing risk management and internal control systems. Set forth approval authority suitable for responsibilities of the Management as well as allocating resources, developing personnel, setting annual budgets and monitoring operating performance according to the Company's objectives and key goals.

Management: Assigned to be responsible for day-to-day management according to strategies, policies and work plans as imposed by the Board of Directors. CEO and the Management are assigned to undertake the business according to the Company's rules without any intervention in the decision-making of the Management except for the case that the Management have to propose an agenda item to be considered and resolved.

7. Ensure that all directors are responsible for their assigned duties with sufficient time allocated to handle their tasks. Each director is prohibited from having directorship in more than 5 listed companies. They are also required to attend no less than 75% of the total number of the Board meetings in each particular year while the Company stipulates that the Board meetings are to be organized no less than 6 (six) times per year. Meeting agenda is to be clearly defined for each meeting and a meeting notice with important details must be sent no less than 7 (seven) days in advance so that the Board of Directors has sufficient time to study information before attending the meeting. Minutes of the meetings must be kept in writing and filed properly after being certified by the Board of Directors as well as being accessible for the Board and related parties to examine in the future. In case that the Board of Directors has no monthly meeting, the Board shall ask the Management to report operating performance to the Board for those months without the meetings so that the Board can supervise and control the Management's performance in a continuous and timely fashion.
8. The Board of Directors defines governance framework and mechanism including governance policies for subsidiaries and affiliates while the Company will consider investing in businesses with the same or similar objectives as the Company's core business, businesses that benefit the Company or other businesses that the Company has a significant interest suitable for that particular business. The Board of Directors is in charge of appointing individuals to become directors, executives or controlling persons in subsidiaries to represent the Company in managing the business of subsidiaries or affiliates by setting key policies, monitoring performance of those subsidiaries to be consistent with the parent company with discretion according to resolutions of the Board meeting or

resolutions of the shareholders' meetings to achieve maximized benefits and sustainable growth.

9. The Company conducts an annual performance evaluation of the Board of Directors, subcommittees and individual directors at least once a year to collectively review performance and set norms to be compared against actual performance for both the Board or subcommittee as a whole and each individual director or at least self-evaluation must be adopted. Evaluation results will be considered to assess suitability of the Board composition using Board assessment forms of the Thai Institute of Directors and the Stock Exchange of Thailand to be inputs for capability development of the Board to better perform the duties in the future.
10. Supervise and encourage the Board of Directors and individual directors to have sufficient knowledge and understanding of their roles and responsibilities, nature of business and related law in conducting business as well as being able to access necessary information and attend seminars and training programs for related subjects so that they can regularly develop their skills and knowledge to best perform their director duties.
11. The Board of Directors ensures that the Board performs the duties properly with adequate access to necessary information. The Board also considers and appoints the Company Secretary who has necessary knowledge and experience, suitable for supporting the Board's endeavors to act as a coordinator to ensure compliance with the Board's resolutions. Besides, the Company Secretary manages the Board's meetings and shareholders' meetings as well as regularly monitoring and ensuring compliance, coordinating with others to comply with resolutions of the Board meetings, and performing other duties as required by law or assigned. Note that the Company Secretary will receive training and development of knowledge and skills required to perform the duties. In case that a company secretary certification curriculum is available, the Company Secretary shall attend the program on a regular basis.

Principle 4: Ensure Effective CEO and People Management

The Company formulated talent development policies and succession plans while the Board of Directors takes charge in acquiring and developing the executive with CEO position or the highest-ranked executive according to required qualifications related to skills, knowledge, experience and leadership which are exceptional properties necessary to drive the organization toward goals, either externally or internally. This is to ensure that the Company has an adequate practice to search for qualified high-ranked executives to conduct business and manage the business in line with the business plan, corporate governance policies and corporate governance principles.

Principles and Guidelines

1. The Board of Directors has set guidelines to acquire, develop, support and encourage the Board of Directors, members of the Audit Committee, CEO and other high-ranked executives to attend

training programs, seminars and other curricula hosted by the Thai Institute of Directors, the Stock Exchange of Thailand or other independent organizations with the purpose to enhance knowledge, skills, experience and other properties required to continuously drive the organization toward goals in accordance with good corporate governance principles. An orientation for new high-ranked executive is provided to ensure that they have adequate knowledge and understanding related to nature of the Company's business.

2. The Board of Directors has prepared succession plans to select talent to assume critical roles in case that the CEO or the Deputy CEO are unable to fulfill their duties until the completion of their terms or the positions become vacant due to any other reason. This is to mitigate risks and impacts from management discontinuity. Note that suitable persons will be selected by Nomination and Remuneration Committee or by the Management according to the selection criteria and approaches the Company stipulates.
3. The Board of Directors ensures proper compensation structures and performance evaluation based on fairness which are comparable with other companies in the same industry in order to retain and incentivize executives to perform their duties with good standards. Note that the compensation will be deliberated by the Nomination and Remuneration Committee based on the Company's operating results and individual performance of each executive before being proposed to the Board of Directors.
4. The Board of Directors ensures effective talent management and development in terms of quantity, knowledge, skills, experience and proper incentives with defined structure of roles and responsibilities according to job levels, payment systems for wage, compensation, welfare and benefits, consistent with the Company's status and in compliance with labor laws. The Board also ensures proper work environment of the safety of life, health and assets as well as adequate communication between employees and their supervisors. The Board also supports knowledge and skill development of employees through seminars and training programs based on their jobs, internally and externally, to continuously improve their competencies.
5. The Board of Directors determines the relationship structure of shareholders and stakeholders that can impact management or hinder the Board's ability to perform its duties as well as setting out disclosure policy on information that has impacts on business control and disseminating information and news for shareholders and stakeholders through specified channels.

Principle 5: Nurture Innovation and Responsible Business

The Board of Directors places importance on and fosters innovation to add value to business by emphasizing R&D of products to promote innovation that can lead to new products and services that entitle the Company to improved competitiveness, alongside

with delivering benefits for all related stakeholders through social and environment responsibility.

Principles and Guidelines

1. The Board of Directors has put in place information technology governance and management at organization level that are consistent with the organization's needs as well as ensuring that information technology is adopted to enhance business opportunities and risk management practices so that the business can attain objectives and key goals. Additionally, the Board makes certain that IT resources are managed and allocated efficiently and effectively including adequate and proper information security measures and systems concerning confidentiality, credibility and readiness of information while misuse of information is prevented.
2. The Board of Directors supervises the Management in conducting business together with creating benefits for all related stakeholders through social and environmental responsibility.
3. The Board of Directors supports activities that add value to the business under everchanging conditions that may cover business modelling, approaches in designing and developing products and services, research, production process and work process improvements.
4. The Board of Directors is responsible for supervising the Management to undertake business with social and environmental responsibility which is to be reflected in the operational plans to ensure that all units in the organization are aligned with objectives, key goals and strategies of the Company.
5. The Board of Directors is in charge of supervising the Management to allocate and manage resources efficiently and effectively according to stipulated policies, work plans and budgets with regard to impacts and resource development across the value chain to attain objectives and key goals in a sustainable manner.
6. The Board of Directors partners with business alliances to undertake business with honesty, transparency and fairness as well as offering excellent services to customers and other prospects. The Board also adheres to fair competition without taking advantage or seeking unfair advantage and strictly observes corporate governance principles.
7. The Board of Directors ensures that the Company complies with law, rules, regulations and standards related to information technology security systems, consistent with business needs, business opportunity enhancement through work process improvements and risk management including business continuity plan (BCP) to prevent business disruptions.
8. The Board of Directors prioritizes customer personal data protection according to the Personal Data Protection Act B.E.2562 and thus formulated personal data protection policy as well as appointing personal data protection officers to set standards and improve work processes related to customers' personal data to be in compliance with personal data protection laws or relevant notices and rules imposed by regulatory authorities.

9. The Board of Directors values roles of stakeholders and treats them with transparency, equality and fairness. Stakeholders include the following group of people and agencies.

1. Shareholders: Apart from basic rights and rights stipulated by law and the Company's Articles of Association e.g. right to check number of shares, right to receive share certificates, rights to attend shareholders' meetings, right to vote, right to express opinions freely at shareholders' meetings and right to receive fair return, shareholders are entitled to rights to make suggestions related to business operations as the owners of the Company through independent directors while all comments and suggestions will be gathered before being proposed to the Board of Directors for further consideration.

2. Employees: The Company regards employees as valuable resources and is committed to gaining trust among employees and making them proud to be a part of the organization. The Company also offers employees reasonable compensation through fair and measurable performance evaluation under defined criteria and focuses on talent development to continuously equip them with knowledge and abilities. In addition, the Company recognizes the importance of healthcare and thus provides an annual health check-up for employees. Regarding safety, the Company puts in place fire protection and suppression at the workplace for employee safety. The Company also raises awareness of executives and employees on environmental conservation as well as encouraging employees to file complaints in case of unfair treatments through specified channels as the Company puts a high priority on employees' rights.

3. Customers: The Company builds long-term relationship and collaboration with customers under responsibility, honesty, credibility and trust while the Company is obliged to

offer maximum satisfaction for customers with highest responsibility. Customers' problems and needs are put first and undertaken according to related law and standards while health, safety, fairness, customer data protection, after-sales services throughout life spans of products and services must not be overlooked. The Company also regularly measures consumer satisfaction in order to improve products and services in the future as well as using advertising and PR for product promotion under ethical code and efficient service offering. The Company has a strong intention to maximize benefits for customers using its products and services in terms of quality and prices with the purpose to develop and maintain longstanding relationship with customers. The Company offers products that receive Thai Industrial Standard certification. Furthermore, the Company set up a call center with the number 02-234-7171 to be responsible for giving accurate information on its products and services, handling customer complaints and accept repair notices to ensure highest customer satisfaction.

4. Creditors: The Company builds relationship with and treats creditors with honesty, trust, and responsibility as well as fulfilling contracts and terms as agreed with creditors under fairness and equality.

5. Suppliers: The Company complies with fair and honest trade competition framework by strictly adhering to obligation fulfillment, ethics and promises given to suppliers while vendor selection processes are with fair terms and agreements. The Company treats suppliers with honesty and equality to conduct its business with fairness to attain mutual interest, sustainable development and long-term partnership with the Company. The Company carefully selects suppliers based on relevant terms such as prices, quality and

trust while observing righteousness, technical expertise, legal requirements and environmental conservation.

6. Society and Communities: It is required to ensure that the Company and its employees act with responsibility for society and surrounding communities by offering hospitality, assistance and support to uplift the quality of living of communities. The Company supports activities that promote quality of life and benefit communities and society in various areas especially those related to capability development of youth and housewives including job creation and educational support by leveraging on business knowledge and experience to launch initiatives that tangibly offer public benefits. Monitoring and progress evaluation for long-term success are also undertaken to improve well-being of communities and society.

7. Fair competition: Ensure that the Company conducts business openly with transparency and without unfairly gaining competitive advantage.

8. Related government agencies: Ensure that the Company complies with related law and regulations and treats government agencies with unbiasedness as specified in the charters, Code of Conduct and Business Ethics and Anti-Corruption Policy and Practices. The Company cooperates with government agencies through supporting various activities.

9. Mass media: Focus on disclosing information to mass media to be communicated to the general public in an accurate and timely manner.

10. Competitors: Conform to honest competition framework by adhering to fair business conduct under legal frameworks and the Code of Conduct and Business Ethics of the Company.

11. Environment: Prevent, reduce and manage environmental impacts from the Company's business including use of raw materials, energy consumption (for production,

ny's business. Independent individuals are required to count and verify votes before announcing the results to the meeting as well as recording in the minutes of the shareholders' meeting.

The Company requires relevant directors and executives to attend the meeting to answer questions from shareholders and ensures the minutes of the meeting is prepared accurately with the following details: list of names of attending directors and executives, resolutions of the meeting, voting approach, voting results, questions and important comments which is to be done within 14 (fourteen) days after the shareholders' meeting. Additionally, the Company also arranges VDO recording of the meeting for future references.

After the Shareholders' Meeting

The Company has issued guidelines consistent with good corporate governance principles with clear disclosure of resolutions of the shareholders' meeting and voting results for each agenda item through the system of the Stock Exchange of Thailand within the next working day after the meeting and the Company's website as well as preparing the minutes of the shareholders' meeting with accuracy and completeness. The copy of the minutes shall be submitted to the Stock Exchange of Thailand within 14 (fourteen) days after the shareholders' meeting. Besides, the Company completes the AGM checklist as prepared by the Thai Investors Association to assess the quality of the shareholders' meeting.

Regarding information disclosure, the Company publishes information through its website to communicate important information and news between the Company and external parties such as shareholders, institutional investors, analysts and general investors as well as allowing all groups of people to access and request information in an equitable manner. Information and news are categorized to communicate to all related parties so that they receive factual and accurate information properly and equally for each group while no group will have any disadvantage or miss any investment opportunity.

This Corporate Governance Policy was approved according to the resolution of the meeting of the Board of Directors No.43/2021, effective from 8 November 2021 onward with a regular revision on an annual basis.

6.1 Policies and guidelines related to the board of directors

1. Nomination and remuneration of directors, directors of sub-committees and executives

Nomination and remuneration committee and corporate governance are appointed by the board of directors. They consist of at least 3 members of the board of directors and at least half of the members of the committee must be independent directors. In order to select persons according to the recruitment

process, determined the criteria and process for recruiting qualified persons to be appointed as a director and top executives of the Company as well as selecting company directors to serve as a director of the Company and sub-committees evaluate the form and criteria of remuneration payment in order to present to the board of directors or to the shareholders meeting for an approval as specified, including consideration of procedures and methods for evaluating the performance of the board of directors according to the principles of good corporate governance by defining elements, scope of responsibilities for the nomination committee to evaluate remuneration and corporate governance can perform their duties efficiently.

Recruiting

- Determine the criteria and policies for recruiting directors and sub-committees for the Company by evaluating the suitability of the number, structure, and composition of the board of directors, determine the qualifications of directors to propose to the board of directors and/or propose to the shareholders meeting for approval, depending on the case.
- Recruiting, selecting, and nominating suitable persons to serve instead of the retired person and/or a vacancy and/or additional appointments, depending on the case.
- Recruiting and selecting executives of the company especially the managing director position covering education, experience, knowledge, expertise
- Prepare and review the succession plan of top executives of the Company to prepare a continuous plan for a successor so that the management of the Company can operate continuously.
- Perform any other operations related to recruitment as assigned by the board of directors.

Remuneration

- Prepare the criteria and policies to determine the remuneration of the board of directors, sub-committee, and executives to propose to the board of directors and / or to the shareholders meeting for approval, depending on the case.
- Determine necessary and appropriate remuneration, both monetary and non-monetary, of the board of directors and the executives of the company to evaluate the suitability of responsibilities, performance, in comparison with companies in similar businesses and benefits expected from the directors and executives of the company to propose to the board of directors to evaluate and present to the board meeting for an approval.
- Evaluate the annual remuneration of the directors.
- Responsible for the board of directors and in charge of

- providing clarifications in answering questions regarding the remuneration of directors sub-committee and senior executives of the Company at the shareholders meeting.
- Report on policies, principles, and reasons for determining remuneration for directors and executives according to the regulations of the Stock Exchange of Thailand as disclosed in the annual information disclosure form (56-1) and annual report of the Company.
- Perform any other tasks related to remuneration as assigned by the board of directors. The management and other departments must report or present relevant information and documents to the nomination, compensation, and corporate governance committee to support the performance of the nomination and remuneration committee and corporate governance to achieve the assigned duties.
- Evaluate the performance of the top executives of the Company to make recommendations to the board meeting to evaluate the appropriate remuneration.

The information and details related to the nomination and remuneration of the directors of the Company, sub-committees and executives are shown in Appendix 4 (full version of the Corporate Governance Policy and Guidelines and the full version of the Company's Code of Conduct) – “Nomination Committee Charter, Compensation Evaluation and Corporate Governance”

2. Performance Evaluation of the Board of Directors

Board of directors are aware of the roles and responsibilities in guiding the direction of operations, following up on the work of the management, performing with knowledge, competence, transparency, carefulness, and responsibility (Accountability) of the board of directors towards the Company and shareholders independently from the management. Therefore, the annual performance appraisal is as follows:

Self-Assessment by the board of directors

Board of directors arrange an annual board self-assessment both as a group and individual to be used as a framework for examining the performance of the board of directors as well as reviewing a collection of opinions on various issues related to operations of the Company and performance of the board of directors during the past year. The assessment will be handed over to the secretary of the Company to summarize and present the assessment results to the board meeting for improvement and increasing work efficiency.

Assessment of sub-committees

Board of directors set up a self-assessment for every sub-committee, namely the audit committee, risk management committee, nomination, compensation, and corporate governance committee. This is to be

reported annually to the board of directors in order to review the performance of the sub-committees as well as reviewing a collection of opinions on various issues related to the performance of the sub-committees during the past year in order to improve and increase work efficiency. The self-assessment form of the board of directors is prepared according to the scope of duties and responsibilities according to the charter of each sub-committee. In the assessment form of the audit committee the good practice of the audit committee has been assessed (Best Practice Guidelines for Audit Committee) which was made by the Stock Exchange of Thailand, Thai Institute of Directors Association (IOD) and companies that have received good corporate governance ratings that are suitable for the companies.

3. Supervision of subsidiaries and associated companies

The board of directors has a governance mechanism that can control the management and be responsible for the operations of subsidiaries and/or associated companies as follows:

1. A person is appointed to be a representative of the Company to be a director, executive or regulator in that company according to the shareholding proportion with the approval of the executive committee meeting.
2. The scope of duties and responsibilities of directors and executives who are the representatives of the Company are determined according to the authority of each company.
3. Subsidiaries and/or associated companies must submit business plans, business expansion reports as well as joint investments with other entrepreneurs through quarterly performance reports to the Company. The Company is eligible to require or request to submit the supporting documents for an evaluation which subsidiaries or associated companies must follow rigorously.
4. There is a governance mechanism that results in the disclosure of information regarding financial status and operating results, related transactions between companies and persons involved, acquisition or disposition of assets or making any other important transactions of companies completely and correctly to comply with the rules related to information disclosure and transactions in the aforementioned manner of the Company.
5. Require subsidiaries and/or associated companies to set up an appropriate and sufficiently concise internal control system by testing the internal control system and audited by internal audit department of the Company so that the board of directors and the management of the Company can monitor the performance, financial status, related transactions, processing significant transactions efficiently including requiring internal auditors and independent directors of the Company to have a direct access to internal information of subsidiaries and/or associated companies. The results of the audit work

Principles and Guidelines

1. The Board of Directors is responsible for ensuring that financial reporting systems and disclosure of important information are accurate, adequate and timely for both Thai and English version according to related rules, standards and practices through SET Community Portal of the Stock Exchange of Thailand as well as the Company's official website.
2. The Board of Directors shall put in place information disclosure of matters impacting decision-making of investors and stakeholders by issuing measures in disclosing information to ensure that rules the Company adheres to are accurate to gain trust among shareholders including
 - a. Accurate, complete and timely disclosure of financial and non-financial information below
 - Selection criteria of directors
 - Performance information of subcommittees and number of meetings
 - Projects and investments in subsidiaries and affiliates
 - Director fees of each individual director
 - Remuneration of directors and high-level executives
 - Social responsibility policy and practices
 - Corporate governance policy and compliance with good corporate governance principles
 - Important investment projects and impacts of those projects
 - The Board's responsibility on financial statements including the auditor's report in the annual report
3. Directors and executives must report their interests including for connected persons who may have interests in the business of the Company or its subsidiaries. Practices and procedures are as follows
 - Report at the start of the roles as a director or an executive
 - Report when there is a change in interests every time
 - Report at the end of each year
 - In case of the reappointment of directorship continuously after the completion of the previous term, it is not required for the director to submit a new report when there is no change in interest information.
 - Directors and executives must submit reports on interest to the Company Secretary and the Company Secretary will send copies of those reports to the Chairman of the Board of Directors and the Chairman of the Audit Committee within the same working day since the reports are received. Reports of interest shall be included in the agenda of every quarterly meeting of the Board of Directors.
4. The Board of Directors takes charge in monitoring the adequacy of financial liquidity and the solvency during the time of financial distress or when there is a possibility of financial issues. The Board of Directors must ensure that the Company has a plan to prudently solve problems or any other

mechanism to handle the financial issues with a concern for stakeholders' rights. A report on responsibility of the Board of Directors on financial reports must be prepared together with the auditor's report, management discussion and analysis and other important information in the annual report and the annual registration statements in a complete and timely manner in accordance with requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, the Board shall arrange a risk assessment for both internal and external risks to ensure that all business transactions are unlikely to impact business continuity, financial liquidity or solvency.

5. The Board of Directors has a duty to ensure a proper preparation of the sustainability report through disclosing compliance information, business ethics, anti-corruption policy, treatment of employees and stakeholders, fair and equitable treatment and respect for human rights including social and environmental responsibility in the annual report to demonstrate good practices that will lead to a sustainable value creation.
6. The Board of Directors is obliged to support an adoption of information technology to disclose information in both Thai and English version through the Company's website and channels of the Stock Exchange of Thailand as required as well as keeping information and presentation up-to-date.
7. The Board of Directors has a duty to ensure that the Management has the Investor Relations Unit or assign the Company Secretary to carry out communication and PR tasks for information and news useful for shareholders and stakeholders such as investors, analysts and other related parties in a proper, equitable and timely manner. Responsible persons shall also be in charge of disclosing the Company's information in both Thai and English according to rules imposed by the Securities and Exchange Commission, the Stock Exchange of Thailand and other related agencies in the annual registration statements and the annual report and/or the Company's website and SET Community Portal. This shall include important information that may impact the Company's stock price which will affect the decision-making process of investors and stakeholders. The Board ensures that information disclosure should not mislead investors' decisions and important information must be kept accurate and updated on a regular basis to promote strict compliance with law, rules and regulations to gain trust among shareholders.

Principles and Guidelines

The Board of Directors shall not disclose business secrets or any other information that can potentially cause damage or negative impact on its competitiveness including information that is not

finalized, in a process of negotiation or with uncertainties that may affect the Company's stock prices before disclosing the financial reports to the Stock Exchange of Thailand, including information related to accusations of all competitors.

Principle 8: Ensure Engagement and Communication with Shareholders

The Board of Directors realizes the importance of fair and equitable treatment as well as respect for rights of shareholders and ensures that shareholders are treated equally and able to exercise their basic rights in complete accordance to the Company's Articles of Association and related law

Guidelines.

1. The Board of Directors ensures equitable treatment of shareholders and prohibits any action that violates or deprives shareholders of their rights so that all stakeholders participate in proposing and deciding on important matters according to basic shareholders' rights in complete accordance to applicable laws including issues that may impact the business's directions; for example,

- (1) Right to trade or transfer stocks
- (2) Right to shares in the Company's profit
- (3) Right to receive sufficient news and information through the Company's website or the website of the Stock Exchange of Thailand or any other means.
- (4) Right to submit questions in advance before the meeting while the Company set a practice in sending questions and published the practice on its website for questions to be gathered and asked at the shareholders' meeting.
- (5) Right to attend the shareholders' meeting to cast the vote independently on appointment or removal of directors, determination of director fees, appointment of auditor, dividend payment, capital increase, issuance of new shares including the right to make an inquiry to the Board of Directors on the report of the Board of Directors and any other matter proposed to the meeting to consider and approve. This includes the right to propose an agenda item in advance, right to nominate a candidate to be appointed as a director and participation in making decisions on the Company's important matters. Each individual shareholder has the voting right according to their shareholding while one share equals to one vote. In case that a shareholder is unable to attend the meeting in person, he/she can delegate a proxy or appoint an independent director as a proxy to attend the meeting and cast the vote on his/her behalf.

2. The Board of Directors is responsible for ensuring smooth, transparent and effective shareholders' meeting and encour

age shareholders to exercise their rights in full as well as facilitating the disclosure of the meeting's resolutions and the preparation of accurate and complete minutes of the shareholders' meeting.

Shareholders' Meeting Rules

The Company organizes the meeting with proper venue, date and time according to the rules to accommodate attending shareholders equally.

- Annual General Meeting of shareholders – to be arranged annually within 4 (four) months from the end of the accounting period of the Company.
- Extraordinary General Meeting of shareholders – to be arranged as appropriate to consider urgent matters..

Shareholders' Meeting Procedures

Before the Shareholders' Meeting

The Company ensures that the notice of the shareholders' meeting including supporting documents are published on the Company's website at least 30 (thirty) days before the meeting date in both Thai and English to allow sufficient time for shareholders to review the information. The notice shall include

- (1) Date, time and venue of the shareholders' meeting
- (2) Agenda
- (3) Objectives, rationale, opinions of the Board of Directors for each agenda item
- (4) Proxy form
- (5) Supporting documents such as voting procedure, vote-counting method and announcement of voting results.

Important information and news shall be disclosed through the Company's website including quarterly financial statements, annual financial statements, annual registration statements (Form 56-1), annual report (Form 56-2) and notice of the shareholders' meeting within 30 (thirty) days before the meeting date. Shareholders shall be offered the right to propose agenda items for the meeting on important matters and nominate qualified candidates for the appointment of new directors at least 3 (three) months before the meeting date through the Company's website.

During the Shareholders' Meeting

The Company arranges the meeting using applicable technology to facilitate the shareholders' meeting for registration, vote-counting and result announcement to ensure that the meeting is conducted in a fast, accurate and precise manner while the Chairman of the Board of Directors presides over the meeting as the meeting chair to ensure that the meeting is run in accordance with related law and regulations as well as other rules stipulated by the Company. Meeting time shall be allocated properly for each agenda item and shareholders are encouraged to express their opinions and make inquiries to the meeting on matters related to the Compa

analysts.

- The responsible agency for organizational communications acts by coordinating directly with the owner of the information to disseminate important information of the company through the media.

5. Information disclosure

- The information of the Company must be accurate, transparent, equitable, reliable, straightforward, and able to clarify information in a clear, easy to understand, and timely manner.
- Reporting information to authorities must be disclosed within the time limit and regularly as required by the law or as specified by the responsible agency of the Company depending on the type of information.
- The responsible agency for corporate communications provides advice and guidelines to communicate to the public.
- Once the information is published, it should be disseminated through the website of the Company.
- Important information of the Company that affects the price of the securities of the company or may affect investment decisions or affecting the rights of shareholders can only be disclosed after the information has been officially released to the Stock Exchange of Thailand.
- Disclosure of important information that has not yet been disclosed to the public, the Company will ensure to disclose it carefully, correctly, completely, in a timely manner, and ensure that shareholders or investors receive the information that is sufficient, equal, and easily accessible through the website of the Company. Moreover, the Company takes the time into account to disclose such information.
- Disclosure of forecast information about the direction of business operations including future performance, the Company will disclose the information carefully by explaining the conditions or assumptions used in forecasting.

6. Exception and solution to an error of information disclosure

Do not disclose confidential business information or any information that may cause disadvantage and ability to compete or information that has not yet been finalized or is being negotiated under uncertainty including no disclosed information that is an exaggeration or in a promotion that is beyond necessity without supporting reasons by avoiding the use of words or inappropriate format that may mislead the securities price of the Company.

- In case the information is disclosed incorrectly, mistakenly, deviating from the facts or with interpretation or a significant misinterpretation, the managing director of the executives that are responsible for finance and control or the assigned management to act or has the power to clarify the facts through the Stock Exchange of Thailand and other disclosure channels to create a right understanding immediately.

7. Providing information to specific groups of people

The communications agency or assigned persons should be responsible for disclosing the information of the Company to the press securities analyst and shareholders. In case of meetings, press conferences, or providing any other information to the media, the department responsible for providing information shall arrange for the dissemination of the disclosed information or meeting resolutions on the website of the Company.

8. Procedure in case of information leakage or rumors

In case of a significant event of misrepresentation about the Company or inaccurate references or important information leaked to other people or was disclosed prematurely which may cause rumors that affect the price of securities and or operations of the Company either positively or negatively, the managing director, responsible communications agency and assigned persons should be responsible for clarifying important information and facts that should be disclosed through the Stock Exchange of Thailand and other disclosure channels to create a right understanding immediately.

9. Prohibit trading and refrain from providing information

- For the benefit of good corporate governance, the directors and employees who are regarded as a person who are informed or can be informed with the significant internal information of the Company that can affect the change in the price of securities must comply with the following:
- Refrain from buying, selling, transferring, or accepting transfers of securities issued by the Company and futures based on the common shares of the Company before disclosing financial information to the public by strictly complying with the rules and regulations relating to the trading of securities and futures contracts of directors and employees.
- Refrain from disclosing information of the performance of the Company during the period of 7 days (seven days) prior to the date the Company publishes its quarterly turnover to the Stock Exchange of Thailand including no meeting to provide information, hold a group meeting or respond to any inquiries related to the turnover to shareholders, investors, securities analysts, and the media in compliance with the internal control regulations determined by the Company.

3. Responsibility to Stakeholders

The Company has a policy to focus on the rights of shareholders and all groups of stakeholders with fairness, transparency and in accordance with the requirements of related laws and regulations. In order to create cooperation between the Company and all groups of stakeholders, which will bring good results to the operation and create stability for the organization by treating various groups of stakeholders, namely shareholders, employees, customers, business partners, and society to be a guideline for practice, which is

deemed to be an important duty of everyone as follows:

1. Shareholders

The Company is committed to be a representative of shareholders in conducting business with transparency, having a reliable accounting and financial system, creating maximum satisfaction for shareholders by taking the long-term growth of the Company into account and remuneration at an appropriate level consistently. To achieve that the board of directors, executives and all employees perform with honesty as well as making any decisions with sincerity and fairness to both major and minor shareholders for the benefit of the relevant parties to the fullest capacity. The Company will not take any action that may cause a conflict of interest with the Company as well as not seeking benefits for itself and no disclosure of confidential information to the third parties.

2. Customers

Satisfy customers by delivering quality products according to their needs, disclose information, news about the service correctly and completely in a timely manner without distorting the facts. The Company provides communication channels for customers to file a complaint about the product quality, no unfair conditions determined to customers, comply with contracts, agreements or other conditions made with customers transparently and equally and always ensure to maintain the confidential information of customers without using the information for its own benefit and or other related persons

1. Business partners, competitors, and creditors

Take equality and honesty in business operations into account and mutual benefits with partners by strictly complying with laws and regulations including good ethics in conducting business and business competition. The Company adheres to the rules of fair competition with the following guidelines:

- Business Partners: Do not demand, receive, pay any trade benefits to business partners dishonestly and strictly comply with contracts, terms and conditions made with business partners. In case the condition cannot be fulfilled, the Company will notify the partners in advance to jointly find solutions for the problems with the principle of reasonableness.
- Competitors: Behave in accordance with the rules of fair competition and based on fair returns to both parties. Do not seek confidential information of the competitors through dishonesty or improper means and not damage the reputation of commercial competitors with derogatory accusations without truthful information.
- Creditors: Strictly comply with contracts, terms and conditions made with creditors, report the financial status of the Company to creditors honestly, accurately and on time with advance notice to the creditors. In case the obligations in the contract cannot be fulfilled, they will work together to find a solution

to prevent any possible damages.

4. Employees

Develop and promote a good working culture and atmosphere including teamwork to build confidence and morale for employees to work with the Company with career stability and practical guidelines as follows:

- Provide fair and appropriate compensation according to knowledge, ability, responsibility, and performance of each employee.
- Take care of the work environment to be safe for the life and assets of employees.
- Appointments, transfers, and rewards and punishment of employees must be done with equality and sincerity based on knowledge, ability and suitability including actions or practices of the employee.
- Treat employees based on fairness and focus on the development of knowledge transfer and competency of employees by providing opportunities to employees thoroughly and regularly.
- Listen to opinions and suggestions from employees at all levels equally.
- Strictly comply with laws and regulations related to employees.
- Manage the business by avoiding any unfair actions that may affect the job security of employees.
- Treat employees with courtesy and respect for their individuality and human dignity.
- There is a channel for employees to report matters that violate the rules, discipline, and the law.
- Encourage employees to understand the code of business ethics and their roles, duty to encourage behavior that is within the framework of the code of conduct thoroughly.
- Encourage employees to participate in determining the direction of work including problems solving of the department and the Company as a whole.

5. Society and environment

- Take the safety of society, the environment, and the quality of life of people into account including the importance of conservation of natural resources for the benefit of future generations as well as promoting efficient energy use to achieve sustainable development. The company has set the guidelines as follows:
- In regard to taking advantage of natural resources, the Company will consider alternatives that cause the least damage to society, the environment and the quality of life of the people.
- Do not take any action that damages natural resources and the environment beyond what is required by law.

system shall be reported to the board of directors and the management of the Company to acknowledge in order to ensure that subsidiaries and/or affiliates will rigorously follow the established system.

6. Require subsidiaries and/or associated companies to disclose and transmit information of stakeholders of related parties to the board of directors for an acknowledgment of the transactional relationships with the Company in a manner that may cause conflicts of interest or participation in the approval of matters with direct and indirect interests. In case the audit company finds that there are significant issues, it may inform its subsidiaries and/or associated companies to clarify or submit documents for an evaluation as follows:

- Transactions between subsidiaries and/or affiliates with directors, executives or related parties that are not in accordance with the rules of connected transactions.
- The use of information of the Company, subsidiaries and/or associated companies to seek for their own benefits unless the information is publicly available.
- The use of property or business opportunities of the Company, subsidiaries and/or associated companies that violate the rules or practices as specified by the Securities and Exchange Commission.

6.1.2 Policies and guidelines for shareholders and stakeholders

1. Equality rights between shareholders

The board of directors recognizes the importance and respect the equal rights of all shareholders with fairness as well as ensuring that shareholders are treated equally and able to fully exercise their basic rights as a shareholder as specified in articles of association of the Company and other related laws. The board of directors promote and set policies related to the rights of shareholders as follows:

Guidelines

1. The board of directors requires shareholders to be treated equally. There will be no action taken that violates or deprives the rights of shareholders. We ensure that all shareholders participate in the presentation and decision making of important matters of the Company in accordance with their full fundamental rights as shareholders and as required by law and issues that may affect the direction of business operations such as:
 - The right to buy, sell or transfer shares.
 - The right to share earned profits of the Company.
 - The right to receive sufficient relevant information through the website of the Company or the Stock Exchange of Thailand or by any other means.

- The right to submit questions prior to the meeting date. The Company has established criteria for submitting questions and disseminated such criteria through the website of the Company. The questions will be collected for further inquiries in the shareholders meeting.

- The right to attend meetings and exercise voting rights independently in shareholders meetings, to appoint or remove directors, evaluation of remuneration of directors, appointment of an auditor, dividend payment, capital increase, issuance of new shares including the right to ask questions to the board of directors about the report of the board of directors and any other matters presented to the meeting for an evaluation and approval. The right to propose an agenda in advance, nomination of a person to be elected as a director of the Company and participation in decision making on important company matters by requiring that every shareholder has the right to vote according to the number of shares held, one share one vote. In case a shareholder is unable to attend the meeting in person, the shareholder can appoint a proxy to any person or arrange for at least 1 independent director (one person) to be a proxy to attend the meeting and vote on behalf of the shareholder.

2. The board of directors is responsible for overseeing the conduct of the shareholders meeting to be proper, transparent, efficient, and conducive for the shareholders to fully exercise their rights, including overseeing the disclosure of the resolutions of the shareholders meeting and preparing the minutes of the shareholders meeting to be accurate and complete.

Shareholders Meeting Requirements

The Company organizes the meeting, prepares the location, appropriate date, and time according to regulations to facilitate all shareholders equally to attend the meeting.

- Annual general meeting takes place annually within 4 months (four months) after the end of the accounting period of the Company.
- Extraordinary general meeting of shareholders takes place to evaluate urgent, important matters

Procedures for the shareholders meeting

1. Procedure for the shareholders meeting

Ensuring that the invitation letter with related documents in both Thai and English, disseminated through the website of the Company at least 30 days (thirty days) prior to the meeting in order to provide for sufficient time for shareholders to evaluate the information. These consist of the following:

- Date, time, and location of the shareholders meeting
- Agenda
- Objectives, reasons, and opinions of the board of directors on

- each proposed agenda
- Power of attorney
- Other supporting information such as voting procedures, counting and notifying results etc.
- Various important news and information are presented through the website of the Company, such as quarterly financial reports, annual financial statements, annual information disclosure form (Form 56-1), annual report (Form 56-2). The invitation letter must be sent out at least 30 days (thirty days) prior to the meeting and gives shareholders the right to propose agenda items for the shareholders and propose a list of qualified candidates to appoint as a new director at least 3 months (three months) prior to the date of the shareholders meeting through the website of the Company.

2. Procedure on the shareholders meeting day

The Company prepares a schedule for all the involved directors and the executives to attend the meeting to answer questions from the shareholders and record the minutes of the meeting accurately and completely as well as names of directors and executives who attended the meeting, meeting resolutions, voting methods, vote counting, voting results, questions and issues and significant comments must be completed within 14 days (fourteen days) from the date of the shareholders meeting. In addition, the Company also arranges for video recording of the meeting to be retained as evidence for reference.

3. Procedure after the shareholders meeting

The Company has set the guidelines for operating to align with the principles of good corporate governance. The resolutions of the shareholders meeting were disclosed explicitly along with the voting results for all agendas via the Stock Exchange of Thailand system within the next business day and disseminated through the website of the Company along with preparing minutes of the shareholders meeting accurately and completely. Submit a copy of the minutes of the shareholders meeting to the Stock Exchange of Thailand within 14 days (fourteen days) after the shareholders meeting date including the preparation of a quality assessment form for the arrangement of the shareholders meeting (AGM Checklist) prepared by the Thai Investors Association.

For the dissemination of information through the website to communicate important information, news between the Company and outsiders such as shareholders, institutional investors, analysts, general investors including allowing all groups of people to access and inquire information equally through news that are categorized to communicate to all involved parties to receive accurate, true and suitable information

for each group equally without causing any group to be at a disadvantage or losing investment opportunities.

The information and details related to the policy and practice guidelines on rights and equality of shareholders are shown in Attachment 4 (full version of the Corporate Governance Policy and Practice Guideline and the full version of the Business Ethics prepared by the Company). – “Corporate Governance Policy and Compliance with Good Corporate Governance Principles.”

2. Information disclosure

The Company focuses on management and business operations in accordance with good corporate governance principles so that the information disclosure of the Company is correct, complete, transparent, equitable, and complies with legal requirements as a result the Company has established information disclosure policy to be a guideline for the directors, executives, and employees according to the principles of good corporate governance. The scope and guidelines are as follows:

Scope

1. Communicate openly, completely, accurately, on time, regularly and equally to both shareholders and all stakeholders including those who want to use the financial information and the general public. Do not act against information either positively or negatively.
2. Disclosing the information of the Company must covers all means of communication, such as annual reports, quarterly performance report, news, press conference documents, letter to shareholders, company website including speaking verbally in both group meetings and one-on-one meetings or conversation over the phone with analysts and investors, providing information through websites or other media interviews with the press and press release.
3. Be aware of the need to keep business secrets about important business information and strategy for operations to comply with the rules and regulations of information disclosure of the Stock Exchange of Thailand and the Securities and Exchange Commission

Guidelines

4. Authorized person for information disclosure
 - Managing director, chief executive that is responsible for finance or an executive assigned to perform can evaluate and make decisions about the content of important information for the disclosure. They may clarify the information themselves or may assign it to the relevant persons.
 - Executives are assigned to perform and an authorized person to report information has the authority to make press releases, disseminate significant company information, answer questions from shareholders, investors, and securities

- Promote the efficient use and conservation of energy for the benefit of the public and future generations.
- Do not support any activities that are harmful to society or beautiful morality and/or promoting vices.
- Set up a complaint system on issues that may affect the community.
- Investigate the cause, improve, and notify the result of the action to the complainant in a timely manner.
- Continuously and earnestly inculcate awareness of social and environmental responsibility among employees at all levels.
- Operate and cooperate or control to strictly follow the intent of the law and regulations issued by regulatory organizations.
- Supporting community and social activities by focusing on the development of society, community, environment, including supporting education for youth and public activities.
- Provide a prompt response and effective in events that affect the community and the environment resulting from the operations of the Company by fully cooperating with government officials and related organizations.

4. Protection of internal information

The Company oversees the use of internal information in accordance with good corporate governance principles by adhering to the principles of good governance, business integrity and to ensure that investors in the securities of the Company receive equally reliable and timely information.

The Company therefore has established regulations to supervise the use of internal information and securities trading regulations of the directors, executives, and employees to be aligned with the securities and exchange law and focus on transparency in business operations according to the guidelines as follows:

- The Company will provide knowledge to directors, company executives including executive positions in accounting or finance department at the level of department manager or equivalent (according to the definition of the Capital Market Supervisory Board and the Stock Exchange of Thailand) regarding the duty to prepare and report the holding of the securities of the Company under Section 59 and the penalty under Section 275 of the Securities and Exchange Act B.E. 2535 (and its amendments), including reporting on the acquisition or sales of securities of the Company under Section 246 and penalty provisions under Section 298 of the mentioned Act.
- It is specified that the board of directors, management, and auditors, including management level positions in the accounting or finance department or equivalent to the company, shall prepare and disclose a report on the assets they hold in the Company as well as from their spouses and minor children according to section 59, at the first time they are appointed as a director or executive and every time there is a change, by submitting the report to the secretary of the Company for the further submission to the SEC and the Stock Exchange of Thailand as specified. The secretary of the Company shall summarize the report on asset holdings and changes in asset holdings and report it to the board meeting every 6 months (six months)
- Prohibiting the directors and the executives of the Company, including those holding executive positions in accounting or finance at the level of department manager or equivalent and related positions who have been informed of internal information which affects the change in the price of securities to buy, sell, offer to buy or offer for sale or persuade other persons to buy, sell, offer to buy or offer to sell shares or other securities (if any) of the Company, either directly or indirectly in the period prior to the release of the financial statements or the dissemination of the financial position and operating results of the Company until the Company has disclosed the information to the public. The Company will notify the directors and executives, including those holding executive positions in accounting or finance at the department manager level or higher or equivalent to refrain from doing the above transactions in writing at least 30 days (thirty days) in advance prior the disclosure of information to the public and should wait at least for another 24 hours (twenty-four hours) after the disclosure of information to the public to be able to do the above transactions.
- Prohibiting the directors, executives and employees of the Company and/or its subsidiaries to use the internal information and the position or any internal information or significant information received or acknowledged during work that have not been disclosed to the public to seek benefits in buying, selling, offering to sell or buy or persuading others to sell, offer to buy or sell shares or other securities (if any) of the Company whether directly or indirectly regardless receiving benefits in return or not.
- Prohibiting the directors, executives, and employees of the Company and/or its subsidiaries or former directors, executives and employees who have resigned to disclose internal information or confidential information as well as the confidential information of trading partners that they are exposed to the information during performing their duties to the third parties regardless of no damages to the Company and/or subsidiaries or trading partners caused by the disclosure of such information.
- Prohibiting the directors, executives, and employees of the Company and/or its subsidiaries or former directors, executives and employees who oversaw maintaining confidentiality and/or internal information to use confidentialities and/or internal information of the Company and/or its subsidiaries to seek benefits for other companies.

- Directors, executives, and employees of the Company and/or its subsidiaries must comply with the guidelines for using internal information of the Securities and Exchange Act B.E. 2535 (and its amendments) and the Public Limited Companies Act B.E. 2535 (and its amendments), including other relevant regulations.

The Company has assigned a secretary to be responsible for monitoring the preparation and reporting of securities holdings of the directors, executives, and persons holding executive positions in accounting which covers their spouses (or partner) and minor children as well as any juristic person in which the persons, spouse or partner or minor children holding shares in aggregate of more than 30 percent of the total voting rights and also has the largest shareholding in that juristic person. The secretary of the Company shall notify the directors and executives, including executive positions in accounting or finance at department manager level or higher, to refrain from doing the above-mentioned transactions in writing at least 30 days (thirty days) prior to the public disclosure.

The Company has imposed penalties for misuse of internal information. The violators will be punished with a written warning, cut off allowance, cut off wages, temporarily suspend work without pay or may be dismissed from work including compensation to the Company in case of damage in money depending on the severity of the offense or may be punished according to the law depending on the case.

5. Prevention of conflicts of interest

The Company has established a policy to prevent conflicts of interest based on the principles of conducting business for the utmost benefit of the Company, the shareholders of the Company and avoid actions that may cause conflicts of interest by requiring the directors, executives and employees who are involved or in the evaluated transaction must inform to the Company to prevent transactions that may cause conflicts of interest, related parties transaction or related transaction. The main principles are as follows:

- The directors of the Company and executives must inform the Company of their relationship or related parties in businesses that may cause conflicts of interest or seeking personal benefits, such as
 - Shareholding in competitors of the Company
 - Joint investment or holding a position with business partners who conduct business with the Company
 - Doing business or providing services directly to the Company or through others
- Avoid doing related transactions with related persons as specified by the Capital Market Supervisory Board that may cause a conflict of interest with the Company and/or its subsidiaries in case it is necessary to do that transaction, the related transactions must be presented to the Audit Committee to evaluate before proposing to the Board of Directors for an

approval according to good corporate governance principles and the rules set by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

- The directors, executives and employees must comply with the regulations of the Company and the code of business ethics of the Company which is considered an important matter to be strictly adhered to in order for the Company to be respected and trusted by all stakeholders and disseminating information for understanding the practices of employees throughout the Company.
- The directors, executives and employees must not seek benefits for themselves or others by relying on confidential information of the Company including important information of the Company for their own benefit.
- The Company requires the directors and executives who have significant interests in a manner that may cause directors or executives to be unable to express their opinions independently to has no part in evaluating the transactions that they have a conflict of interest including having no authority to approve the transaction in that agenda.

6. Anti-Corruption

The Company is committed to conducting business under the principles of ethics and transparency by focusing on anti-corruption in all forms, both directly and indirectly, whether monetary or non-monetary. It is a principle and responsibility of the employees and management at all levels to perform their duties with integrity and awareness of anti-fraud and corruption. The guidelines are as follows:

Policies

The Company conducts business with transparency under the rules of fair competition, therefore, the Company does not accept any contact or doing untransparent business or connected to fraud which is against fair competition and destroys the honor reputation of both the organization and the country. The directors, executives, employees of the Company are prohibited to commit or be involved in all forms of corruption for direct or indirectly benefit against oneself, family, friends, and acquaintances, regardless of whether they are the recipient, giver or offeror of bribes both monetary or nonmonetary to government organizations or private organizations that the Company has a business or contact with. The anti-corruption policy shall be strictly followed including a structure of responsible persons, and risk management system, internal control, and internal auditing to prevent and suppress fraud or corruption within the organization.

Duties and Responsibilities

- The board of directors is responsible for setting policies, supervising, and approving all forms of direct and indirect anti-corruption policies to ensure that the management focuses on anti-corruption and embed the anti-corruption policy into the

corporate culture and assigned the management to implement anti-corruption measures as a guideline for effective internal practice.

- The audit committee is responsible for auditing and reviewing the financial reporting system, internal control system Internal audit system to ensure the compliance with international standards, concise, appropriate, modern, and efficient in order for the Company to align with good corporate governance policies, requirements and relevant laws.
- In case the audit committee finds or doubts about the actions which may have a significant impact on the financial position and the performance of the Company including corruption. The audit committee will report to the board of directors for improvements.
- The managing director and management are responsible for setting up a system to promote and support anti-fraud and corruption to communicate to employees and all related parties including reviewing the appropriateness of the system and measures to align with changes in business regulations and required legal regulations.
- The internal audit department is responsible for auditing and reviewing the performance of all departments within the Company to be in accordance with the policy and guidelines for operating, regulations and laws, requirements of the organization to ensure that there is an internal control system performance assessment.
- Employees at all levels have duties and responsibilities to comply with the policy, guidelines, and anti-corruption measures

Practical measures

- The directors, executives and employees have a duty to comply with the anti-corruption policy. The board of directors assigned the management to communicate and practice anti-corruption measures.
- The directors, executives and employees who violate or fail to comply with the corporate governance policy and compliance with good corporate governance principles and anti-fraud and corruption policies and practices are considered an offender under the regulations concerning the work of personnel management for employees which must be subject to disciplinary action according to the specified regulations including being subject to legal penalties, in case the action is illegal. However, the Company will not demote, punish, or have a negative effect on those who deny committing corruption, even that action will make the company lose business opportunity.
- The Company has established disbursement regulations by

specifying the amount of money, approval authority, objectives, and recipients, which must contain clear evidence documents to prevent fraud or corruption along with an audit process from the internal audit department.

- The Company has a sales and marketing inspection process including procurement and contracts regarding the risk of corruption on a regular basis in order to comply with the disbursement regulations and purchasing regulations. The internal audit department will provide opinions and follow up on appropriate solutions.
- The Company has established a personnel management process that reflects the commitment of the Company against anti-corruption measures from selection, training, performance evaluation, compensation, and promotion.
- The Company has arranged for an internal audit to ensure that the established internal control system helps the Company to achieve the set goals including inspecting the operations of all departments in accordance with the requirements, rules and regulations and helping to find faults, weaknesses including providing advice on developing an efficient and effective operating system according to good corporate governance guidelines.
- The internal audit department can urgently report the discovered issue to the audit committee, who reports directly to the board of directors.

Dissemination of Anti-Fraud and Corruption Policy and Guidelines

For the employees at all levels to be aware of the anti-fraud and corruption policy, the committee therefore requires public relations and dissemination through the following channels:

- The Company will post an announcement of the anti-corruption policy at the public relations board of the Company.
- The Company will disseminate the anti-fraud and corruption policy and guidelines through the communication channels of the Company such as the intranet system, website, 56-1, One report
- The Company will include the anti-fraud and corruption policy and guidelines in the employee handbook.
- Organize training on anti-fraud and corruption policies and practices on the orientation day with new employees.
- All employees are required to sign a form and affirm that they are aware of the contents of the code of conduct and anti-fraud and corruption policies and practices to confirm that they have read and agree to comply with the requirements in various matters. Employees are not eligible to use the excuse that they did not read or did not sign the form as a reason for not complying.
- Conduct a review of anti-fraud and corruption policies and

practices annually. In case any of the codes of conduct or the anti-fraud and corruption policy and guidelines is repealed, cancellation must be approved by the board of directors and the term of termination must immediately disclosed

Political contributions

Political contributions mean providing financial, in-kind, and/or participation in activities as well as encouraging employees to participate in political activities on behalf of the Company in order to obtain advantages in business, trade, this does not include employees participating in activities based on personal freedom rights but must not pretend to be an employee or use any property, equipment, or tools of the Company for the benefit of any political actions.

The Company will not provide financial or material support to political parties to support politicians or candidates for any political electoral commission within the meaning of the first paragraph with the objective of facilitating business benefits for the Company.

Charitable contribution, donations, and aid grants

The Company has determined the policy for charitable contribution, donations, and aid grants. The guidelines, review process and control details are as follows:

- The donation must prove that there is an activity under the said charity project and actions are taken to support the achievement of the objectives of the project and cause real benefits to society or to meet the objectives of operating with social responsibility (Corporate Social Responsibility: CSR)
- The donation must prove that it is for a charity and has nothing to do with reciprocity to any persons or any organizations.

Sponsorships

As the sponsorships are for the purpose of the business, brand, or reputation of the company there is a risk that payments for services or benefits that are difficult to measure, and monitor may also be linked to bribery. Therefore, the company has determined the explicit rules regarding sponsorships. The review process and control details are as follows:

- The grant must be able to prove that the applicant has performed activities according to the project and to support the achievement of the objectives of the project and cause real benefits to society or to meet the objectives of operating with corporate social responsibility (Corporate Social Responsibility: CSR)
- The subsidy must prove that the subsidy or any other benefit that can be calculated in terms of money, such as accommodation

and meals, etc.

- In order to be a sponsor, the request record must be prepared with specify the name of the sponsorship, the purpose of the sponsorship, and attach all supporting documents to the authorized person of the Company to evaluate and approve according to the level of approval authority of the Company.

7. Channels for traces or complaints (Whistle Blower)

The Company assigns the corporate governance department to be responsible for receiving traces and complaints, collect and report facts to independent directors and to investigate the facts in order to establish the measures and report the results to the complainant and the chairman of the board of directors and / or the board of directors including providing channels for employees and stakeholders to report traces and complaints of fraud or corruption to help improve or solve business operations including being transparent. The complaint channel of the Company is easy to access and strictly keeps the confidentiality of complainants through the following:

(1) Mail

To: Chairman of the Audit Committee

Address: SG Capital Public Company Limited

No. 72 Bang Rak National Telecom Tower, 20th Floor,
Si Phraya Road, Bang Rak Subdistrict, Bang Rak District,
Bangkok 10500

(2) E-mail

Email: SgcAmnesty@sgcapital.co.th

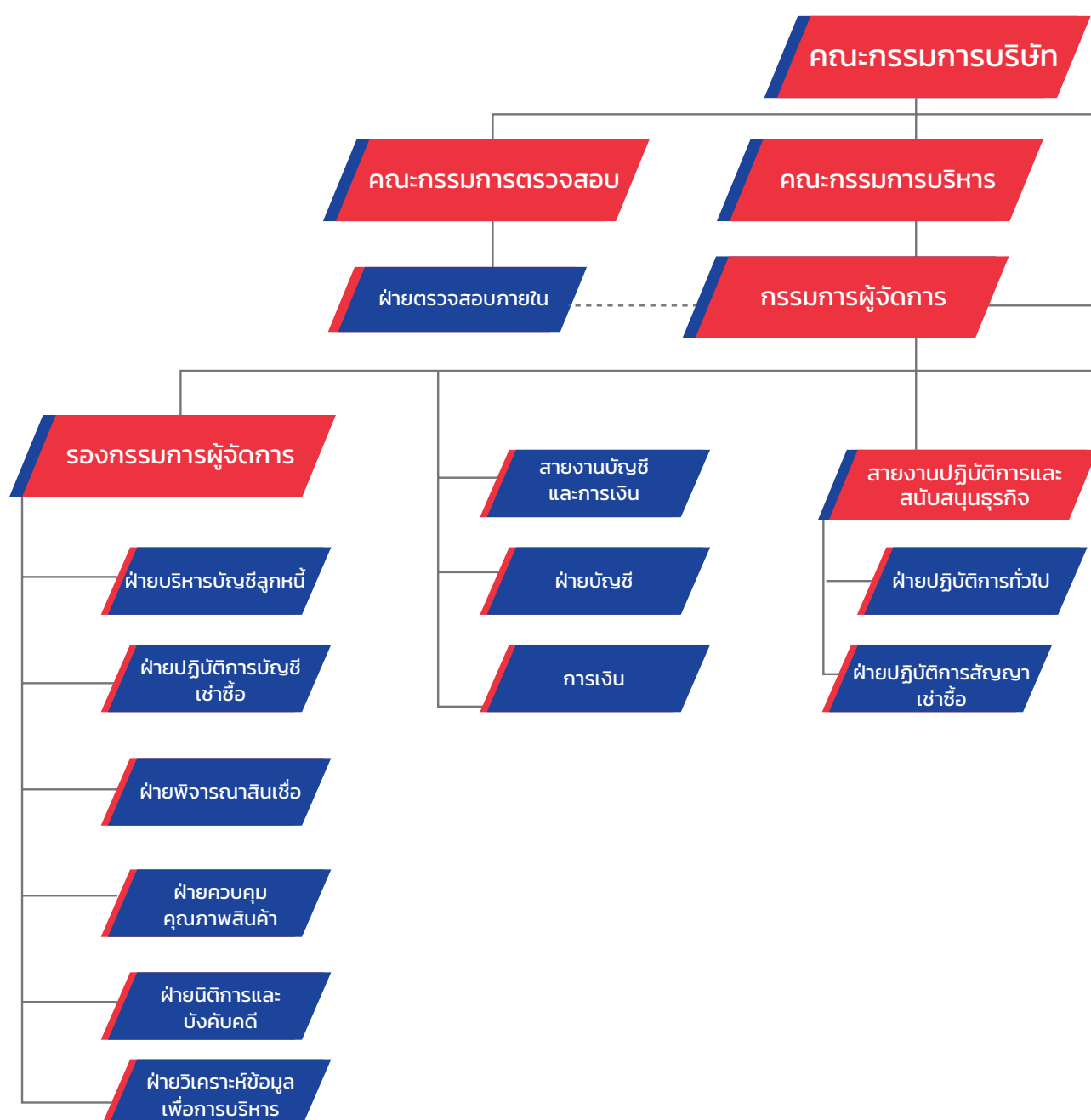
(3) Website

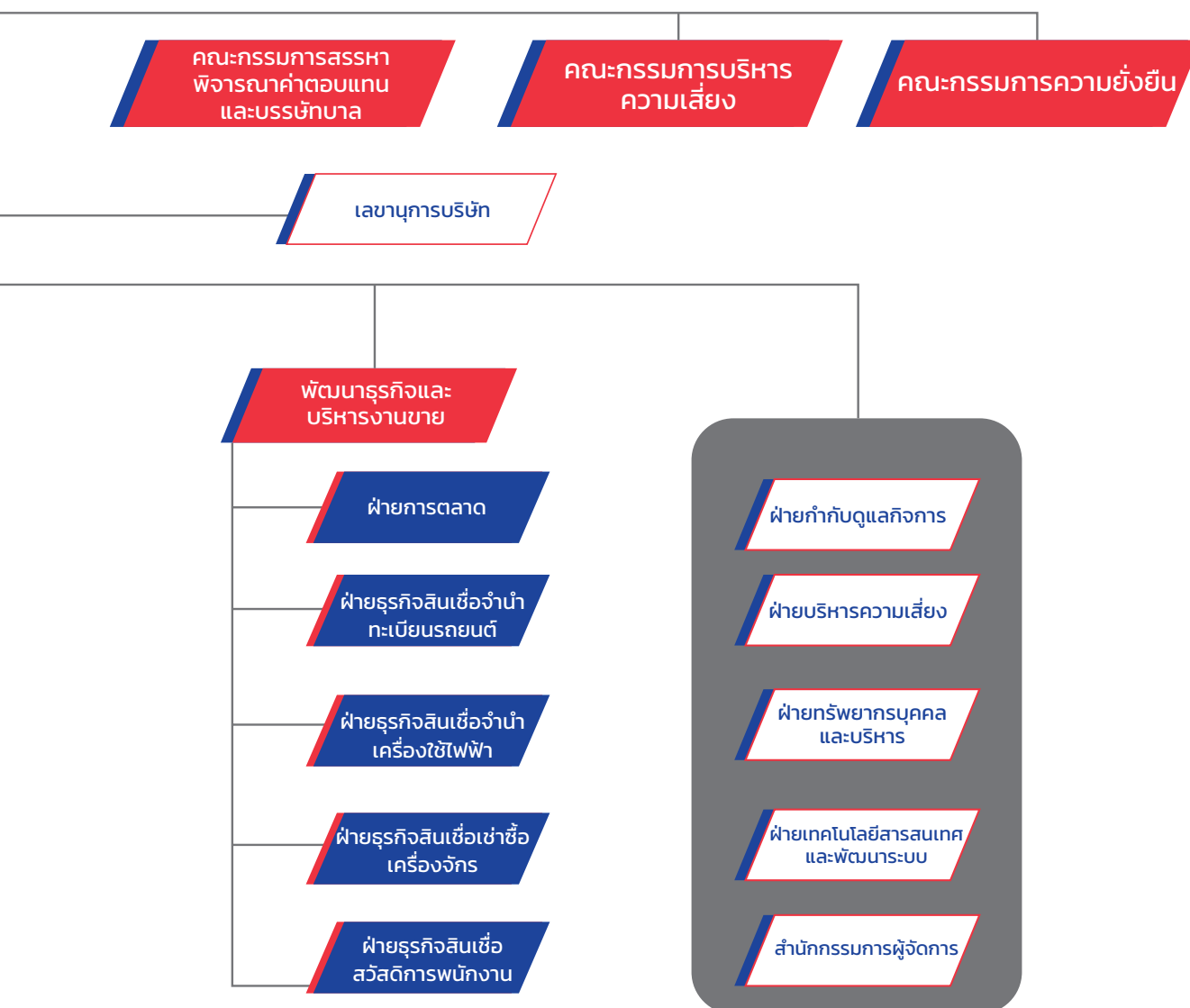
Employees and stakeholders can report or file complaints through the website of the Company under “General Complaint Channel

7. Governance Structure and Important Information about the Board of Directors, Sub-Committees, Executives, Employees and Others

7.1 Corporate Governance Structure

As of December 31, 2022, the Company's management structure consists of the Board of Directors and 4 sub-committees namely (1) Audit Committee (2) Nomination Remuneration and Corporate Governance Committee (3) Risk Management Committee and (4) Executive Committee. The details of the management structure are as follows:





Remark: On February 13, 2023, the Board of Directors' Meeting No. 2/2023 approved the appointment of one more sub-committee, namely the Sustainability Committee.

7.2 About the Board of Directors

7.2.1 Composition of the Board of Directors

The Board of Directors consists of persons with knowledge, ability, and experience that will be beneficial to business operations. The members are honest, align with business ethics, and have enough time to dedicate knowledge and ability and fully perform duties for the Company, including formulating strategies and operating policies, including the duty to supervise the business to create sustainable value for the business, conduct business with ethics and responsibility towards shareholders and stakeholders as well as following up, evaluating and supervising performance reports.

In appointing a director of the Company, at the shareholders meeting shall elect directors by (1) one shareholder has one vote equal to 1 share per 1 vote (2) shareholders may use all their votes to elect one or more persons to be directors. In case of electing several persons to be directors, the votes cannot be divided to any person, and (3) the person who receives a majority vote of the total number of votes of the shareholders attending the meeting and voting and obtaining the highest number of votes in descending order will be elected as directors equal to the number of directors required or to be elected at that time. In case the elected persons in descending order have equal votes, which would otherwise exceed the number of directors required or to be elected at that time, the chairman of the meeting shall have a casting vote.

In addition, at every annual general meeting of shareholders, one-third of the total number of directors shall retire from office. If the number of directors cannot be divided exactly into three parts, then issued by the number nearest to 1 in 3 by

(1) directors who vacate office may be re-elected and (2) directors who must retire from office in the first and second year after the registration of the Company shall be drawn by means of drawing lots who has been in the position the longest is the one who retires.

As of December 31, 2022, the Board of Directors consists of 7 directors, with executive directors according to the definition of the Securities and Exchange Commission, Notification No. Kor Chor (as amended) Re: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities. The members are 1 director, 2 non-executive directors, and 4 independent directors. The independent directors are not less than one-third of the total number of directors. All 4 independent directors are qualified according to relevant laws and regulations. Furthermore, the directors of the Company are 1 female director and 6 male directors.

Moreover, the relevant information about the directors of the Company is shown in attachment 1 (Details of directors, executives, controlling persons, assigned person to the highest responsibility in accounting and finance, the assigned person to be directly responsible for supervising the accounting and company secretary)

7.2.2 Individual Information

As of December 31, 2022, the Board of Directors consists of 7 directors of the Company as follows:

No.	Name - Surname	Position
1.	Mr. Bibit Gijaisoradat	Chairman / Independent Director / Director of Nomination Remuneration and Corporate Governance Committee
2.	Mr. Suranit Sorasuchart	Independent Director / Director of the Auditing Committee
3.	Mr. Pongsak Achakulwisut ¹	Independent Director / Director of the Auditing Committee / Director of Nomination Remuneration and Corporate Governance Committee
4.	Mr. Pisit Puapan	Independent Director / Director of the Auditing Committee / Director of Risk Management Committee
5.	Mr. Piranart Chokwatana	Director
6.	Mr. Kittipong Kanokvilairat ²	Director / Director of Nomination and Remuneration and Corporate Governance Committee
7.	Ms. Busaba Kunsiritham ²	Director / Director of Risk Management Committee

Remarks: 1 Being an audit committee member with sufficient knowledge and experience to review the credibility of the Company's financial statements.

2 Being an authorized director who can sign to bind the Company.

Ms. Wassana Nukua is the secretary of the Board of Directors

7.2.3 Information about the Roles and Responsibilities of the Board of Directors and Chairman and CEO

7.2.3.1 Scope, Duties and Responsibilities of the Board of Directors

The Board of Directors focuses on the importance of operating under the principles of good corporate governance of the Stock Exchange of Thailand to lead the organization to sustainable success and build confidence among shareholders and all stakeholders. The Board of Directors will perform fiduciary duty in managing and operating the Company's business with responsibility, accountability, loyalty, and care to protect the interests of the Company according to roles and responsibilities.

The Board of Directors plays an important role in creating value for the business including creating return on investment for shareholders, determining directions, policies, and business strategies of the Company to ensure that the Company operates in the direction in the best interests of the shareholders. This includes following up on the operations of the management to check, scale, and be responsible for the performance of the Company to shareholders.

The Board of Directors Meeting No. 7/2022 on November 7, 2022, has reviewed the authority, duties, and responsibilities of the Board of Directors as follows:

1. Perform duties with responsibility, caution, honesty, and care to protect the interests of the Company and in accordance with the law, objectives, and regulations of the Company, resolutions of the Board of Directors Meeting as well as the resolutions of the shareholders' meeting including regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. It should be in accordance with the principles of good corporate governance.
2. Determine a vision, policy, and direction of the Company's operations, goals, plans, business strategies, and the annual budget of the Company and its subsidiaries as proposed by the Chief Executive Officer and/or the Management in accordance with the objectives and main goals of the Company. Moreover, this must include supporting the preparation or review of goals, work plans, and business strategies, control, supervise and supervise the management to ensure efficiency in accordance with the established policies and budgets.
3. Continuously follow up on the performance of the Company in order to comply with the company's operational plan and budget.
4. Responsible to shareholders on a regular basis, operates to protect the interests of shareholders. The material information shall be disclosed to investors accurately and completely with standards and transparency.
5. Supervise business operations and work ethically.
6. Supervise the management to have an appropriate and efficient risk management system.
7. Determine the authority and level of approval for transactions

and various actions related to the work of the Company to the group or individual appropriately and to comply with the relevant laws by preparing a manual of operational authority and review at least 1 time per year (one time).

8. Provide an accounting system that is appropriate, efficient, and reliable including financial reporting and auditing the process of evaluating the appropriateness of the internal auditing.

9. Ensure that the Company has adequate, appropriate, and effective internal control and internal audit systems to ensure that transactions are approved by authorized persons. There shall be a review of the accuracy of accounting including various systems that can prevent misuse of Company assets.

10. An annual general meeting of shareholders shall take place within 4 months (four months) from the end of the Company's fiscal year.

11. Approve the proposed appointment of an auditor and evaluate the annual audit fee to present to the shareholders for consideration and approval of the appointment.

12. Approve the audited financial reports by the auditor and/or reviewed and have been approved by the Audit Committee.

13. Evaluate and approve the interim dividend payment to shareholders when the Company was profitable enough to do so and report such dividend payment to the shareholders' meeting for acknowledgment in the next shareholders' meeting.

14. Report on the Board of Directors' responsibilities in preparing the financial reports together with the auditor's report in the annual report and covering important matters according to the policy of best practices for directors of listed companies of the Stock Exchange of Thailand.

15. Has an authority to appoint, assign or advise sub-committees or working groups or any other person to evaluate or act on any matter that the Board of Directors deems appropriate.

16. Appoint sub-committees such as the Audit Committee Board of Directors or any other sub-committees and determine the authority and duties of such sub-committees to assist and support the performance of duties of the Board of Directors.

17. Appointment of Company Secretary according to the law on Securities and Exchange Thailand. The scope of duties and responsibilities of the company secretary is also determined to prepare and maintain documents and other matters as required by law and to assist in the activities of the Board of Directors and the Company, such as the Board of Directors meetings; shareholder meeting as well as giving advice to company directors in conducting themselves and business in accordance with the law, and related regulations on a regular basis and to ensure that the directors and the Company disclose correct, complete, and transparent information

18. Review the Board of Directors charter at least 1 time a year (one time) of one more sub-committee, namely the Sustainability Committee.

19. Supervise the performance of various committees in

Reference: Risk management system of the Board of Directors' Meeting No. 2/2023 approved the amendment of one more sub-committee, namely the Sustainability Committee.

accordance with the specified charter.

20. Establish a corporate governance policy and compliance with good corporate governance principles according to the written principles of good governance and effectively implement the policies to ensure that the Company is responsible to all stakeholders with fairness including reviewing the good corporate governance policy on a regular basis.

21. Seek professional opinions from external organizations, consult an expert or consultants of the company (if any) or hire consultants or external experts in case of necessity at the expense of the company.

22. Obtain the authority to evaluate and approve any matters necessary and related to the Company or deemed appropriate for the benefit of the Company within the framework of the law, which include:

- Approve and improve the Company's vision, mission, and policies.
- Approve both short-term and long-term strategic plans including approving action plans and budgets.
- Organizational structure and management structure
- Approve the preparation and revision of the charter of the Board of Directors and/or other committees of sub-committees.
- Approval of dividend payment policy
- Approve investment projects, important contracts of the Company and companies in the group.
- Acquisition or disposition of assets and any other items required by law within the legal framework.
- Appointment of directors who retired during the appointment year of a sub-committee.
- Determination of the list of authorized directors who can sign to bind the Company.
- Approve significant accounting policy changes and adoption of new accounting standards.

23. Appoint one or more directors or other persons to act on behalf of the Board of Directors. In this regard, such authorization must not have the authority to approve the transactions of such persons or persons who may have conflicts of interest, ("Person who may have conflicts" shall have the meaning as specified in the announcement of the Securities and Exchange Commission or announcement of the Capital Market Supervisory Board) benefit or may have conflicts of interest in any other manner with the Company.

24. Unless it is an approval of a transaction that is in accordance with the policy and criteria approved by the Board of Directors or the meeting of shareholders in accordance with the Securities and Exchange Act B.E. 2535. (and amendments) including announcements, rules, and/or regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand and other relevant laws.

In this regard, any matter in which a director has an interest or has a conflict of interest with the Company or its subsidiary di-

rectors who have interests or conflicts of interest are not entitled to vote on that matter.

Supervise the Company to comply with the law on securities and stock exchange, regulations of the Stock Exchange of Thailand such as connected transactions, acquisition, or disposition of assets according to the regulations of the Stock Exchange of Thailand or as announced by the Securities and Exchange Commission, Capital Market Supervisory Board or laws related to the Company's business.

7.2.3.2 Scope, Duties, and Responsibilities of the Chairman

The Chairman of the Board plays an important role in supporting the Board of Directors to perform their duties efficiently. The Company, therefore, requires the Chairman of the Board of Directors, Executive Chairman, and Chief Executive Officer to be different persons in order to clearly separate the authority of the Company's policies and management according to the law and principles of good corporate governance by the Chairman of the Board of Directors who is the highest executive of the organization.

The roles and responsibilities of supervising, determining missions, strategies, and monitoring to ensure that the Board of Directors' performance of duties sub-committee and Chief Executive Officer operate effectively. This includes achieving the objectives and the main goals of the organization which is the main important role of the Chairman.

The Board of Directors Meeting No. 42/2021 on September 27, 2021, resolved to approve the scope of authority, duties, and responsibilities of the Chairman of the Board of Directors. The summary is as follows:

1. Determine the composition, size, and structure of the Board of Directors to create a balance between executive directors and independent directors.
2. Responsible as a leader of the Board of Directors in supervising and monitoring the implementation of the policy and strategic operational guidelines of the management of the Board of Directors and other sub-committees to achieve the determined objectives and plans. This includes giving advice and support to the management's business operations.
3. Perform key roles in controlling the Board of Directors and fostering cooperation and mutual dedication to the sustainable success of the organization.
4. Support and encourage the Board of Directors to perform their duties at full capacity under the jurisdiction's responsibilities to align with the standards of good corporate governance principles.
5. Arrange for the Board of Directors to develop a better structure and determine the strategy and objectives of the Company.
6. Ensure that the Board of Directors receives accurate and sufficient information on time before the Board Meeting.
7. Ensure that the Board of Directors Meeting and Shareholders Meeting take place by presiding over the meeting of the Board of Directors and the shareholders meeting which is in accordance

with the regulations of the Company.

8. Controlling the meeting to be efficient according to the regulations of the Company, support and give opportunities for company directors to express their opinions independently.

9. Obtain a decisive vote in the case the Board of Directors' meeting has a casting vote and equal votes for both sides.

10. Be a leader and act as a role model according to the code of business ethics, including promoting, supervising, following up on management based on sustainability principles, and social responsibility, and complying with anti-corruption measures and practices.

11. Encourage directors to comply with the scope of authority and responsibility of the Board of Directors in accordance with the law and the principles of good corporate governance and the business ethics of the Company as well as being responsible to shareholders and related stakeholders.

7.2.3.3 Scope, Duties, and Responsibilities of the CEO

The Board of Directors appoints the Chief Executive Officer (CEO) to lead the management of the business of the Company, including supporting operations under the supervision of the Board of Directors in accordance with the direction, policies, and strategies of business operations as determined by the Board of Directors as well as ensuring the return on investment and the maximum benefit to the stakeholders.

The Board of Directors Meeting No. 42/2021 on September 27, 2021, resolved to approve the scope of authority, duties, and responsibilities of the Chief Executive Officer as follows:

1. Supervise, manage, operate, and perform routine tasks according to the normal business of the Company for the benefit of the company and in accordance with the policies, strategies and annual budget plans approved by the Board of Directors and/or assigned by the Board of Directors and/or resolutions of the Executive Committee Meeting and/or resolutions of the Shareholders Meeting.

2. Communicate the vision, business directions, policies, strategies, and operational plans of the Company.

3. Supervise the operations of the Company to align with the various plans as well as to comply with the regulations of the Company, laws, rules, and regulations of relevant agencies.

4. Serves as a coordinator between the Board of Directors and the management to strengthen good relations.

5. Approve the entry into any contract and/or transaction including any remuneration within the budget, plan, or framework approved by the Executive Committee and/or the Board of Directors. and according to the operational authority that has been approved by the Board of Directors.

6. Obtain the authority to approve investment/sale of investment including entering any juristic act or contract in the amount not exceeding the amount specified in the table of approval authority approved by the Board of Directors.

7. Obtain authority to issue orders, rules, announcements, and memos to ensure that the operations are in accordance with the Company's policies to maintain discipline within the organization and code of business ethics.

8. Govern the overview of human resources management of the Company.

9. Obtain the authority to command, evaluate, and approve the appointment, employment, termination of employment, promotion, training, disciplinary action, transfer, leveling, salary increase, or adjust the salary rate as well as considering merit disciplinary measures including determining the remuneration and welfare of the Company's employees under the framework and policies set by the Board of Directors.

10. Represent the Company in publicizing the organization.

11. Supporting the provision of appropriate and regular communication channels with shareholders and providing standardized and transparent disclosure of information.

12. Authorize or assign any other person that the Chief Executive Officer deems appropriate to act on behalf of the Chief Executive Officer in necessary and appropriate matters under the Chief Executive Officer's discretion which is under the criteria and regulations of the Company.

13. The exercise of the power of the Chief Executive Officer above cannot be done if the Chief Executive Officer may have conflicts of interest in any manner with the Company.

14. Exercise such authority if in doubt or unclear in the exercise of authority as specified herein to propose the matter to the Board of Directors for evaluation.

15. Summarize the performance to present to the Board of Directors

16. Perform other duties as assigned from time to time by the Board of Directors and/or sub-committees under the regulations of the Company, and securities law including rules and regulations of the Stock Exchange of Thailand, and the Securities and Exchange Commission.

However, the delegation of duties and responsibilities of the Chief Executive Officer (CEO) is not a delegation of authority or sub-delegation that allows the Chief Executive Officer (CEO) or the authorized person by the Chief Executive Officer (CEO) to approve any transaction that he or she may have conflicts having an interest or there may be any other conflicts of interest with the Company or its subsidiaries (as defined in the Notification of the Securities and Exchange Commission). The approval of such transactions must be proposed to the Board of Directors meeting and/or the shareholders meeting (case by case) to evaluate and approve such transactions according to the regulations of the Company or related laws unless it is an approval of a transaction that is a normal commercial transaction of the Company that is in accordance with the policy and criteria approved by the Board of Directors.

7.3 About the Sub-Committees

As of December 31, 2022, the Company has 4 sub-committees: (1) Audit Committee (2) Nomination Remuneration and Corporate Governance Committee (3) Risk Management Committee and (4) Executive Committee. On February 13, 2023, the Board of Directors has resolved to approve the appointment of an additional sub-committee, namely the Sustainability Committee.

Each sub-committee has a charter approved by the Board of Directors by specifying the objectives, components, qualifications, term of office, duties and responsibilities, meetings, quorum, voting, remuneration, and evaluation. Sub-committees are required to report their performance to the Board of Directors.

7.3.1 Scope, Duties, and Responsibilities of the Sub-Committees

The Company has evaluated in appointing an audit committee who is qualified as an independent director to help support the Board of Directors to supervise the organization. They ensure that the operations of the group of companies are in accordance with the requirements and the operations are in accordance with the code of conduct. They are also responsible for taking care of the Company's financial reports to be accurate and in accordance with the law requirements.

Supervise the work of the internal audit department of the company. The Audit Committee can perform duties as assigned by the Board of Directors in accordance with the requirements of the regulatory agencies. They are responsible for preparing the report of the Audit Committee to be included in the Company's annual report.

The Board of Directors Meeting No. 42/2021 on September 27, 2021, resolved to approve the scope, authority, duties, and responsibilities of the Audit Committee as follows:

1. Review to ensure that the company's financial reports are accurate and sufficient and reliable in accordance with the accounting standards and financial reporting standards required by law.
2. Review the Company's internal control system and internal audit system to ensure that they are appropriate and effective according to generally accepted international methods and standards.
3. Evaluate the independence of the internal audit department as well as approve the appointment, transfer, termination of employment, and evaluation of the performance of the head of the internal audit department or any other agencies responsible for internal auditing.
4. Review the Company's compliance with the Securities and Exchange Act including requirements, announcements, regulations, rules and/or regulations of the Stock Exchange of Thailand, The Securities and Exchange Commission and the Stock Exchange of

Thailand and other laws related to the business of the Company.

5. Evaluate, select, and proposed the appointment of the Company's auditor including evaluating the remuneration of the auditor. This must be proceeded by independence, credibility, sufficient resources, audit workload of the audit firm, and experience of personnel assigned to audit the Company's accounts.

6. Attend a meeting with the auditor without the presence of the management at least 1 time a year (one time)

7. Review the financial reports of the company, accounting standards and accounting policy, and significant changes in accounting standards, principles, or guidelines including making important accounting decisions that affect the Company's financial reports. This shall include the alternative reasonableness and the consequences of such decisions.

8. Evaluate connected transactions or transactions that may have conflicts of interest to comply with the laws and requirements of regulatory agencies. This is to ensure that such transactions are reasonable and in the best interest of the Company.

9. Review and approve or ratify any transactions between the Company and related parties. This is a transaction that is required to disclose information in accordance with the rules and regulations of the Securities and Exchange Commission.

10. Review the internal audit plan of the company according to generally accepted methods and standards.

11. Review to ensure that the Company has appropriate and efficient risk management systems.

12. Report on the performance of the Audit Committee Report to the Board of Directors at least 4 times a year (four times)

13. In performing duties according to the scope of duties, the Audit Committee has the authority to invite the management, executives, or relevant employees of the Company to give opinions, attend meetings or submit documents deemed relevant or necessary.

14. Obtain the authority to hire consultants or a professional expert on the performance of the audit or external persons to provide opinions or advice in case of necessity at the expense of the company.

15. The Audit Committee should evaluate its performance at least once a year (one time)

16. Evaluating and improving the charter of the Audit Committee and presenting to the Board of Directors for approval if necessary.

17. Prepare a report on the corporate governance of the Audit Committee. This is disclosed in the Company's annual report. The report must be signed by the Chairman of the Audit Committee and must contain at least the following information:

- Opinions on the accuracy, completeness, and credibility of the Company's financial reports.
- Opinions on the sufficiency of the Company's internal control system.
- Opinions on compliance with the law on securities and exchange, requirements of the Stock Exchange of Thailand, or laws

related to the company's business.

- Opinion on the suitability of an auditor
- Opinions on transactions that may have conflicts of interest.
- Number of audit committee meetings and the attendance of each member of the Audit Committee
- Opinions or overall observations received by the Audit Committee from performing their duties in accordance with the Charter.
- Other items that shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors

18. Conduct a fact-finding investigation as notified by the auditor regarding suspicious behavior of the Chief Executive Officer or the person responsible for the operation of the Company commits an offense under the Securities and Exchange Act and the Audit Committee shall report the preliminary audit results to the Office of the Securities and Exchange Commission. and the auditor within 30 days (thirty days) from the date of being notified by the auditor.

19. Ensure that the Company has channels for receiving traces and complaints about inappropriate reports in the financial statements or other issues. This ensures whistleblowers that there is an independent review process and appropriate follow-up has been undertaken.

20. Perform any other tasks as assigned by the Board of Directors with the approval of the Audit Committee by virtue of the regulations of the Company and the law in performing the aforementioned duties. The Audit Committee is directly responsible to the Board of Directors and the Board of Directors is still responsible for the operation of the Company to third parties.

21. In performing duties of the Audit Committee in case of finding or suspecting of the following items or actions, this may have a significant impact on the financial position and performance of the Group. The Audit Committee shall report to the Board of Directors to make improvements within the time that the Audit Committee deems appropriate.

- Items that cause conflicts of interest
- Fraud or irregularities or significant flaws in the internal control system
- Violation of securities and exchange laws, regulations, and announcements of the Stock Exchange of Thailand or other relevant laws applicable to the group companies.

22. In case the Board of Directors or executives fail to make improvements within the time above, any member of the Audit Committee may report any transaction or action as mentioned above to the Securities and Exchange Commission or the Stock Exchange of Thailand.

In this regard, the Board of Directors Meeting No. 7/2022, held on November 7, 2022, reviewed the said charter and concluded that the information in the charter is complete, accurate, and up-to-date.

7.3.1.2 Scope, Duties, and Responsibilities of the Nomination Remuneration and Corporate Governance Committee

The Board of Directors has appointed the Nomination & Remuneration and Corporate Governance Committee in order to select persons according to the recruitment process, determined criteria and process for recruiting qualified persons to be appointed as a director and top executives of the Company as well as selecting Company directors to act as a director of the Company. The sub-committees evaluate the form and criteria of remuneration paid to present to the Board of Directors or to the shareholders meeting for approval as specified, including evaluation of procedures and methods for evaluating the performance of the Board of Directors according to the principles of good corporate governance by defining elements scope of responsibilities for the Nomination Remuneration and to and Corporate Governance to be able to perform their duties efficiently.

The Board of Directors Meeting No. 42/2021 on September 27, 2021, resolved to approve the scope, authority, duties, and responsibilities of the Nomination & Remuneration and Corporate Governance. The summary is as follows:

Nomination

1. Determine criteria and policies for recruiting company directors and sub-committees by considering the suitability of the number, structure, and composition of the Board of Directors. Determine the qualifications of directors to be proposed to the Board of Directors and/or to be proposed to the shareholder meeting for approval on a case-by-case basis.

2. Evaluate recruiting, selecting, and nominating suitable persons to serve as directors who have completed their terms and/or vacancies and/or additional appointments on a case-by-case basis.

3. Evaluate recruiting and selecting executives of the company, especially the Chief Executives Officer position covering both education, experience, knowledge, and expertise.

4. Conduct and review the succession plan of the Company's top executives to prepare a continuous plan to have a successor so that the management of the Company can operate continuously.

5. Perform any other operations related to recruitment as assigned by the Board of Directors.

Remuneration

1. Prepare criteria and policies for determining the remuneration of the Board of Directors, sub-committee, and executives to propose to the Board of Directors and/or propose to the shareholders meeting for approval on a case-by-case basis.

2. Determine necessary and appropriate remuneration, both monetary and non-monetary, for the Board of Directors individually by determining the remuneration of the Board of Directors and executives of the Company. It is considered from the suitability with responsibilities, performance, and comparisons with companies in similar businesses and benefits expected from the directors and executives of the Company to propose to the Board of Directors for evaluation and present to the Board of Directors meeting for approval.

3. Evaluate and approve the annual remuneration of directors.

4. Responsible for the Board of Directors and has a duty to provide clarifications in answering questions about the remuneration of directors sub-committee and senior executives of the Company at the shareholders meeting.

5. Report on policies, principles, and reasons for determining remuneration for directors and executives according to the regulations of the Stock Exchange of Thailand. It is disclosed in the annual information disclosure form (56-1) and the Company's annual report.

6. Perform any other tasks related to remuneration as assigned by the Board of Directors by management and various departments must report or present relevant information and documents to the Nomination Remuneration and Corporate Governance Committee. This is to support the performance of the Nomination Remuneration and Corporate Governance Committee to achieve the assigned duties.

7. Evaluate the performance of the Company's top executives to make recommendations to the Board of Directors Meeting for evaluation of appropriate remuneration.

Corporate Governance

1. Prepare corporate governance policy and compliance with good corporate governance principles, code of business ethics and work practices which anti-fraud and corruption policies and practices in line with the law and regulations of the agency government agencies and organizations responsible for corporate governance such as the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission ready to present to the Board of Directors of the Company for evaluation and approval.

2. Formulate policies and guidelines for the development and promotion of innovation. Conducting business with social and environmental responsibility.

3. Encourage the Company to communicate to directors, executives, employees at all levels and related parties to be aware of and understand the corporate governance policy and compliance with good corporate governance principles, code of business ethics and code of conduct in anti-fraud and corruption policy and guidelines and related guidelines adequately and continuously.

In this regard, the meeting of the Nomination and Remuneration Committee and Corporate Governance No. 2/2022, on November 7, 2022, reviewed the said charter and conclude that the information in the charter is complete, accurate, and up-to-date.

7.3.1.3 Scope, Duties, and Responsibilities of the Risk Management Committee

The Board of Directors has appointed the Risk Management Committee by setting a risk management policy including supervising the risk management system or process to cover the entire organization and reduce the impact on the Company's business appropriately. This includes the determination of components, scope, duties, and responsibilities for the Risk Management Committee to be able to perform duties efficiently.

The Board of Directors Meeting No. 42/2021 on September 27, 2021, resolved to approve the scope, power, duties, and responsibilities of the Risk Management Committee. The summary is as follows:

1. Determine a risk management policy that covers all types of business risks of the Company which is appropriate and efficient as well as provide advice to the Board of Directors and management on corporate risk management.

2. Evaluate and define the scope of risk acceptable to the organization (Risk Appetite) before presenting to the Board of Directors for approval and determine the criteria and scope of risk (Risk Metrics and Limits) as well as regular monitoring.

3. Supervise and support risk management to achieve success at the corporate level as well as the project level (Enterprise Wide Risk Management) by focusing on increasing the importance and focus on the risk (Risk Awareness) in each factor for decision-making to appropriately use resources and processes.

4. Evaluate the Company's key risks at the corporate level that align with the corporate direction in the business that the Company invests in, related business, and other businesses by providing suggestions on how to prevent and reduce the risk level to an acceptable level along with following up, evaluating, and improving the operational plan to reduce risks continuously and suitable for the business situation.

5. Support the Risk Management function in assessing important risk factors along with recommending other risk issues that may affect the organizational level so that risk management can be carried out consistently and effectively on a par with leading companies to encourage the Company to achieve its business objectives.

6. Regularly report the risk assessment and operations to reduce risks to the board of directors for acknowledgment. In case of an important issue that significantly affects the Company, it must be reported to the Board of Directors for an evaluation as soon as possible.

7. Perform any other tasks as assigned by the Board of Directors related to the Company's risk management on duty. The Risk Management Committee may seek opinions from independent advisors when deemed necessary and appropriate as well as allowing the Risk Management Committee to receive training and enhance their knowledge in matters related to risk management operations.

In this regard, the Risk Management Committee Meeting No. 4/2022, on October 31, 2022, reviewed the charter. It is concluded that the information in the charter is complete, accurate, and up-to-date.

7.3.1.4 Scope, Duties, and Responsibilities of the Executive Committee

The Board of Directors consider appointing an Executive Committee with appropriate qualifications to perform management duties and control the business of the Company to grow sustainably and efficiently as assigned by the Board of Directors. Therefore,

the charter of the Executive Committee has been established to understand the roles, duties, and responsibilities as well as a guideline for performing duties in accordance with the law and in line with the principles of good corporate governance.

The Board of Directors Meeting No. 42/2021 on September 27, 2021, resolved to approve the scope, powers, duties, and responsibilities of the Executive Committee. The summary is as follows:

1. Prepare and present policies, goals, business strategies, and annual plans. Formulate a business plan, annual budget, and various management authorities of the Company for the Board of Directors to approve.

2. Supervise the business operations of the Company and its subsidiaries to align with policies, directions, business strategies, action plans, and financial goals, and the annual budget approved by the Board of Directors to ensure efficiency.

3. Responsible for the operation of the Company in accordance with the law, objectives, and regulations of the Company, resolution of the shareholder meeting, resolutions of the Board of Directors meeting as well as related regulation's organizational structure and determine the position of the Company including improvements. Once the action has been taken, the committee shall report to the Board of Directors for acknowledgment, review, update the Executive Committee Charter and approve.

4. Study the feasibility of investing in new projects and be eligible to consider evaluating the Company to invest or jointly invest in accordance with the approval authority and operational authority that the Board of Directors has already approved to conduct the business according to the objectives of the Company.

5. Following up on the performance and investment progress of each business and reporting the results including the problems or obstacles that arise and ways to improve to the Board of Directors for acknowledgment.

6. Evaluate and approve the expenditure of investment funds, preparing financial transactions with financial institutions to open an account, loan, pledge, mortgage, guarantee or any others including trading register the ownership of land, assets for normal business transactions of the company as well as entering into legal contracts, submitting requests, proposals, contacting, doing legal acts with government agencies in order to obtain the rights of the Company and/or take any action related to such matters until completion (ตาม) (according to the amount as specified in the table of approval authority already approved by the Board of Directors). Such actions must be subject to the laws, rules, and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. or any other relevant laws.

7. Approve obtaining or canceling loan limits. The limit shall not exceed the specified amount.

8. Approve investment, selling investments in ordinary shares and/or any other securities in the amount and it shall not exceed the specified amount each time.

9. Approve the compromise, and resolve disputes by arbitration, grievances, litigation, and/or proceedings on behalf of the Company within the funds set forth in the table of approvals.

10. Responsible for enhancing the competitiveness of the Company and encouraging continuous innovation.

11. Obtain the authority to invite executives or employees of related companies to clarify, provide opinions at the meeting or submit documents as deemed relevant and necessary.

12. Determine the organizational structure and management authority by covering the details of the selection, hiring, appointment, transfer, training, and termination of employees of the Company's management team or senior management. The CEO is assigned on behalf of the Company to sign the employment contract.

13. Appoint, and remove any other working groups to carry out various activities in the management of the Company.

14. Issuing regulations and announcements regarding the operation and can delegate authority to executive directors and/or employees who hold executive positions. Be a signatory to approve the disbursement of the assets of the Company.

15. Supervise and approve matters related to the operations of the Company and may appoint or assign one or more persons to act on behalf of the Executive Committee as it deems appropriate. The Executive Committee can cancel, change, or amend that authority.

16. Obtain the authority to assign advisors in various fields which deemed to be significant for the operations of the Company or to comply with relevant laws.

17. Report important performance of the Executive Committee to the Board of Directors on a regular basis by reporting every quarter, on the reporting agenda of the Managing Director.

18. Prepare a report of the Executive Committee signed by the Chief Executive Officer for disclosure in the annual report in accordance with good corporate governance principles.

19. Perform any other duties as assigned by the Board of Directors

In this regard, the assignment of authority and responsibilities of the executive committee will not look like a mandate or delegate the power of the executive committee or the authorized person of the Executive Committee to approve the transactions that they or persons who may have conflicts of interest (as defined in the Notification of the Securities and Exchange Commission) having an interest or there may be any other conflicts of interest with the Company and/or its subsidiaries unless it is an approval of a transaction that is in accordance with the policies and criteria approved by the Board of Directors. This is in accordance with the Securities and Exchange Act B.E. 2535 (and its amendments), including announcements, rules, and/or regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. and other relevant laws.

3. Evaluate and approve the annual remuneration of directors.

4. Responsible for the Board of Directors and has a duty to provide clarifications in answering questions about the remuneration of directors sub-committee and senior executives of the Company at the shareholders meeting.

5. Report on policies, principles, and reasons for determining remuneration for directors and executives according to the regulations of the Stock Exchange of Thailand. It is disclosed in the annual information disclosure form (56-1) and the Company's annual report.

6. Perform any other tasks related to remuneration as assigned by the Board of Directors by management and various departments must report or present relevant information and documents to the Nomination Remuneration and Corporate Governance Committee. This is to support the performance of the Nomination Remuneration and Corporate Governance Committee to achieve the assigned duties.

7. Evaluate the performance of the Company's top executives to make recommendations to the Board of Directors Meeting for evaluation of appropriate remuneration.

Corporate Governance

1. Prepare corporate governance policy and compliance with good corporate governance principles, code of business ethics and work practices which anti-fraud and corruption policies and practices in line with the law and regulations of the agency government agencies and organizations responsible for corporate governance such as the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission ready to present to the Board of Directors of the Company for evaluation and approval.

2. Formulate policies and guidelines for the development and promotion of innovation. Conducting business with social and environmental responsibility.

3. Encourage the Company to communicate to directors, executives, employees at all levels and related parties to be aware of and understand the corporate governance policy and compliance with good corporate governance principles, code of business ethics and code of conduct in anti-fraud and corruption policy and guidelines and related guidelines adequately and continuously.

In this regard, the meeting of the Nomination and Remuneration Committee and Corporate Governance No. 2/2022, on November 7, 2022, reviewed the said charter and conclude that the information in the charter is complete, accurate, and up-to-date.

7.3.1.3 Scope, Duties, and Responsibilities of the Risk Management Committee

The Board of Directors has appointed the Risk Management Committee by setting a risk management policy including supervising the risk management system or process to cover the entire organization and reduce the impact on the Company's business appropriately. This includes the determination of components, scope, duties, and responsibilities for the Risk Management Committee to be able to perform duties efficiently.

The Board of Directors Meeting No. 42/2021 on September 27, 2021, resolved to approve the scope, power, duties, and responsibilities of the Risk Management Committee. The summary is as follows:

1. Determine a risk management policy that covers all types of business risks of the Company which is appropriate and efficient as well as provide advice to the Board of Directors and management on corporate risk management.

2. Evaluate and define the scope of risk acceptable to the organization (Risk Appetite) before presenting to the Board of Directors for approval and determine the criteria and scope of risk (Risk Metrics and Limits) as well as regular monitoring.

3. Supervise and support risk management to achieve success at the corporate level as well as the project level (Enterprise Wide Risk Management) by focusing on increasing the importance and focus on the risk (Risk Awareness) in each factor for decision-making to appropriately use resources and processes.

4. Evaluate the Company's key risks at the corporate level that align with the corporate direction in the business that the Company invests in, related business, and other businesses by providing suggestions on how to prevent and reduce the risk level to an acceptable level along with following up, evaluating, and improving the operational plan to reduce risks continuously and suitable for the business situation.

5. Support the Risk Management function in assessing important risk factors along with recommending other risk issues that may affect the organizational level so that risk management can be carried out consistently and effectively on a par with leading companies to encourage the Company to achieve its business objectives.

6. Regularly report the risk assessment and operations to reduce risks to the board of directors for acknowledgment. In case of an important issue that significantly affects the Company, it must be reported to the Board of Directors for an evaluation as soon as possible.

7. Perform any other tasks as assigned by the Board of Directors related to the Company's risk management on duty. The Risk Management Committee may seek opinions from independent advisors when deemed necessary and appropriate as well as allowing the Risk Management Committee to receive training and enhance their knowledge in matters related to risk management operations.

In this regard, the Risk Management Committee Meeting No. 4/2022, on October 31, 2022, reviewed the charter. It is concluded that the information in the charter is complete, accurate, and up-to-date.

7.3.1.4 Scope, Duties, and Responsibilities of the Executive Committee

The Board of Directors consider appointing an Executive Committee with appropriate qualifications to perform management duties and control the business of the Company to grow sustainably and efficiently as assigned by the Board of Directors. Therefore,

the charter of the Executive Committee has been established to understand the roles, duties, and responsibilities as well as a guideline for performing duties in accordance with the law and in line with the principles of good corporate governance.

The Board of Directors Meeting No. 42/2021 on September 27, 2021, resolved to approve the scope, powers, duties, and responsibilities of the Executive Committee. The summary is as follows:

1. Prepare and present policies, goals, business strategies, and annual plans. Formulate a business plan, annual budget, and various management authorities of the Company for the Board of Directors to approve.

2. Supervise the business operations of the Company and its subsidiaries to align with policies, directions, business strategies, action plans, and financial goals, and the annual budget approved by the Board of Directors to ensure efficiency.

3. Responsible for the operation of the Company in accordance with the law, objectives, and regulations of the Company, resolution of the shareholder meeting, resolutions of the Board of Directors meeting as well as related regulation's organizational structure and determine the position of the Company including improvements. Once the action has been taken, the committee shall report to the Board of Directors for acknowledgment, review, update the Executive Committee Charter and approve.

4. Study the feasibility of investing in new projects and be eligible to consider evaluating the Company to invest or jointly invest in accordance with the approval authority and operational authority that the Board of Directors has already approved to conduct the business according to the objectives of the Company.

5. Following up on the performance and investment progress of each business and reporting the results including the problems or obstacles that arise and ways to improve to the Board of Directors for acknowledgment.

6. Evaluate and approve the expenditure of investment funds, preparing financial transactions with financial institutions to open an account, loan, pledge, mortgage, guarantee or any others including trading register the ownership of land, assets for normal business transactions of the company as well as entering into legal contracts, submitting requests, proposals, contacting, doing legal acts with government agencies in order to obtain the rights of the Company and/or take any action related to such matters until completion (ตาม) (according to the amount as specified in the table of approval authority already approved by the Board of Directors). Such actions must be subject to the laws, rules, and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. or any other relevant laws.

7. Approve obtaining or canceling loan limits. The limit shall not exceed the specified amount.

8. Approve investment, selling investments in ordinary shares and/or any other securities in the amount and it shall not exceed the specified amount each time.

9. Approve the compromise, and resolve disputes by arbitration, grievances, litigation, and/or proceedings on behalf of the Company within the funds set forth in the table of approvals.

10. Responsible for enhancing the competitiveness of the Company and encouraging continuous innovation.

11. Obtain the authority to invite executives or employees of related companies to clarify, provide opinions at the meeting or submit documents as deemed relevant and necessary.

12. Determine the organizational structure and management authority by covering the details of the selection, hiring, appointment, transfer, training, and termination of employees of the Company's management team or senior management. The CEO is assigned on behalf of the Company to sign the employment contract.

13. Appoint, and remove any other working groups to carry out various activities in the management of the Company.

14. Issuing regulations and announcements regarding the operation and can delegate authority to executive directors and/or employees who hold executive positions. Be a signatory to approve the disbursement of the assets of the Company.

15. Supervise and approve matters related to the operations of the Company and may appoint or assign one or more persons to act on behalf of the Executive Committee as it deems appropriate. The Executive Committee can cancel, change, or amend that authority.

16. Obtain the authority to assign advisors in various fields which deemed to be significant for the operations of the Company or to comply with relevant laws.

17. Report important performance of the Executive Committee to the Board of Directors on a regular basis by reporting every quarter, on the reporting agenda of the Managing Director.

18. Prepare a report of the Executive Committee signed by the Chief Executive Officer for disclosure in the annual report in accordance with good corporate governance principles.

19. Perform any other duties as assigned by the Board of Directors

In this regard, the assignment of authority and responsibilities of the executive committee will not look like a mandate or delegate the power of the executive committee or the authorized person of the Executive Committee to approve the transactions that they or persons who may have conflicts of interest (as defined in the Notification of the Securities and Exchange Commission) having an interest or there may be any other conflicts of interest with the Company and/or its subsidiaries unless it is an approval of a transaction that is in accordance with the policies and criteria approved by the Board of Directors. This is in accordance with the Securities and Exchange Act B.E. 2535 (and its amendments), including announcements, rules, and/or regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. and other relevant laws.

7.4 Authorized Directors to Sign to Bind the Company

Authorized directors who can sign to bind the Company consist of "Mr. Kittipong Kanokvilairat jointly sign with Ms. Busaba Kulsiritham and affix the Company's seal."

7.5 Management Team

7.5.1 About the Management Team

As of December 31, 2022, the management team of the Company consists of 10 executives as follows:

ลำดับ	Name - Surname	Position
1.	Ms. Busaba Kunsiritham	Chief Executive Office
2.	Ms. Auntikorn Pichetkorn	Deputy CEO and Acting Head of Credit and Asset
3.	Mr. Noppadol Sangpratoom	Executive Vice President of Car Loan Business
4.	Ms. Kannarat Ittipuwadol	Vice President of Accounting and Finance
5.	Mr. Phanuwat Loiphetch	Vice President of Operating
6.	Mr. Thatcharit Akkayakorn	Vice President of Risk Management
7.	Mr. Napasin Somjumba	Vice President of Information Technology and System Development
8.	Mr. Yuthtaya Sangnak	Vice President of Marketing
9.	Ms. Wilairat Pulsawat	Assistant Manager of Accounting Department
10.	Ms. Pattarin Simachart	Assistant Manager of Finance Department

Remark: The Company has appointed Ms. Wassana Nukua to be the Director of Company Secretary and Legal Affairs Department. This is effective as of January 1, 2023, and is considered the first 4 executives according to the definition of the SEC.

In this regard, information and relevant details of the executives of the Company shows in attachment 1 (Details of directors, executives, controlling persons, assigned person to the highest responsibility in accounting and finance, the assigned person to be directly responsible for supervising the accounting and company secretary)

7.5.2 Policy and method for determining executive remuneration.

The Company determines necessary and appropriate remuneration, both monetary and non-monetary, for executives by determining the remuneration of the Company's executives by considering suitability with responsibilities, performance, and comparisons with companies in similar businesses and benefits including complying with the regulations and policies specified by the Nomination Remuneration and Corporate Governance Committee.

7.5.3 Remuneration for the Executives

7.5.3.1 Monetary Remuneration

Remuneration for executives of the Company consists of salary, bonus, social security, and provident fund. The details are as follows:

	As of December 31, 2021	As of December 31, 2022
No. (person)	5	8
Remuneration (million)	18.87	32.63

Remark: Remuneration of the Executives does not include remuneration for accounting managers and finance managers.

7.5.3.2 Other Remuneration

Other remuneration of executives consists of a car for the position, annual health checkup, health insurance, provident fund, and medical expenses for family members.

7.5.3.3 Accrued Compensation or Benefits

- n/a-

7.6 About Employees

7.6.1 Number of Employees

Employees of the Company (excluding executives) as of December 31, 2021, and September 30, 2022, is in a total of 783 people and 896 people, respectively, which can be divided by a field of work as follows:

	Number of Employees			
	December 31, 2021		December 31, 2022	
	Permanent employee	Temporary employee	Permment employee	Temporary employee
Asset and Credit	397	40	414	25
Business Development and Sales	257	1	474	3
Operations	31	3	32	6
Accounting and Finance	10	-	16	-
Chief Executive Officer Office	39	5	22	7
Total	734	49	958	41

7.6.2 Significant changes in personnel in the 3 years

In 2021, the Company has transferred employees from SINGER, the main fields that were transferred are accounting and finance and the Chief Executive Officer Office. There are the recruitment of credit and property management and business development and sales from outside to support the expansion of the Company. As of December 31, 2022, the Company has a total number of permanent employees equal to compared to 743 employees as of December 31, 2021.

7.6.3 Employees Remuneration

Remuneration for employees and employees of the Company (excluding executives) can be summarized as follows:

UOM: million	As of December 31, 2021	As of December 31, 2022
Salary (permanent employee)	179,675,041	245,003,297
Salary (temporary employee)	30,217,621	25,110,016
Commission	7,592,251	9,874,672
Overtime (permanent employee)	6,477,824	4,014,105
Overtime (temporary employee)	39,000	1,284,940
Bonus	2,651,667	9,080,081
รวม	226,653,404	294,367,111

7.6.4 Provident Fund

The Company has established a provident fund of the Company according to the Provident Fund Act B.E. 2530 (as amended), on March 18, 2016. The Company assigned Kasikorn Asset Management Co., Ltd. manages provident funds which are registered under the name of K Master Pool Fund.

7.6.5 Significant labor disputes in the past 3 years

- n/a-

7.6.6 Personnel Development Policy and Succession Plan

The Company is committed to conducting business in accordance with good corporate governance, transparency, fairness, and social, cultural, and environmental responsibility along with enhancing and developing the potential of personnel to achieve excellence in all aspects. The Company realizes that personnel are valuable resources and are the main driving force for the organization. So, the Company focuses on developing personnel to be qualified persons with morals, ethics, adherence to honesty, integrity, and responsibility to the organization and society and encourages employees to participate in social contributions (Corporate Social Responsibility).

The Company believes in developing employees to be good and capable people. This will help promote the organization to grow sustainably. The Company has developed human resources in various fields to support the business of the Company to be able to operate efficiently and align with the current and future

policies, strategies, and business practices of the Company.

The Board of Directors Meeting No. 7/2022 on November 7, 2022, resolved to approve the personnel development policy, and the succession plan is summarized as follows:

Development of Executives

The Company has established managerial competency to be used as a basis for developing executives to have skills, knowledge, and ability to work successfully and prepare for adjustments/promotions in the future to align with the advancement in the field of work.

The Company provides training courses and other development guidelines that are appropriate and align with the competencies of executives to the executives of the Company.

The Company provides an orientation for new executives to encourage executives to adapt to their roles, responsibility, and expectations of the new position appropriately.

The Company encourages executives to share their work experiences with executives and employees within the Company. This creates an atmosphere of learning and development within the organization.

Human Resources Management

The Company will select, promote, and supervise employees who have skills, knowledge, competence, morality, and ethics and encourage employees to use their knowledge and abilities to work efficiently and effectively. As a result, the Company operates its business to achieve its goals and objectives and in order to achieve the human resource management goals of the Company,

the Company has established the following guidelines.

1. All employees will be treated fairly and in a manner with respect as an integral part of the Company.
2. Selection and recruiting of people for positions in the Company will be done fairly by focusing on the qualifications of each position, skills, knowledge, abilities, and other qualifications required for the job. Employees will be appointed to appropriate positions or functions and may be interchanged or replaced as appropriate for the case.
3. The Company is aware that good communication results in efficiency and good relations in working together. Therefore, the Company will encourage employees to obtain relevant information on appropriate occasions and as much information as possible.
4. The Company will evaluate the compensation to employees fairly according to the conditions and nature of the work and performance of employees.
5. The Company will evaluate the performance of employees at all levels at least 1 time a year (once) in order to improve work efficiency and increase core competencies for each employee. as well as giving advice and preparing personnel development plans for employees according to the results of the assessment.

Personnel Development

The Company has a policy to develop personnel potential. The objective is to enhance knowledge, skills, and expertise in order to increase the efficiency of work of employees at all levels. The Company considers sending employees and executives in various fields to attend additional training and seminars on matters related to the operations of each department.

1. Employee training plan (Training Plan) to determine the personnel development plan of each department and provide employees with knowledge, and understanding, and be able to perform their duties correctly and appropriately in each position.
2. External Training to develop potential, knowledge, and competency according to suitable job descriptions by sending employees to attend training or seminars on various courses with external training institutions including both domestically and internationally.
3. Internal training (In-house Training) to develop concepts, potential and knowledge and operational ability as well as being in line with the organization's goals and the current competitive situation both in offline and online systems.
4. On-the-job training to develop employees' operational skills for more efficient work.

Succession Plan

The Company has the policy to prepare a backup manpower plan to accommodate various situations or changes that may occur. This is done in order to create stability and enable the continuous work of the Company to achieve its goals including reducing the

damage that may occur at the lowest. The Company has prepared a backup manpower plan as follows:

1. Determining the advance notice period of the resignation of employees of at least 30 days (thirty days) or at least 60 days (sixty days) in advance in an executive position so that the Company has sufficient time to find a replacement.
2. Personnel development plans are prepared in the department to be ready to deal with or take on their duties in case an employee in that position resigns, especially in key management positions. They will receive trainings in order to be able to take on a management position in the future

7. Other Significant Information

7.7.1 The person assigned to be directly responsible for supervising the accounting, Company Secretary, Head of the Internal Audit Department, and Head of Compliance

Ms. Wilairat Pulsawat is an assigned person to be directly responsible for controlling accounting according to the ThorJor. 39/2559 announcement and has qualifications according to the TorChor. 39/2559 announcement. The details are as follows:

1. Ms. Wilairat Poolsawat graduated with a bachelor's degree in accounting from Ramkhamhaeng University.
2. Ms. Wilairat Poolsawat is an accountant according to accounting law
3. Ms. Wilairat Pulsawat has at least 3 years of experience working in accounting within the last 5 years prior to the date of applying for permission from the Securities and Exchange Commission.
4. Ms. Wilairat Pulsawat attended a 7-hour training course on continuing knowledge development in accounting in 2021.

In this regard, information and relevant details of the person who is assigned to be directly responsible for supervising the accounting of the Company. see in Appendix 1 - "Details of directors, executives, controlling persons, assigned person to the highest responsibility in accounting and finance, the assigned person to be directly responsible for supervising the accounting and company secretary."

7.7.1.2 Company Secretary

The Board of Directors Meeting No. 1/2022 on February 22, 2022, resolved to approve the appointment of Ms. Wassana Nukua as the Company Secretary. This proceeds in order to comply with Section 89/15 of the Securities and Exchange Act.

In this regard, information and relevant details of the person holding the position of Company Secretary including duties and responsibilities of the Company Secretary is shown in Attachment 1 (Details of directors, executives, controlling persons, assigned person to the highest responsibility in accounting and finance,

the assigned person to be directly responsible for supervising the accounting and company secretary)

7.7.1.3 Head of Internal Audit

The Company has hired a company PricewaterhouseCoopers ABAS Ltd. (“External Auditor”), with Mrs. Warunee Pridanon and Ms. Rinrat Passvekin acting as internal audit supervisors and heads. The information audit of the Company, respectively, by the qualifications of the person holding the position of head of the internal audit, are shown in Attachment 2 - “Details about the Head of Internal Audit and Head of Compliance”

7.7.1.4 Head of Compliance

The Company has assigned Mr. Tacharit Ukkayakorn to be the Head of Compliance department of the Company in order to supervise

the compliance with the regulations of the regulators that govern the Company's business operations. The qualifications of the person holding the position of Head of Compliance are shown in Attachment 2 - “Details Regarding the Head of Internal Audit and head of operations supervision (Compliance)”

7.7.2 Head of Investor Relation and Contact Information

In order to disclose important information accurately, quickly and transparently, the Company has assigned Mr. Hosanna Wongphraphonlert, Head of Investor Relations, to be a center for disclosing important information to shareholders and investors as well as financial information such as operating results, quarterly financial statements, quarterly reports and analysis of the management, etc., for shareholders and investors to be informed regularly, equally and completely based on facts.





7.7.3 Remuneration of Auditor

The Company has paid remuneration to the auditor as of December 31, 2022, as shown in the following table:

Fiscal Year	Auditor	Remuneration of Audit Company (million)	Other fees ¹ (million)	Total (million)
December 31, 2022	KPMG PHOOMCHAI AUDIT CO., LTD	2,890,000	480,435	3,370,435

หมายเหตุ: ค่าบริการอื่น ประกอบด้วย 1. ค่าเดินทางและค่าจัดทำเอกสาร (out of Pocket) 30,435 บาท 2. ค่า filing สำหรับยื่น ก.ล.ต. 450,000 บาท

8. Corporate Governance Report

8.1 Summary of performance of the Board of Directors

The Board of Directors focuses on the operation of all sectors of the Company under the principles of good corporate governance to lead the organization to sustainable success and to build confidence among shareholders and all groups of stakeholders. The Board of Directors will perform duties as entrusted (Fiduciary Duty) to supervise the operations of the Company with responsibility and caution (Duty of Care) with honesty (Duty of Loyalty) in accordance with the law and related resolutions (Duty of Obedience) and supervise the disclosure of information that is accurate and fair (Duty of Disclosure) to protect the interests of the Company and shareholders. It should be aligned with the roles, duties, and responsibilities of (Duty of Care), honesty (Duty of Loyalty) in accordance with the law, and related resolutions (Duty of Obedience).

In the year 2022, the Board of Directors has established important policies and strategies to increase the capability of the Company to lead and build competitiveness and obtain a strong growth performance. In addition, the Board of Directors has also implemented the principles of good corporate governance for listed companies 2017 (CG Code) of the Securities and Exchange Commission (SEC) to be used as a guideline to determine various policies of the Company. This includes good corporate governance policy which consists of supervising the adequacy of the internal control system, and enterprise risk management and overseeing the preparation of financial reports that are accurate, complete, and in accordance with relevant financial reporting standards.

8.1.1 Recruiting, Development, and Performance Evaluation of the Board of Directors

• Independent Director

In recruiting and appointing independent directors, the Director of Nomination & Remuneration and Corporate Governance Committee, evaluate the compensation and corporate governance will screen and present the names to the Board of Directors for evaluation of the qualifications of persons who will be appointed as independent directors. That person must have the qualifications and must not have characteristics prohibited by relevant laws.

The person should have work experience and suitability in other fields, and the name will be presented to the shareholders meeting (case-by-case) for further consideration and appointment as a Director of the Company.

The Company has the policy to have Independent Directors at least one-third of the total number of Directors and there must be at least 3 (three) persons, whereby Independent Directors must be independent from the control of management, major shareholder, and regulatory authority and must not be involved and interest in finance and business management including having to have all the qualifications required by law. The Board of Directors will consider selecting 1 Independent Director to be the Chairman of the Board.

The Board of Directors has determined the qualifications of independent directors of the Company which can be summarized as follows:

1. Holding shares not exceeding 1% of the total number of shares with voting rights of the Company, parent company, subsidiary company, associated company, major shareholder or

controlling person of the company, including the shares held by related persons of that independent director as well.

2. Not being or having been an executive director, employee, staff, advisor who receives a regular salary or a controlling person of the company, parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder, or controlling person of the company. Unless he or she has retired from such a position for not less than 2 years before being appointed as a director. However, such prohibited characteristics do not include the case where Independent Directors used to be government officials, advisors to a government agency that is a major shareholder, or a controlling person of the Company.

3. Not being a person related by blood or by legal registration as father, mother, spouse, sibling, and child, including the spouse of a child of other directors senior executives, shareholders large, controlling person, or a person who will be nominated as a director senior management or a controlling person of the Company or its subsidiaries.

4. Not having or having had a business relationship with the Company, parent company, subsidiary company, associated company, major shareholder, or a controlling person of the Company in a manner that may obstruct the exercise of his independent judgment Including not being or having been a significant shareholder Or a controlling person of a person having a business relationship with the company, parent company, subsidiary company, associated company, major shareholder or a controlling person of the Company. Unless he or she has retired from such a position for not less than 2 years before the date of appointment as a director. above business relationship Including commercial transactions that are

normally done for the business of renting or renting real estate. Transactions relating to assets or services or providing or receiving financial assistance by accepting or lending, guaranteeing, or providing assets as collateral for liabilities including other similar behaviors. As a result, the company or the parties to the contract have debts that must be paid to the other party From 3 percent of the net tangible assets of the Company or from 20 million baht, whichever is lower. relevant However, in considering such indebtedness, it shall include the indebtedness incurred during the 1 year prior to the date of business relationship with the same person.

5. Not being or having been an auditor of the Company, parent company, subsidiary company, associated company, major shareholder, or a controlling person of the Company. The person shall not be a significant shareholder, controller, or partner of the audit firm which are auditors of the Company, parent company, subsidiary company, associated company, major shareholder, or the controlling person of the company and affiliated. Unless he or she has retired from such a position for at least 2 years before the date of appointment as a director.

6. Not being or having been a professional service provider, including legal advisory services or financial advisor, which receives service fees of more than 2 million baht per year from the Company, parent company, subsidiary company, associated company, major shareholder or controlling person of the company and not being a significant shareholder, controller or partner of that professional service provider as well. Unless he or she has retired from such a position for not less than 2 years before the date of appointment as a director.

7. Not being a director who has been appointed as a representative of the Company's directors Major shareholders or Shareholders who are related to major shareholders.

8. Does not operate a business with the same condition and is a significant competition with the business of the Company Or a subsidiary and not a partner with shares in a partnership or being an executive director, employee, staff, advisor who receives a regular salary or holding more than 1% of shares with voting rights of any other company operating a business of the same nature and in significant competition with the business of the Company or its subsidiaries

9. There are no other characteristics that make it impossible to express independent opinions on the operations of the Company

As of December 31, 2022, the Board of Directors consists of 4

independent directors out of the total 7 directors, representing 57.14% of the total number of independent directors, which is more than half of the total number of directors. All independent directors are fully qualified according to the law and the qualifications of independent directors of the Company.

- Nomination of Directors and Top Executives

The Board of Directors has approved the Nomination & Remuneration and Corporate Governance Committee Charter of Nomination and Remuneration and Corporate Governance Committee. The scope of authority, duties, and responsibilities in the nomination and remuneration of Company directors and executives are as follows:

In the selection and appointment of directors, CEO, and executives of the Company is done by the Nomination and Remuneration and Corporate Governance Committee. The Committee determined the criteria for recruitment and appointment of the Company's directors, and sub-committees by considering the suitability of the number of directors, structure, and composition of the Board of Directors and sub-committees. This includes determining the qualifications of directors to propose to the Board of Directors meeting and/or the shareholders meeting for approval (case-by-case). It is also responsible for evaluating and selecting executives of the Company, especially the CEO position. It is evaluated by covering education, experience, knowledge, and expertise and presented to the Board of Directors for approval, preparation, and review of the succession plan. It is a continuous plan to have a successor for the management of the Company to continue regularly. The Nomination& Remuneration and Corporate Governance Committee consists of at least 3 members who are members of the Board of Directors. It must consist of independent directors not less than half of the number of members of the Committee. The Chairman of the Nomination must be an independent director with a scope of duties and responsibilities that can be summarized as follows:

Recruitment

1. Set criteria and policies for recruiting directors and sub-committees of the Company by considering the suitability of the number, structure, and composition of the Board of Directors. Determine the qualifications of the Company's directors which must be a person with appropriate experience, skills, and expertise in the profession including considering necessary skills that are still lacking in the Board of Directors according to the Company's Board Skill Matrix and proposing to the Board of Directors and/or proposing to the shareholders' meeting for approval, depending on the case.

2. Consider recruiting, selecting, and nominating qualified persons as stated above to take the position of a director in the place of a director whose term expires and/or in case of vacancy and/or in case of additional appointment.

3. Consider recruiting and selecting executives of the Company, especially the CEO position covering education, experience, knowledge, and expertise.

4. Prepare and review the succession plan of the company's top executives to prepare a continuous plan to have a successor for the management of the Company to be able to continue.

5. Perform any other operations related to recruitment as assigned by the Board of Directors.

Remuneration

1. Prepare criteria and policies for determining the remuneration of the Board of Directors. Directors, sub-committees, and executives to propose to the Board of Directors and/or propose to the shareholders meeting for approval. It depends on the case.

2. Determine necessary and appropriate remuneration, both monetary and non-monetary, for the Board of Directors individually. This can be done by determining the remuneration of the Board of Directors and executives to evaluate the appropriateness of their duties, responsibilities, performance, and comparisons with companies in similar businesses and benefits expected from directors and executives to be proposed to the Board of Directors for evaluation and approval.

3. To evaluate and approve the determination of the annual remuneration of the directors. sub-committee and CEO of the Company.

4. Responsible for the Board of Directors and answering questions about the remuneration of company directors and sub-committees at the shareholders meeting.

5. Report on the policy, principles, and reasons for the determination of remuneration for the directors, sub-committees, and executives of the Company according to the requirements of the relevant regulatory agencies. It is disclosed in the annual report of the Company.

6. Perform any other tasks related to remuneration as assigned by the Board of Directors by management and various departments must report or present relevant information and documents to the Nomination & Remuneration and Corporate Governance Committee to support the performance of the Committee to achieve the duties assigned.

7. Evaluate the performance of the CEO to make recommendations to the Board of Directors' Meeting for consideration of appropriate remuneration.

Corporate Governance

1. Establish policies and guidelines on good corporate governance, code of business ethics, and policies and guidelines related to anti-fraud and corruption. This is done to be in line with the

relevant laws and regulations of the government and regulatory bodies such as the Securities and Exchange Commission and the Stock Exchange of Thailand and ready to present to the Board of Directors for approval.

2. Encourage the Company to communicate to directors, executives, and employees at all levels so those involved Realize and understand the importance of conducting business under the principles of good corporate governance

In addition, the company has set a policy to supervise the duties of the Board of Directors. which covers consideration and determination of remuneration for directors Directors, sub-committees, and executives with details as follows:

Board of Directors

Nomination & Remuneration and Corporate Governance evaluates compensation and corporate governance has acted as a person to consider and determine the remuneration which will be prudent, clear, and transparent, appropriate and consistent with the responsibilities of the Board of Directors and sub-committees and comparable to companies in the same industry group including the direction of business expansion and profit growth of the Company. The remuneration will be appropriate enough to attract and retain the director of the Company and sub-committees with required qualifications and then presented to the Board of Directors for consideration and approval before proposing to the general meeting of shareholders for approval.

The directors assigned to perform their duties and have additional responsibilities will receive higher compensation to be suitable for such duties.

In addition, the Company also provides an opportunity for shareholders to nominate qualified persons to be elected as directors at the Annual General Meeting of Shareholders every year by the Nomination & Remuneration and Corporate Governance Committee. Nomination & Remuneration and Corporate Governance Committee will act as the person who considers the qualifications and suitability of the nominated person. This is then presented to the Board of Directors for consideration and approval before proposing it to the general meeting of shareholders for approval.

In voting for the election of company directors, the company requires shareholders to use ballot papers to elect individual directors. The shareholders shall cast all their votes to select the candidates to be nominated as directors one by one.

Director Development

The Company will arrange an orientation for new directors which covers the subject general information of the Company, various significant policies of the Company especially the Corporate Governance Policy, and compliance with good corporate governance principles and policies on the use of internal information and confidentiality of the Company, etc. as well as roles and responsibilities of the Board of Directors under relevant laws

so that the Board of Directors can perform their duties efficiently and effectively

As of December 31, 2022, all directors (equivalent to 100 percent) have attended training courses related to the performance of duties of directors from the Thai Institute of Directors Association (IOD) and other institutions. The courses that the directors have attended include Director Certification Program, Audit Committee Program, Corporate Governance for Capital Market, etc.

Evaluation of the performance of the Board of Directors

The Company arranges for the evaluation of the performance of the Board of Directors. and all sub-committees both as a group and as an individual annually The evaluation form was used as recommended by the Thai Institute of Directors Association. In this regard, the evaluation result was at a very good level. (Getting assessment scores between 80% - 90%) and Excellent (a score of 90 percent or more) with the following details:

No.	Committees	Assessment Results	
		Committee (%)	Individual (%)
1.	Board of Directors	93.79	89.28
	Audit Committee	93.33	89.93
2.	Executive Committee	90.59	90.91
3.	Risk Management Committee	93.23	95.45
4.	Nomination and Remuneration and Corporate Governance Committee	89.49	90.91

The Company Secretary reports the results of the assessment to the Board of Directors. and sub-committees acknowledged To jointly find ways to develop to make the performance of duties more efficient and effective.

Chief Executive Officer

The remuneration of the CEO will be reviewed annually by the Nomination & Remuneration and Corporate Governance Committee has acted as a person considering and determining the remuneration of the CEO. The compensation is at a level that can be motivated by considering the suitability and in accordance with the duties and responsibilities, the performance of the CEO as well as the performance, profitable growth of the Company in the year and overall economic conditions of the Company consistent with the Company's performance both in the short term and in the long term including comparable with companies in the same industry group then presented to the Board of Directors for approval. In order for the management to continue with the remuneration of the CEO.

CEO's performance appraisal

The Company arranges an annual assessment of the CEO's performance. to consider the performance of the CEO and use the results of the assessment to find ways to improve the performance of duties more efficiently and effectively especially Used to determine the annual salary adjustment. and other remuneration of the CEO. The remuneration of the CEO must be in line with

and appropriate to the Company's performance. both in the short term and in the long term.

In the year 2022, the Nomination & Remuneration and Corporate Governance Committee consider compensation and corporate governance has evaluated the performance of the CEO. The evaluation results were at a very good level. (Evaluation scores between 80% - 90%) and the company secretary reported the results of the assessment to the Board of Directors for acknowledgment. The Board of Directors has jointly considered the result of such assessment and to determine the annual salary adjustment schedule and other remuneration of the CEO.

Executives

Remuneration of top executives and executives will be considered annually. This is in accordance with the principles and policies set by the Nomination & Remuneration and Corporate Governance Committee. consider compensation and corporate governance the same as CEO.

8.1.2 Meeting attendance and remuneration for individual directors

Details of the meeting attendance of the Board of Directors for the year 2022 are as follows:

(1) Board of Directors Meeting

No.	Name - Surname	Position	Number of meetings attended / Number of meetings
1.	Mr. Bibit Bijaisoradat	Chairman the Board of Directors	8/8
2.	Mr. Suranit Sorasuchart	Member of the Board of Directors	8/8
3.	Mr. Pongsak Achakulwisut	Member of the Board of Directors	8/8
4.	Mr. Pisit Puapan	Member of the Board of Directors	8/8
5.	Mr. Piranart Chokwatana	Member of the Board of Directors	8/8
6.	Mr. Kittipong Kanokvilairat	Member of the Board of Directors	8/8
7.	Ms. Busaba Kunsiritham	Member of the Board of Directors	8/8

(2) Shareholders Meeting

No.	Name-Surname	general meeting Shareholders for the year 2022	extraordinary meeting Shareholders for the year 2022
		Number of meetings attended / Number of meetings	Number of meetings attended / Number of meetings
1.	Mr. Bibit Bijaisoradat	1/1	-n/a-
2.	Mr. Suranit Sorasuchart	1/1	-n/a-
3.	Mr. Pongsak Achakulwisut	1/1	-n/a-
4.	Mr. Pisit Puapan	1/1	-n/a-
5.	Mr. Piranart Chokwatana	1/1	-n/a-
6.	Mr. Kittipong Kanokvilairat	1/1	-n/a-
7.	Ms. Busaba Kunsiritham	1/1	-n/a-

In addition, in 2022, the Company held a meeting attended by only non-executive directors. 1 meeting without the presence of management for non-executive directors to freely discuss various matters of interest. to report to the Board of Directors and the management for acknowledgment.

- Monetary Remuneration

No,	Name – Surname	เบี้ยประชุม (บาท)				Bonus (baht)	Total (baht)
		Director of Company	Member of Audit	Member of the Nomination and Remuneration Committee and	Member of Risk Management		
1.	Mr. Bibit Bijaisoradat	565,500	-	60,500	-	-	626,000
2.	Mr. Suranit Sorasuchart	353,500	213,000	-	-	-	566,500
3.	Mr. Pongsak Achakulwisut	353,500	171,000	36,500	60,500	-	621,500
4.	Mr. Pisit Puapan	353,500	171,000	-	36,500	-	561,000
5.	Mr. Piranart Chokwatana	353,500	-	-	-	-	353,500
6.	Mr. Kittipong Kanokvilairat	353,500	-	36,500	-	-	390,000
7.	Ms. Busaba Kunsiritham	-ไม่มี-	-	-	-ไม่มี-	-	-ไม่มี-

• Other Remuneration and Benefits

-n/a-

8.1.3 Supervision of Subsidiaries and Associated Companies

The Company has established investment policies and supervised operations of subsidiaries and associated companies. The objective is to take care of and maintain the benefits from the Company's investments. Including benefits to shareholders and all groups of stakeholders and supervising the business management of subsidiaries and/or associated companies to ensure that their operations are in line with the policy and various measures as specified by the Company, including related laws. There is a regulatory mechanism that can control the management of subsidiaries and/or associated companies can be summarized as follows:

- 1 The Company will send a person representing the company to hold positions as directors and/or executives in such companies in proportion to their shareholding with the approval of the Executive Committee
- 2 The Company will determine and/or consider the appropriateness of the scope of authority, duties, and responsibilities of directors and/or executives who represent the Company according to positions in each subsidiary and associated companies.
- 3 Subsidiaries and Associated Companies must submit business plan business expansion reports including joint investment with other entrepreneurs through reporting quarterly operating results to the Company. The Company has the right to request or submit additional supporting documents for evaluation and the subsidiaries or affiliated companies must strictly follow.
- 4 The Company will establish a regulatory mechanism that results in the disclosure of information such as financial status and operating results, transactions between subsidiaries or joint

ventures with connected persons, acquisition or disposition of assets, and any other important transactions of such companies. It is complete, correct, and uses the rules related to the disclosure of information and the above transactions in the same manner as the one from the Company.

5. The Company will require its subsidiaries and associated companies to set up an appropriate and sufficiently concise internal control system by testing the internal control system and audited by the internal audit department of the company for the Board of Directors and the management of the Company to be able to monitor performance financial status, related transactions, significant transactions efficiently.

In addition, internal auditors and independent directors of the Company will be assigned. They can directly access the internal information of subsidiaries and associated companies within the scope of relevant laws and present the internal audit results to the directors and/or the management of the Company for acknowledgment and/or improvement. This is done to ensure that subsidiaries and associated companies will strictly comply with the established systems and guidelines.

6. The Company will require subsidiaries and associated companies to report information about their related parties to the Board of Directors to acknowledge their relationship with the company. in a manner that may cause a conflict of interest or participation in the approval of matters with direct and indirect interests In the event that the Company audit found that there were significant issues that might be reported to the subsidiary or associated company. The Notification or documents shall be submitted for evaluation as follows:

Transactions between subsidiaries or associated companies and directors, executives, or related persons that are not in accordance

with the rules of connected transactions.

Using information of the Company, its subsidiaries, or associated companies who knew to seek personal benefits Unless it is publicly available information.

Use of property or business opportunities of the Company, subsidiaries, or associated companies which violates the rules set by the Capital Market Supervisory Board

8.1.4 Monitoring to ensure compliance with good corporate governance policies and practices

(1) Compliance with Corporate Governance Policy and compliance with good corporate governance principles

The Company adheres to the management approach in the good corporate governance system according to the principles of good corporate governance. which is an important factor that will lead the business to success with good management, morality, and transparency can check Free from corruption Focus on maximizing benefits for shareholders take into account the stakeholders, and build good relationships between the Board of Directors, executives, employees and all groups of stakeholders.

The Board of Directors Meeting No. 7/2022 held on November 7, 2022, resolved to approve the corporate governance policy and compliance with good corporate governance principles. The aforementioned policy has established guidelines for company directors, executives, and all employees to understand and be able to adhere to as a guideline for their work. It covers 8 principles as follows:

Principle 1: Recognize the role and responsibility of the Board of Directors as an organizational leader who creates sustainable value for the business.

Principle 2: Determine objectives and main goals of the business that are sustainable.

Principle 3: Strengthen an Effective Board of Directors

Principle 4: Recruitment and Development of Senior Executives and Personnel Management

Principle 5: Promote Innovation and Responsible Business Operations

Principle 6: Ensure appropriate risk management and internal control systems

Principle 7: Maintain Financial Credibility and Disclosure

Principle 8: Encourage participation and communication with shareholders

The Board of Directors with the support of every sub-committee has monitored the implementation of good corporate governance policies and practices regularly through various steps including internal audit, risk management and receiving complaints, etc. The corporate governance policy and compliance with the principles of good corporate governance in full version can be viewed on the website the Company at www.sgcapital.co.th under the topic of Corporate Governance.

Information dissemination channels

The Company places great importance on the disclosure of information of the Company. with accuracy, completeness, transparency, and equality, including performance data and other important information as required by law. There are various channels for communicating information to shareholders, investors, and other stakeholders, for example, the establishment of an investor relations unit as a way to contact investors and analysts directly dissemination of news through the website of the Company and the Stock Exchange of Thailand including the preparation of annual reports, etc. in the year 2022, the company has published newsletters/ press conferences related to the company's operating results [...]

(2) Conflict of Interest Prevention Compliance

The Company has established a policy to prevent conflicts of interest. Based on the principles of conducting business for the utmost benefit of the Company. and avoid actions that may cause conflicts of interest. It is required that directors and executives who have interests in any transaction must notify the Company of such interest. This is to prevent such persons from getting involved in transactions that may create conflicts of interest or connected transactions.

The main principles are as follows:

1. The directors and executives of the Company must inform the Company of their relationship. or connected transactions in businesses that may cause conflicts of interest or the pursuit of personal benefits, such as

Shareholding in companies that are competitors of the Company.

Joint venture or holding any position in a business that is a business partner of the Company.

Conducting business with the Company or being a service provider directly to the company or proceeding through another person.

2. Avoid making connected transactions with connected persons. as specified by the Capital Market Supervisory Board that may cause a conflict of interest with the Company and/or its subsidiaries in the event that such transaction is necessary to present connected transactions to the Audit Committee to evaluate and approve before proposing to seek approval from the Board of Directors meeting and/or the shareholders meeting, as the case may be, in accordance with the principles of good corporate governance and related laws.

The Company requires directors and executives who have significant interests in any transaction must not be involved in evaluating that transaction including having no authority to approve the transaction. However, in the year 2022, the Company did not make any transactions that would cause a conflict of interest with any person including connected transactions with legally connected persons of the Company apart from conducting normal business transactions with affiliates of the company.

Please see the full version of the conflict of interest prevention policy on the website of the Company www.sgcapital.co.th under

the topic of Corporate Governance.

(3) Compliance with the policy on supervision of the use of internal information and confidentiality of the Company

The Company places great importance on internal information and trade secrets. by the Board of Directors, executives, and all employees It has a duty to ensure that such information does not leak to unrelated persons. This includes not using such information. use for the benefit of oneself and/or others wrongfully as well in this regard. The Company has established a policy to supervise the use of internal information and the confidentiality of the Company. and securities trading policy of directors, executives, and employees in accordance with relevant laws by focusing on transparency in the use of internal information and confidentiality of the Company, in 2022, the following actions have been taken:

1. The Company provides knowledge to directors. and executives of the Company Regarding the duty to prepare a report on the holding of the Company's securities under Section 59 and penalty provisions under Section 275 of the Securities and Exchange Act B.E. 2535, including the preparation of a report on the acquisition or disposal of the Company's securities under Section 246 and penalty provisions under Section 298 of the said Act.

2. The Company requires directors, executives, and auditors to Prepare and disclose a report on the holding of the Company's securities. that he and his related person hold under Section 59 of the Securities and Exchange Act B.E. and every time it changes by forwarding to the Company Secretary to submit to the Office of the Securities and Exchange Commission every time within the specified period. and the company secretary reports the securities holdings and changes in securities holdings of such persons. to the Board of Directors Meeting for acknowledgment every 6 months.

3. The Company prohibits directors, executives, and relevant personnel of the Company who have access to internal information that affects the change in securities prices, purchasing and/or selling the securities of the Company neither directly nor indirectly and whether for the benefit of oneself or others before the Company publish financial statements performance and any important information that affects the change in securities prices to the public. The Company has notified the persons to refrain from doing the above transactions in writing at least 30 days in advance of the public disclosure of that information and within 24 hours after its publication.

4. The Company prohibits directors, executives, and employees of the company, including former directors, executives, and employees who have resigned. Bring internal information or secrets of the company Including such information of partners or business partners of the Company. which he has been informed of his duty to disclose to outsiders Whether doing so will cause damage or not, the company has arranged for such people to sign important documents that they will not do so.

In addition, the company monitors compliance with the policy

on the use of internal information and the confidentiality of the company. In the year 2022, no complaints were detected or received regarding the use of insider information and disclosure of the company's secrets. to seek any benefit

For the policy on the use of internal information and confidentiality of the Company and the securities trading policy of directors, executives, and employees in full version appearing on the Company's website at www.sgcapital.co.th under the topic of Corporate Governance

(4) Compliance with Anti-Fraud and Corruption Policy and Guidelines

The Company is committed to conducting business under the principles of ethics and transparency. Realizing the importance of anti-corruption in all forms, both directly and indirectly. whether monetary or non-monetary It is a principle and responsibility of executives and employees at all levels have performed their duties with integrity to be good citizens and be conscious of anti-fraud and corruption to prevent corruption in the operation including giving and accepting bribes as well as giving importance to supporting operations in raising awareness, values, morals, and strong ethics Create a corporate culture for everyone to be aware of the dangers of corruption. and increase the confidence of all stakeholders In order to effectively fight against corruption and elevate the image of transparency in Thailand to meet international standards.

The Company has therefore established a policy and practice against fraud and corruption, which the company has communicated the such policy to employees at all levels for acknowledgment through the company's internal communication channels. This includes communicating during the new employee orientation. The policy covers measures and guidelines for political assistance, charitable donations, and various contributions made by those who violate such policies and practices of the Company will be subject to disciplinary action according to the company's regulations. In case such actions violate relevant laws, the Company will take legal action as well. In addition, during all important festivals throughout the year 2022, such as the New Year, the Company has a policy not to accept gifts and premiums from anyone and forbids executives and employees of the Company from personally receiving gifts and favors from any person but to do so in the hopes of obtaining benefits from the Company.

In addition, the company has also joined as a member of the Private Sector Collective Action Coalition against Corruption of Thailand (CAC), having received a resolution to endorse the committee meeting on September 30, 2021, which is valid for 3 years from the date of approval.

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with the rules of connected transactions.

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3. The Company prohibits directors, executives, and relevant personnel of the Company who have access to internal information that affects the change in securities prices, purchasing and/or selling the securities of the Company neither directly nor indirectly and whether for the benefit of oneself or others before the Company publish financial statements performance and any important information that affects the change in securities prices to the public. The Company has notified the persons to refrain from doing the above transactions in writing at least 30 days in advance of the public disclosure of that information and within 24 hours after its publication.

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The Company has therefore established a policy and practice against fraud and corruption, which the company has communicated the such policy to employees at all levels for acknowledgment through the company's internal communication channels. This includes communicating during the new employee orientation. The policy covers measures and guidelines for political assistance, charitable donations, and various contributions made by those who violate such policies and practices of the Company will be subject to disciplinary action according to the company's regulations. In case such actions violate relevant laws, the Company will take legal action as well. In addition, during all important festivals throughout the year 2022, such as the New Year, the Company has a policy not to accept gifts and premiums from anyone and forbids executives and employees of the Company from personally receiving gifts and favors from any person but to do so in the hopes of obtaining benefits from the Company.

In addition, the company has also joined as a member of the Private Sector Collective Action Coalition against Corruption of Thailand (CAC), having received a resolution to endorse the committee meeting on September 30, 2021, which is valid for 3 years from the date of approval.

Please see the full version of the Anti-Fraud and Corruption Policy and Guidelines appears on the website of the Company at www.sgcapital.co.th under the topic of Corporate Governance.

SG Capital Public Company Limited

Financial statements for the year ended
31 December 2022
and
Independent Auditor's Report



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Independent Auditor's Report

To the shareholders of SG Capital Public Company Limited

Opinion

I have audited the financial statements of SG Capital Public Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2022, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the Thai Financial Reporting Standard (TFRSs).

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 *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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



Valuation of hire-purchase contract receivables and loan receivable	
Refer to Note 3, 7 and 8	
The key audit matter	How the matter was addressed in the audit
<p>The core businesses of the Company are hire-purchase and lending consist of a great number of wholesale and retail accounts with small receivable value. The hire-purchase contract receivables and loan receivable as at 31 December 2022 amount to Baht 14,897 million and allowance for expected credit losses ("ECL") amount to Baht 504 million, approximately 83.8% and 2.8% of the Company's total assets, respectively.</p> <p>Management has estimated the allowance for expected credit losses based on credit models which are complex and dependent on significant management judgments and estimates including establishment of the criteria for determining whether credit risk has increased significantly since initial recognition, development of models used to measure ECL, determination of the forward-looking macroeconomic variables and probability-weighted scenarios into the measurement of ECL. In particular, the ongoing economic situation adds further complexity to management's estimation process.</p> <p>Due to materiality of transactions and involving significant management judgment, I consider this to be key audit matter.</p>	<p>My audit procedures included the followings:</p> <ul style="list-style-type: none"> • Understanding the credit approval, collection and monitoring processes including the policies and procedures in consideration of allowance for expected credit losses. • Considering the Company's accounting policies to determine whether these have been set up in accordance with the requirements of TFRS 9 <i>Financial Instruments</i>. • Evaluating the design and implementation and testing the operating effectiveness of key internal controls surrounding the credit approval and allowances for expected credit losses process. • Assessing and testing the reasonableness of staging applied by the Company for different types of credit exposures including sampling testing with relevant documents. • Involving KPMG's credit specialists to inspect model documentation performed by expert engaged by the management, assess key data, assumptions, method, models including mathematical theory including evaluating the reasonableness of the economic factors used by management in the models to adjust losses rate based on current economic conditions and forward-looking information by comparing them to relevant market information to derive expected credit losses model parameters on customers portfolios. • Testing the mathematic calculation of the expected credit losses of hire-purchase contract receivables and loan receivable. • Considering the adequacy of the Company's disclosures in accordance with the relevant Thai Financial Reporting Standards.



Other Information

Management is 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 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 consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management for the Financial Statements

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

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

Those charged with governance are responsible 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 skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

(Chokechai Ngamwutikul)
Certified Public Accountant
Registration No. 9728

KPMG Phoomchai Audit Ltd.
Bangkok
13 February 2023

SG Capital Public Company Limited

Statement of financial position

Assets	Note	31 December	
		2022	2021
		(in Baht)	
Current assets			
Cash and cash equivalents	6	3,106,144,072	391,366,698
Current portion of hire-purchase contract receivables	7	3,438,456,427	3,076,260,646
Current portion of loan receivables	8	2,006,260,095	1,225,053,031
Other receivables	9	67,316,191	228,982,622
Accrued income	5	11,667,682	25,567,618
Asset foreclosed		39,051,937	-
Other current assets		78,953	13,777
Total current assets		8,668,975,357	4,947,244,392
Non-current assets			
Hire-purchase contract receivables	7	1,918,404,852	2,076,036,120
Loan receivables	8	7,030,473,098	4,277,932,192
Leasehold improvement and equipment		21,472,369	14,316,388
Right-of-use assets	10	18,937,065	14,899,979
Intangible assets		6,273,606	4,719,064
Deferred tax assets	19	116,913,442	93,627,421
Other non-current assets		1,915,120	1,463,500
Total non-current assets		9,114,389,552	6,482,994,664
Total assets		17,783,364,909	11,430,239,056

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

SG Capital Public Company Limited**Statement of financial position**

Liabilities and equity	<i>Note</i>	31 December	
		2022	2021
		<i>(in Baht)</i>	
<i>Current liabilities</i>			
Short-term loan from financial institution	12	55,000,000	-
Trade accounts payable	5	486,476,658	1,179,628,195
Other payables	5, 11	163,961,911	263,443,957
Current portion of long-term loan from financial institution	12	10,475,584	9,890,692
Current portion of lease liabilities	12	9,018,285	7,551,710
Current income tax payable		92,396,748	49,259,237
Total current liabilities		817,329,186	1,509,773,791
<i>Non-current liabilities</i>			
Long-term loans from the parent company	5, 12	11,172,672,533	7,463,090,180
Long-term loan from financial institution	12	3,918,566	14,439,345
Lease liabilities	12	11,767,927	8,608,474
Provisions for employee benefits	13	24,141,654	19,143,301
Employee security deposits		2,138,721	1,196,890
Total non-current liabilities		11,214,639,401	7,506,478,190
Total liabilities		12,031,968,587	9,016,251,981
<i>Equity</i>			
Share capital	14		
Authorised share capital		3,270,000,000	3,270,000,000
Issued and paid-up share capital		3,270,000,000	2,450,000,000
Share premium:			
Share premium on ordinary shares	14	2,292,002,706	-
Difference arising from business combination under common control	16	(974,117,594)	(974,117,594)
Retained earnings:			
Appropriated:			
Legal reserve	15	209,379,885	176,017,788
Unappropriated		954,131,325	762,086,881
Total equity		5,751,396,322	2,413,987,075
Total liabilities and equity		17,783,364,909	11,430,239,056

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

SG Capital Public Company Limited

Statement of comprehensive income

		Year ended 31 December	
	Note	2022	2021
		(in Baht)	
Income			
Interest income from hire-purchase contract and loans	5	2,399,077,460	1,735,934,224
Other income	5	39,679,667	45,882,925
Total income		2,438,757,127	1,781,817,149
Expenses			
Service and administrative expenses	5, 18	641,602,454	491,634,906
Total expenses		641,602,454	491,634,906
Profit from operating activities		1,797,154,673	1,290,182,243
Finance costs	5	(600,215,109)	(353,294,673)
Expected credit loss	22	(395,211,096)	(211,373,490)
Profit before income tax expense		801,728,468	725,514,080
Tax expense	19	(134,486,528)	(132,480,501)
Profit for the year		667,241,940	593,033,579
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Gain (loss) on remeasurements of defined benefit plans	13	(1,044,249)	1,009,017
Income tax relating to items that will not be reclassified	19	208,850	(201,803)
Total items that will not be reclassified to profit or loss		(835,399)	807,214
Other comprehensive income for the year, net of tax		(835,399)	807,214
Total comprehensive income for the year		666,406,541	593,840,793
Basic earning per share	20	0.27	0.29

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

SG Capital Public Company Limited
Statement of changes in equity

	Note	Issued and paid-up share capital	Difference arising from business combination under common control	Retained earnings			Total equity
				Legal reserve (in Baht)	Unappropriated		
<i>Year ended 31 December 2021</i>							
Balance at 1 January 2021		1,450,000,000	(974,117,594)	145,000,000	199,263,876		820,146,282
Transaction with owner, recorded directly in equity							
<i>Contributions by owners of the parent</i>							
Issue of ordinary shares	14	1,000,000,000	-	-	-		1,000,000,000
Total transaction with owner, recorded directly in equity		1,000,000,000	-	-	-		1,000,000,000
Comprehensive income for the year							
Profit		-	-	-	593,033,579		593,033,579
Other comprehensive income		-	-	-	807,214		807,214
Total comprehensive income for the year		-	-	-	593,840,793		593,840,793
Transfer to legal reserve	15	-	-	31,017,788	(31,017,788)		-
Balance at 31 December 2021		2,450,000,000	(974,117,594)	176,017,788	762,086,881		2,413,987,075

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

SG Capital Public Company Limited

Statement of changes in equity

	Note	Issued and paid-up share capital	Share premium	Difference arising from business combination under common control (in Baht)	Retained earnings			Total equity
					Legal reserve	Unappropriated		
<i>Year ended 31 December 2022</i>								
Balance at 1 January 2022		2,450,000,000	-	(974,117,594)	176,017,788	762,086,881		2,413,987,075
Transactions with owner, recorded directly in equity								
<i>Contributions by and distributions to owners</i>								
Issue of ordinary shares	14	820,000,000	2,292,002,706	-	-	-		3,112,002,706
Dividends	21	-	-	-	-	(441,000,000)		(441,000,000)
Total transactions with owner, recorded directly in equity		820,000,000	2,292,002,706	-	-	(441,000,000)		2,671,002,706
Comprehensive income for the year								
Profit		-	-	-	-	667,241,940		667,241,940
Other comprehensive income		-	-	-	-	(835,399)		(835,399)
Total comprehensive income for the year		-	-	-	-	666,406,541		666,406,541
Transfer to legal reserve	15	-	-	-	33,362,097	(33,362,097)		-
Balance at 31 December 2022		3,270,000,000	2,292,002,706	(974,117,594)	209,379,885	954,131,325		5,751,396,322

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

SG Capital Public Company Limited**Statement of cash flows**

	31 December	
	2022	2021
	(in Baht)	
<i>Cash flows from operating activities</i>		
Profit for the year	667,241,940	593,033,579
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>		
Tax expense	134,486,528	132,480,501
Interest income from hire-purchase contract and loans	(2,399,077,460)	(1,735,934,224)
Finance costs	600,215,109	353,294,673
Depreciation	19,830,959	18,440,803
Amortisation	593,259	219,582
Expected credit loss	395,211,096	211,373,490
Provision for employee benefit	4,014,104	6,477,824
Loss from impairment of asset foreclosed	6,866,208	636,659
Gain on sale investment	-	(591,383)
Loss on written-off equipment and intangible asset	1,175,646	295,033
Other interest income	(230,110)	(125,620)
	<u>(569,672,721)</u>	<u>(420,399,083)</u>
<i>Changes in operating assets and liabilities</i>		
Hire-purchase contract receivables	(547,410,354)	(2,013,761,484)
Loan receivables	(3,563,416,332)	(2,435,404,290)
Other receivables	149,011,025	51,011,683
Assets foreclosed	(45,918,145)	995,750
Accrued income	13,899,936	(13,038,748)
Other current assets	(65,176)	(632,313)
Other non-current assets	(451,620)	(4,191,631)
Trade accounts payable	(693,151,537)	244,979,032
Deferred interest subsidies	(83,239,453)	(258,412,210)
Other payables	(16,242,566)	68,795,314
Employee security deposits	941,831	(428,141)
Employee benefit paid	(60,000)	(2,193,432)
Net cash used in operations	<u>(5,355,775,112)</u>	<u>(4,782,679,553)</u>
Interest received hire-purchase contract and loans	2,379,527,699	1,770,526,873
Tax paid	<u>(104,917,915)</u>	<u>(83,083,296)</u>
Net cash used in operating activities	<u>(3,081,165,328)</u>	<u>(3,095,235,976)</u>

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

SG Capital Public Company Limited

Statement of cash flows

	31 December	
	2022	2021
	(in Baht)	
<i>Cash flows from investing activities</i>		
Other interest received	230,110	125,620
Proceeds from sale investment	-	600,591,382
Acquisition of investment	-	(600,000,500)
Acquisition of leasehold improvement and equipment	(14,082,097)	(11,340,815)
Acquisition of intangible assets	(2,147,800)	(4,539,714)
Net cash used in investing activities	(15,999,787)	(15,164,027)
<i>Cash flows from financing activities</i>		
Proceeds from issued of shares - net	3,112,002,706	1,000,000,000
Dividend	(441,000,000)	-
Finance cost paid	(598,930,542)	(353,294,673)
Proceeds from short-term loan from financial institution	55,000,000	-
Proceeds from long-term loan from financial institution	-	30,000,000
Repayment of loan from financial institution	(9,935,887)	(5,669,963)
Proceeds from loans from parent company	7,718,843,039	4,206,776,089
Repayment of loans from parent company	(4,009,260,686)	(1,516,098,295)
Payment of lease liabilities	(14,776,141)	(15,609,561)
Net cash from financing activities	5,811,942,489	3,346,103,597
Net increase in cash and cash equivalents	2,714,777,374	235,703,594
Cash and cash equivalents at 1 January	391,366,698	155,663,104
Cash and cash equivalents at 31 December	3,106,144,072	391,366,698

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

SG Capital Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 13 February 2023.

1 General information

SG Capital Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in December 2022. The Company’s registered office at 72 NT Bangrak Building 20th Floor, Charoenkrung Road, Bangrak, Bangkok.

The parent company during the financial year was Singer Thailand Public Company Limited (74.92% shareholding) shareholding incorporated in Thailand.

The principal activities of the Company are sales by hire purchase contracts of electrical appliances, commercial product, mobile phones and vehicles, and loan receivables and others.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies are described in note 3, have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

(a) Financial instruments

(1) Classification and measurement

A financial asset and financial liability (except for other receivables, see note 3 (d)) are initially recognised when the Company becomes a party to the contractual provisions of the instrument and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

SG Capital Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

(2) Derecognition and offset

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(3) Impairment of financial assets other than other receivables

The Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI, hire-purchase receivables, loan receivables and loan commitments issued which are not measured at FVTPL.

Recognition of expected credit loss

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for hire-purchase contract receivables and loan receivables, the Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

SG Capital Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

Expected credit losses are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward looking information.

The estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

Forward-looking macroeconomic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk, such as GDP, unemployment rate and Consumer Price Index. These assumptions are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally and are consistent with those used for financial and capital planning.

Multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios both in terms of determining the PD, LGD and EAD, where relevant, and in determining the overall expected credit loss amounts.

The estimate of expected cash shortfalls on a collateralised financial instrument should consider the amount and timing of cash flows that are expected from confiscation on the collateral less the costs of obtaining and selling the collateral without considering the possibility of the confiscation.

The estimate of expected cash shortfalls are discounted using the initial effective interest rate on the financial asset.

Expected Credit Loss Recognition - Staging

Stage 1 Financial asset without a significant increase in credit risk (Performing)

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the balance sheet date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit-impaired. If a financial asset is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12-month basis.

Stage 2 Financial asset with a significant increase in credit risk (Under-performing)

If a financial asset experiences a significant increase in credit risk (SICR) since initial recognition, an allowance for expected credit loss is recognised for default events that may occur over the lifetime of the asset. SICR is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination, the significance of which being determined by using a number of quantitative and qualitative factors as

- financial assets that are 30 or more days past due, or
- financial assets that have more than 3 times of 30 or more days past due during the past 12 months.

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

Financial assets that are credit impaired or in default represent those that are at over 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit impaired where the customers are unlikely to pay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial asset.

SG Capital Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

Evidence that a financial asset is credit impaired includes observable data about the following events:

- Significant financial difficulty of the borrower;
- Breach of contract such as default or a past due event;
- Pending or actual bankruptcy or other financial reorganisation to avoid of the borrower's obligations; or
- Purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

Impairment provisions against credit impaired financial assets are determined based on an assessment of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, representing the difference between the present value of the cash flows expected to be recovered, discounted at the instrument's original effective interest rate, and the gross carrying value of the instrument prior to any credit impairment.

Modified financial instruments

Where the original contractual terms of a financial asset have been modified for credit risk reasons and the instrument has not been derecognised, the resulting modification loss is recognised within credit impairment in the income statement with a corresponding decrease in the gross carrying value of the asset.

When a receivable has a significant increase in credit risk, the Company considers to write-off the receivable by comparing the cash flows from net realisable value of reverted inventory with gross carrying amount of the receivable excluded allowance for expected credit losses in profit or loss.

Expected credit losses for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification.

Improvement in credit risk

A period may elapse from the point at which financial instruments enter stage 2 or stage 3 and are reclassified back to stage 1. For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where significant increase in credit risk was determined using quantitative measures, the financial instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where financial instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the financial instruments can be reclassified to stage 1. This includes instances requiring the action to be resolved before loans are reclassified to stage 1.

The Company considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'.

Write-off and reverse expected credit loss

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

SG Capital Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

If the amount of the credit impairment loss decreases and the decrease can be related objectively to an event occurring after the credit impairment was recognised, such as an improvement in the debtor's credit rating, the previously recognised credit impairment loss is reversed by adjusting the provision account. The amount of the reversal is recognised in profit or loss.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition.

(c) Hire-purchase contract and loan receivables

Hire purchase receivables are stated at the contract value net of unearned hire purchase, which is presented after net of initial direct income and costs at the inception of the contracts.

Loan receivables are stated at the principal amount and accrued interest receivables, which is presented after net of initial direct income and costs at the inception of the contracts.

The Company considers expected credit losses of hire-purchase contract and loans receivables as disclosed in note 3 (a(3)).

(d) Other receivables

An other receivable is recognised when the Company has an unconditional right to receive consideration. An other receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(e) Assets foreclosed

Assets foreclosed consisting of vehicles and machines are stated at the lower of cost and net realisable value less estimated disposal expenses of the assets foreclosed less loss on decline in value.

Any gains and losses on disposal of assets foreclosed are determined by comparing the proceeds from disposal with the carrying amount of assets foreclosed and are recognised in profit or loss.

(f) Leasehold improvement and equipment

Leasehold improvement and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs and, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of leasehold improvement and equipment are recognised in profit or loss.

SG Capital Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

The cost of replacing a part of an item of leasehold improvement and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of leasehold improvement and equipment are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on land and assets under construction and installation.

The estimated useful lives are as follows:

Leasehold improvement	3 - 10 years
Office equipment	3 - 5 years

(g) Intangible assets

Software licenses that have finite useful lives are measured at cost less impairment losses. The Company considers the impairment of intangible assets as disclosed in note 3 (i). Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognized in profit or loss.

The estimated useful life is as follow:

Software licenses	5 - 10 years
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(h) Leases

At inception of a contract, the Company assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property the Company accounted for the lease and non-lease components wholly as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognised as expense on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. The company considers the impairment of intangible assets, as disclosed in note 3 (i).

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Company uses the Company's incremental borrowing rate to discount the lease payments to the present value. The Company determines its incremental borrowing rate by obtaining interest rates from external financing sources to reflect the terms of the lease and type of the asset leased.

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The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Company allocates the consideration in the contract to each component on the basis of their relative standalone prices.

At lease inception, the Company considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Company recognises rental income received under hire-purchase contract in profit or loss over the lease term and present as part of interest received from hire-purchase contract. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

The Company derecognises and determines impairment requirements in TFRS9 to hire-purchase receivables (see note 3 (a(3))). The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

(i) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Provision for employee benefits

Defined contribution plans

Obligations for contributions to the Company's provident funds are expensed as the related service is provided.

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Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefit are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(l) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quoted prices in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3:* inputs for the asset or liability that are based on unobservable input.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

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The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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As at 31 December 2022, the Company had modification of receivables affected by the Covid-19, which are approximately 15.03% of total hire-purchase contract receivables and loan receivables (31 December 2021: 15.66%) and set management overlay for the receivables.

5 Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Company; a person or entity that is under common control or under the same significant influence as the Company; or a person or entity over which the Company has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making. The pricing policies for transactions with related parties are determined on an arm's length basis or contractual price.

Relationship with parent is described in note 1. Other related parties which the Company had significant transactions with during the year were as follows:

Name of entities	Country of incorporation	Nature of relationships
SG Service Plus Co., Ltd.	Thailand	Sister company of the parent company
SG Broker Co., Ltd.	Thailand	Sister company of the parent company
Jay Mart Public Company Limited	Thailand	Major shareholder of the parent company
Rabbit Holdings Public Company Limited (Formerly "U City Public Company Limited")	Thailand	Major shareholder of the parent company
The Group of Jaymart Public Company Limited	Thailand	Common director
The Group of Rabbit Holdings Public Company Limited	Thailand	Common director
Key management personnel		Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Significant transactions with related parties
Year ended 31 December

	2022	2021
	(in thousand Baht)	
Parent		
Sale of assets foreclosed**	1,169,373	-
Sale of revert goods	15,023	179,620
Received from interest subsidies	-	47,723
Purchase of goods*	2,544,892	2,478,486
Debt collecting fee	35,954	42,957
Commission expense	1,200	-
Management fee	12,000	31,920
Other expense	1,277	7,212
Interest expenses	597,496	351,381

* Purchased goods from related parties for hire-purchased receivables

** During the year, the Company sold asset foreclosed to parent company amounting to Baht 1,169 million which were repossessed. This is in accordance with the memorandum of agreement.

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Significant transactions with related parties
Year ended 31 December

	2022	2021
	(in thousand Baht)	
Other related parties		
Commission income	19,264	19,573
Revenue from sales of rights in receivable	15,767	2,321
Purchase of goods*	237,103	243,513
Debt collecting fee	2,346	3,339
Commission expense	3,180	-
Other expenses	531	1,321
Key management personnel		
Key management personnel compensation		
Short-term benefit	31,632	27,716
Post-employment benefits	2,713	2,151
Total	34,345	29,867

* Purchased goods from related parties for hire-purchased receivables

Balances with related parties
At 31 December

	Note	2022	2021
		(in thousand Baht)	
Other receivables	9		
Parent		-	72,589
Other related parties		10,929	37
Total		10,929	72,626
Accrued income			
Other related parties		11,668	25,567
Total		11,668	25,567
Trade accounts payable			
Parent		464,272	1,099,861
Other related parties		7,853	57,765
Total		472,125	1,157,626
Other payables	11		
Parent		14,646	128,157
Other related parties		381	3,008
Total		15,027	131,165
Lease Liabilities			
Parent		1,897	-
Other related parties		-	468
Total		1,897	468

	Interest rate (% per annum)	At 1 January	Increase (in thousand Baht)	Decrease (in thousand Baht)	At 31 December
Loans from					
2022					
Parent	5.25 - 6.06	7,463,090	7,718,843	(4,009,261)	11,172,673
2021					
Parent	5.25 - 6.09	4,772,412	4,206,776	(1,516,098)	7,463,090

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Significant agreements with related parties

Interest subsidy agreement

The Company entered into an interest subsidy agreement with the parent company. This agreement is effective for a year, and will be automatically renewed a year unless either party gives to the other party a written notice to terminate the agreements. Fees and conditions are specified in the agreements. The Company recorded deferred interest subsidy income as other payables when received and recognised over the period of related hire-purchase contracts with customers as interest income for the year 2022 amounting to Baht 83.24 million (2021: Baht 236.96 million). The parent company has terminated the interest subsidy agreement since 1 April 2021.

Loan agreement

The Company entered into loan agreements with the parent company in the amount of Baht 11,173 million (31 December 2021: 7,463 million), interest rate of 5.25% - 6.06% (31 December 2021: 5.25% - 6.09%). The interest rate shall be calculated from an average interest rate of the parent company's debentures, which were issued each time, with a mark-up. The interest shall be paid by monthly. The loans will be matured in September 2024 to December 2025.

Service agreement

The Company entered into several agreements within the parent company. The terms of these agreements are effective for 6 months to 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate the agreements. Fees and conditions are specified in the agreements. Services and building rental scope are as follows:

- 1.1 The service support regarding to operation support, finance and accounting, human resource, information technology and others;
- 1.2 Building rental and service.

Memorandum of understanding for the business support

On 1 April 2022, the Company entered into the Memorandum of understanding for the business support with the parent company. The company agreed to hire the parent company as a seller of confiscated goods from the hire-purchase receivables due to breach of contract, the Company pay the commission as 15 % of selling price to the parent company. The memorandum is effective, unless either party gives to the other party a written notice to terminate.

Receivable management and collection service agreement

The Company entered into agreement with JMT Network Services Public Company Limited (JMT) for certain receivable management and collection services to be provided by JMT to the Company in return for fees at rates specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

The Company entered into agreements with JMT Network Services Public Company Limited (JMT) for certain collection services to be provided by JMT to the Company in return for fees at rates specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

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Notes to the financial statements
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Transfer rights of receivables agreement

The Company occasionally entered into agreement with JMT Network Services Public Company Limited (JMT) for sale of rights in the Company hire purchase contract receivable. The consideration of transferring rights in the receivable is specified in the agreement.

Supporting insurance business service agreement

The Company entered into a service agreement with Jaymart Insurance Broker Co., Ltd. whereby the Company agreed to render the insurance premium collection service for Jaymart Insurance Broker Co., Ltd. Fees and conditions are specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

6 Cash and cash equivalents

	2022	2021
	(in thousand Baht)	
Cash on hand	15	15
Cash at banks	406,129	391,352
Highly liquid short-term investments	2,700,000	-
Total	3,106,144	391,367

SG Capital Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

7 Hire-purchase contract receivables

	Portion due within one year	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years	Portion due over four years but within five years	Portion due over five years	Total
				(in thousand Baht)			
31 December 2022							
Hire purchase receivables	4,862,725	1,436,968	677,772	298,200	113,748	13,881	7,403,294
Less unearned interest income	(1,080,572)	(344,904)	(132,684)	(44,735)	(11,391)	(828)	(1,615,114)
	3,782,153	1,092,064	545,088	253,465	102,357	13,053	5,788,180
Less allowance for expected credit loss	(343,697)	(60,586)	(19,543)	(5,613)	(1,701)	(179)	(431,319)
Net	3,438,456	1,031,478	525,545	247,852	100,656	12,874	5,356,861
31 December 2021							
Hire purchase receivables	4,371,094	1,603,329	656,229	329,979	122,957	10,108	7,093,696
Less unearned interest income	(1,071,813)	(408,849)	(127,712)	(45,915)	(9,349)	(1,160)	(1,664,798)
	3,299,281	1,194,480	528,517	284,064	113,608	8,948	5,428,898
Less allowance for expected credit loss	(223,020)	(33,045)	(12,847)	(5,557)	(2,042)	(90)	(276,601)
Net	3,076,261	1,161,435	515,670	278,507	111,566	8,858	5,152,297

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Notes to the financial statements
For the year ended 31 December 2022

As at 31 December 2022 and 2021, carrying amount and allowance for expected credit loss for electronic appliances, others and vehicles hire-purchase contract receivables were as follows:

	Electronic appliances and others				Vehicles				Total			
	Assets without significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total	Assets without significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total	Assets without significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total
<i>(in thousand Baht)</i>												
31 December 2022												
<i>Hire-purchase contract receivables*</i>												
Within credit terms	2,085,624	38,853	-	2,124,477	321,634	8,067	-	329,701	2,407,258	46,920	-	2,454,178
Overdue:												
1 - 30 days	933,462	12,179	-	945,641	154,821	10,271	-	165,092	1,088,283	22,450	-	1,110,733
31 - 60 days	-	367,065	-	367,065	-	165,086	-	165,086	-	532,151	-	532,151
61 - 90 days	-	938,384	-	938,384	-	111,383	-	111,383	-	1,049,767	-	1,049,767
more than 90 days	-	-	600,987	600,987	-	-	40,364	40,364	-	-	641,351	641,351
Hire-purchase contract receivables*	3,019,086	1,356,481	600,987	4,976,554	476,455	294,807	40,364	811,626	3,495,541	1,651,288	641,351	5,788,180
Less allowance for expected credit loss	(70,652)	(111,387)	(223,934)	(405,973)	(2,353)	(10,380)	(12,613)	(25,346)	(73,005)	(121,767)	(236,547)	(431,319)
Total	2,948,434	1,245,094	377,053	4,570,581	474,102	284,427	27,751	786,280	3,422,536	1,529,521	404,804	5,356,861

*Hire-purchase contract receivables net of unearned interest income

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Notes to the financial statements
For the year ended 31 December 2022

	Electronic appliances and others				Vehicles				Total			
	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total
<i>(in thousand Baht)</i>												
31 December 2021												
Hire-purchase contract receivables*												
Within credit terms	2,899,741	44,414	-	2,944,155	439,019	9,835	-	448,854	3,338,760	54,249	-	3,393,009
Overdue:												
1 - 30 days	635,177	8,070	-	643,247	103,525	8,373	-	111,898	738,702	16,443	-	755,145
31 - 60 days	-	213,200	-	213,200	-	56,181	-	56,181	-	269,381	-	269,381
61 - 90 days	-	565,329	-	565,329	-	47,019	-	47,019	-	612,348	-	612,348
more than 90 days	-	-	368,325	368,325	-	-	30,690	30,690	-	-	399,015	399,015
Hire-purchase contract receivables*	3,534,918	831,013	368,325	4,734,256	542,544	121,408	30,690	694,642	4,077,462	952,421	399,015	5,428,898
Less allowance for expected credit loss	(85,470)	(55,230)	(122,018)	(262,718)	(1,930)	(3,370)	(8,583)	(13,883)	(87,400)	(58,600)	(130,601)	(276,601)
Total	3,449,448	775,783	246,307	4,471,538	540,614	118,038	22,107	680,759	3,990,062	893,821	268,414	5,152,297

*Hire-purchase contract receivables net of unearned interest income

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Notes to the financial statements
For the year ended 31 December 2022

Modification of hire-purchase contract receivables

The financial statements for the year ended 31 December 2022 and 2021 includes the following changes through various types of modification:

	2022		2021	
	Before modification	After modification (in thousand Baht)	Before modification	After modification
Modification of hire-purchase contract receivables net of unearned interest income for the year	863,024	796,921	134,056	125,702

Cash collection under modification of hire-purchase contract receivables for the year ended 31 December 2022 and 2021 as follows:

	2022 (in thousand Baht)	2021
Cash collection under modification for the year	61,484	48,343

As at 31 December 2022 and 2021, modifying of hire-purchase contract receivables were remained as follows:

	2022 (in thousand Baht)	2021
Hire-purchase contract receivables net of unearned interest income after modification	517,058	159,481

8 Loan receivables

	Portion due within 1 year 31 December		Portion due after 1 year 31 December		Total 31 December	
	2022	2021	2022	2021	2022	2021
	(in thousand Baht)					
Loan receivables	1,988,788	1,207,735	7,070,395	4,294,957	9,059,183	5,502,692
Add accrued interest receivable	49,945	30,396	-	-	49,945	30,396
	2,038,733	1,238,131	7,070,395	4,294,957	9,109,128	5,533,088
Less allowance for expected credit loss	(32,473)	(13,079)	(39,922)	(17,024)	(72,395)	(30,103)
Net	2,006,260	1,225,052	7,030,473	4,277,933	9,036,733	5,502,985

At 31 December 2022 and 2021, carrying amount and allowance for expected credit loss for loan receivables were as follows:

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Notes to the financial statements
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Modification loan receivables

The financial statements for the year ended 31 December 2022 and 2021 includes the following changes through various types of modification:

	2022		2021	
	Before modification	After modification (in thousand Baht)	Before modification	After modification
Modification of loan receivables for the year	<u>211,458</u>	<u>193,419</u>	<u>12,690</u>	<u>12,225</u>

Cash collection under modification of loan receivables for the year ended 31 December 2022 and 2021 were as follows:

	2022 (in thousand Baht)	2021
Cash collection under modification for the year	<u>28,281</u>	<u>3,954</u>

As at 31 December 2022 and 2021, modification of loan receivables have remaining balances were as follows:

	31 December	
	2022	2021
	(in thousand Baht)	
Loan receivables after modification	193,287	32,072

9 Other receivables

	Note	2022 (in thousand Baht)	2021
Related parties	5	10,929	72,626
Other parties		<u>73,971</u>	<u>170,793</u>
Total		84,900	243,419
Less allowance for expected credit loss		<u>(17,584)</u>	<u>(14,437)</u>
Net		<u>67,316</u>	<u>228,982</u>

Information of credit risk is disclosed in note 22.

10 Leases

Right-of-use assets
As at 31 December

	2022 (in thousand Baht)	2021
Building	10,652	7,499
Equipment	2,307	1,489
Vehicle	<u>5,978</u>	<u>5,912</u>
Total	<u>18,937</u>	<u>14,900</u>

In 2022, additions to the right-of-use assets of the Company were Baht 18.12 million (2021: Baht 14.10 million).

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The Company leases a number of warehouse and branch for 1 - 3 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

During 2022, The Company leases a number of copy machine for 3 - 4 years, and paid fixed amount. These payment terms are common in Thailand.

Extension options

The Company has extension options on property leases exercisable up to one year before the end of the contract period. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

<i>Year ended 31 December</i>	<i>Note</i>	<i>2022</i>	<i>2021</i>
		<i>(in thousand Baht)</i>	
Amounts recognised in profit or loss			
Depreciation of right-of-use assets:			
- Building	18	10,969	11,792
- Equipment	18	789	1,001
- Vehicle	18	2,323	2,042
Interest on lease liabilities		1,285	1,237
Expenses relating to short-term leases		176	104

In 2022, total cash outflow for leases of the Company were Baht 14.78 million (2021: Baht 15.61 million).

11 Other payable

	<i>Note</i>	<i>2022</i>	<i>2021</i>
		<i>(in thousand Baht)</i>	
Suspense payment - receivable wait for car registration transfer		55,124	59,195
Accrued commission		14,967	10,116
Deferred interest subsidies income	5	12,998	96,237
Other payable - related parties	5	2,029	34,928
Others		78,844	62,968
Total		163,962	263,444

12 Interest-bearing liabilities

	<i>2022</i>	<i>2021</i>
	<i>(In thousand Baht)</i>	
Current		
Short-term loan from financial institution	55,000	-
Current portion of long-term loan from financial institution	10,476	9,891
Lease liabilities	9,018	7,552
Non-current		
Long-term loans from parent company	11,172,673	7,463,090
Long-term loan from financial institution	3,918	14,439
Lease liabilities	11,768	8,608
Total	11,262,853	7,503,580

As at 31 December 2022, the company had unsecured interest-bearing liabilities.

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The detail of long-term loan from parent company is disclosed in note 5.

On 28 October 2022, the Company issued a promissory note with a financial institution, amounting to Baht 55 million which will be due on 23 January 2023. The interest rates are 4.5% per annum.

On 21 May 2021, the Company entered into a loan agreement with a financial institution, amounting to Baht 30 million with repayment terms within 3 years ended May 2024. The interest rates are MLR-3.85% to MLR-2.85% per annum. This loan is currently secured by the parent company. On 12 January 2023, the Company made a repayment in full amount.

As at 31 December 2022, the Company had unutilised credit facilities totaling Baht 5 million (2021: Baht 70 million).

The Company are obligated to comply with the conditions and restrictions specified in the loan credit facility agreement with a financial institution.

13 Provision for employee benefits

Defined benefit plan

The Company operates a defined benefit pension plan based on the requirements of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

<i>Present value of the defined benefit obligations</i>	2022	2021
	<i>(in thousand Baht)</i>	
At 1 January	19,143	15,868
<i>Recognised in profit or loss:</i>		
Current service cost	3,835	3,626
Interest on obligation	179	147
Transfer from related parties	-	2,705
	<u>4,014</u>	<u>6,478</u>
<i>Recognised in other comprehensive income:</i>		
Actuarial (gain) loss		
- Demographic assumptions	546	(3,066)
- Financial assumptions	(5,166)	2,099
- Experience adjustment	5,664	(42)
	<u>1,044</u>	<u>(1,009)</u>
Benefit paid	(60)	(2,194)
At 31 December	<u>24,141</u>	<u>19,143</u>
<i>Principal actuarial assumptions</i>	2022	2021
Discount rate	4.0%	0.9%
Future salary growth	5.0%	5.0%

Assumptions regarding future mortality are based on published statistics and mortality tables.

At 31 December 2022, the weighted-average duration of the defined benefit obligations was 15 years (2021: 7 years).

SG Capital Public Company Limited
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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

<i>Effect to the defined benefit obligation At 31 December</i>	1% increase in assumption		1% decrease in assumption	
	2022	2021	2022	2021
		<i>(in thousand Baht)</i>		
Discount rate	(1,942)	(1,562)	2,256	1,821
Future salary growth	1,959	1,727	(1,720)	(1,519)

14 Share capital

	Par value per share (in Baht)	2022		2021	
		Number	Baht	Number	Baht
		<i>(thousand share/thousand Baht)</i>			
Authorised shares at 31 December	1	<u>3,270,000</u>	<u>3,270,000</u>	<u>3,270,000</u>	<u>3,270,000</u>
<i>Issued and paid-up shares</i>					
At 1 January					
- ordinary shares	1,000	-	-	1,450	1,450,000
- ordinary shares	1	2,450,000	2,450,000	-	-
Increase of new shares	1,000	-	-	1,000	1,000,000
Increase of new shares	1	820,000	820,000	-	-
Shares split					
- From Baht 1,000 to Baht 1 per share	1,000	-	-	(2,450)	(2,450,000)
- From Baht 1,000 to Baht 1 per share	1	-	-	2,450,000	2,450,000
At 31 December					
- ordinary shares	1	<u>3,270,000</u>	<u>3,270,000</u>	<u>2,450,000</u>	<u>2,450,000</u>

On 27 March 2021, the Extraordinary General Meeting of the Company approved an increase of authorised share capital of the Company by 1,000,000 shares at Baht 1,000 per share from ordinary shares Baht 1,450 million to Baht 2,450 million. The Company registered the increase of share capital with the Ministry of Commerce on 28 May 2021.

On 14 October 2021, the Extraordinary General Meeting of the Company approved the change in the par value of shares from Baht 1,000 per share to Baht 1 per share which increased the number of shares from 2.45 million shares to 2,450 million shares and increased authorised shares capital of the Company by 820 million shares at Baht 1 per share from ordinary shares 2,450 million shares to 3,270 million shares. The Company registered the change of share capital with the Ministry of Commerce on 18 October 2021.

SG Capital Public Company Limited

SG Capital Public Company Limited

Attachment 1

Details of Directors, Executives, Auditors, Assigned Person to the Highest Responsibility in

Accounting and Finance, the assigned Person to be Directly Responsible for Supervising

the Accounting and Company Secretary as of 1 March 2023.

SG Capital Public Company Limited

Name-Surname/ Position	Age (Year)	Education	In-Direct and Direct Shares Proportion	Relation with Directors/Exec utives	Penalties in the past 5 years for violating securities and exchange laws and derivatives laws	Work experience in the past 5 years			
						Period	Position	Agency / Company	Business Type
1. Mr. Bibit Bijaicradat - Chairman of the Board of Directors (Feb 22, 2021) - Independent Director (Feb 22, 2021) - Chairman of the Nomination and Remuneration Committee (Sept 27, 2021)	61	- Master of Business Administration, National Institute of Development Administration - Bachelor of Political Science, Major in International Relations, Chulalongkorn University - Participated in: Director Certification Program, Class 24/2545 - Participated in: Audit Committee Program, Class 2/2547 - Participated in: Improving the Quality of Financial Reporting, Class 2/2549	100,000	-None-	-None-	2021 – Present	Chairman of the Board of Directors / Chairman of the Nomination, and Governance Committee / Independent Director Director	SG Capital Public Company Limited	Loan Services
						2555 – Present	Director	TINY wheels CO., LTD.	Distribution of Bicycle
						2002 – Present	Director	SRIBATHANA CO., LTD	Real Estate Development
						2002 – Present	Director	SRIDHARANI CO., LTD	Real Estate Development
						2002 – Present	Chairman	SAMMAKORN Public Company Limited	Real Estate Development
						2002 – Present	Chairman	DANU Thai Holding CO., LTD.	Real Estate Development
						2002 – Present	Chairman	The Spare Mining CO., LTD.	Manufacturing Products Made from Non- Metallic Minerals
						2001 – Present	Director	UVARNACHAD CO., LTD.	Distribution of Non-toxic Products
						2000 – Present	CEO	MONGKHOL CHAIPATTANA CO., LTD.	Animal Hospital and Retail of Processed Agricultural Products
						2015 – 2022	Director	Brainwake Cafe and Cycle CO., LTD.	Distribution of Bicycle
						2009 – 2018	Director/ Member of Audit Committee / Chairman of the Nomination and Remuneration Committee	Singer Thailand Public Company Limited	Distribution of Electrical Appliances and Commercial Products
						2002 – 2017	Director	Thai Insurance Public Company Limited	Insurance



บริษัท เอสจี แคปปิตอล จำกัด (มหาชน)
อาคารโทรคมนาคม บางรัก ชั้น 20 เลขที่ 72 ถนนเจริญกรุง
แขวงบางรัก เขตบางรัก กรุงเทพฯ 10500
E-mail : info@sgcapital.co.th Tel. : 02-028-2828

SG Capital Public Company Limited

Attachment 2

Details of Director in Subsidiary and Associated Company

As of 31 December 2022, the Company has no subsidiary and associated company.

SG Capital Public Company Limited

Attachment 3

Details of the Head of the Internal Audit and the Compliance Department of the Company

Information about the Head of Compliance Department

The Board of Directors has appointed Mr. Thatcharit Akkayakorn as the Acting Head of the Compliance Department of the Company to supervise the compliance with the rules of the Company's business regulators.

Name-Surname/ Position	Age (Year)	Education / Training	Shares Proportion	Relation with Executives	Penalties in the past 5 years for violating securities and exchange laws and derivatives law	Work experience in the past 5 years			
						Period	Position	Agency / Company	Business Type
Mr. Thatcharit Akkayakorn - Vice President of Risk Management (Feb 14, 2022) - Head of Compliance	50	- Master of Economics, Thammasat University - Bachelor of Economics Thammasat University	10,000	-None-	-None-	2022 – present	Vice President of Risk Management and Compliance Department	SG Capital Public Company Limited	Loan Business
						2020 – 2022	Risk Management Specialist	Bank of China (Thailand) Limited	Financial Institute
						2014 – 2019	Vice President – Liquidity Risk and IRRBB Management	CIMB Thai Bank Company Limited	Financial Institute

Information about the Head of Internal Audit Department

The Board of Directors has appointed Mrs. Warunee Preedanon of PricewaterhouseCoopers ABAS Company Limited (Outsource), to be the Head of Internal Audit Department of the Company to perform auditing and supervising the internal operations of the Company in accordance with the law and regulations of the Company's business supervision agency and report to the Audit Committee.

Name-Surname/ Position	Age (Year)	Education / Training	Shares Proportion	Relation with Executives	Penalties in the past 5 years for violating securities and exchange laws and derivatives law	Work experience in the past 5 years			
						Period	Position	Agency / Company	Business Type
Ms. Warunee Preedanon - Head of Internal Audit	60	<ul style="list-style-type: none"> - Master of Business Administration Western Illinois University - Bachelor of Accountancy (Honour) Chulalongkorn University - Certified Public Accountant (CPA) - Certified Internal Auditor (CIA) - Certified Fraud Examiner (CFE) - Certification in Risk Management Assurance (CRMA) GRC Professional Certification (GRCP) - Accreditation in Internal Audit Quality Assessment / Validation 	-None-	-None-	-None-	More than 35 years	Partner	PricewaterhouseCoopers ABAS Company Limited	Providing accounting, auditing, tax consultant services

SG Capital Public Company Limited

Attachment 4

Assets Used for Business Operation

1. Main Business Fixed Assets

As of December 31, 2022, the main fixed assets used in the business of the Company consist of rental space for the head office space, cars, office equipment, leasehold improvements and equipment, and right-of-use assets as shown in the Company's financial statements. The details are as follows:

Item	Net Book Value as of December 31, 2022 (million Baht)	Ownership	Obligation
Leasehold improvement and equipment	20.71	Owner	See details in no. 1.1
Right-of-use assets	18.91	Hire Purchase	See details in no. 1.2
Intangible assets	5.47	Owner	See details in no. 1.3
Total	45.09		

1.1. Leasehold Improvement and Equipment

As of December 31, 2022, the Company's leasehold improvement and equipment are as follows:

Asset	Net Book Value as of December 31, 2022 (million Baht)	Ownership	Obligation
Leasehold improvement	6.59	Owner	Asset Retirement Obligation
Furniture and office equipment	9.51	Owner	Asset Retirement Obligation
Computer and equipment	4.61	Owner	Asset Retirement Obligation
Total	20.71		

1.2. Right-of-Use Assets

As of December 31, 2022, the Company's right-of-use assets are as follows:

Asset	Net Book Value as of December 31, 2022 (million Baht)	Ownership	Obligation
Head office and office space	13.25	Lease Agreement	Asset Retirement Obligation
Cars	4.34	Lease Agreement	Asset Retirement Obligation
Office equipment	1.32	Lease Agreement	Asset Retirement Obligation
Total	18.91		

1.2.1 Building Lease Agreement

As of December 31, 2022, the Company has significant building lease agreements for business use as follows:

(1) Space Lease Agreement from CAT Telecom Public Company Limited

The Company entered into an agreement to lease certain spaces in the CAT Telecom Tower with CAT Telecom Public Company Limited to use as the office of the Company. CAT Telecom Public Company Limited, in a total of 3 agreements, consisting of (1) lease of spaces on the 20th floor of CAT Telecom Tower with a total area of 683 square meters; and (2) lease agreement for spaces of the 20th floor, Bang Rak Telecommunication Tower, with a total area of 99 square meters, and (3) lease agreement for certain areas of the 4th floor, Bang Rak Telecommunication Tower, in a total area of 453 square meters.

which summarizes the important details of the contract as follows:

Parties	: CAT Telecom Public Company Limited ("Lessor") SG Capital Public Company Limited ("Lessee")
Agreement Period	: (1) Lease agreement for the area of 683 square meters: Apr. 1, 2020 to Mar. 31, 2023 (2) Lease agreement for the area of 99 square meters: Apr. 1, 2020 to Mar. 31, 2023 (3) Lease agreement for the area of 453 square meters: from 15 Jan. 2022 to 14 Jan. 2025 (4) Lease agreement for area 70 square meters: Jan. 1, 2022 to Dec. 31, 2022.
Agreement Renewal	: In case the lessee is willing to renew the lease agreement, the Lessee must notify the Lessor in advance within the period specified in the notice of agreement period. The lease period and the lease fee will be agreed upon.
Payment Term	: The Lessee must pay the monthly fee to the Lessor within the 5th day of every month.
Guarantee	: The Lessee must place a security deposit at the rate of 2 times of the monthly lease payment.
Other Key Terms	: - The Lessee must not transfer the right to lease, sublease or allow another person to exercise the right on behalf of the Lessee unless receiving written consent from the Lessor.

- The Lessee must carry out repairs and/or must pay for damages in case the premises are leased, or other property of the lessor damaged by the fault of the Lessee or sub-Lessee.

Termination : - In case the Lessee fails to comply with any contract clause and does not take the action resolved within 30 days.

- The Lessee owes lease, service fees, utility bills, or any expenses.
- The Lessee is appointed to bankruptcy by the court or has an absolute receivership order.
- The Lessee has taken any action that disturbs or affects the service of the Lessor in which the Lessor notifies the Lessee, and the Lessee fails to perform as informed.

Default / Cancellation : - In case the Lessee fails to pay the lease within the specified period, the Lessor is eligible to charge interest on the outstanding amount at the rate of 15 percent per year.

- The Lessor has the right to forfeit the security deposit to pay for the outstanding debt in case the Lessee breaches any of the agreement terms which has any damages, or the Lessee owes lease service or utility bills including accrued interest.
- In case of contract termination, the Lessee must demolish the improvement, modification, or take any action and must deliver back the leased space within 30 days from the date of the agreement termination.

(2) Agreement for local service from CAT Telecom Public Company Limited

The Company has entered into a service agreement in the leased areas in the CAT Telecom Building on the 20th floor used as the office of the Company and the 4th floor used as the operating area. As of September 30, 2022, the Company has 3 contracts for service in the leased area with CAT Telecom Public Company Limited. The summary is as follows:

Parties : CAT Telecom Public Company Limited ("Service Provider")
SG Capital Public Company Limited ("Service Recipient")

Agreement Period : (1) Service agreement for the area of 666 square meters: Date Apr 1, 2020 to Mar 31, 2023
(2) Service contract for the area of 99 square meters: Apr 1, 2020 to Mar 31, 2023
(3) Service contract for the area of 453 square meters: Jan. 15, 2022 to Jan 14, 2025

- Agreement Renewal** : In case the parties have agreed to lease the area under the lease agreement, the parties agree that this service agreement will continue to be valid for the duration of the lease according to the agreed lease agreement.
- Service Scope** : Utilities services within the building and car park space for rent
- Payment Term** : Pay the lease to the lessor within the 5th day of every month.
- Guarantee** : The Service Recipient must place a security deposit at the rate of 2 times the monthly fee.
- Other Key terms** :
- The Service Recipient must pay compensation to the service provider including other applicants, customers and any person who has been damaged by the action of the service recipient.
- The Service Recipient must not transfer the right to receive the service to another person. or allow another person to exercise the rights under the contract on behalf of the service recipient unless obtaining prior written consent from the service provider.
- Termination** : The parties agree that the agreement will be terminated when the rental agreement for the use of space is extinguished or terminated.
- Default / Cancellation** :
- In case the Service Recipient fails to pay service fees or any other money within the specified period, the Service Recipient must pay interest on the outstanding amount at the rate of 15 percent per year.
- In case the Service Recipient does not comply with the conditions of the lease agreement and/or service agreement, the Service Provider can suspend the service as it deems appropriate.
- In case the Service Recipient fails to comply with any of the agreements which have any damages or unpaid service or utility bills including accrued interest, the Service Provider can seize the security deposit to pay back the outstanding debt.

(3) Office Space Lease Agreement from SINGER

The Company has entered into a space lease agreement for 26 locations with SINGER, who is a major shareholder of the Company to use in business. The summary and the important details of the agreements are as follows:

Parties	: Singer Thailand Public Company Limited ("Lessor") SG Capital Public Company Limited ("Lessee")
Agreement Period	: Jan 1, 2022 to Dec 31, 2022
Agreement Renewal	: In case the agreement expires and neither party terminates the lease agreement, the lease agreement will be effective for another 1 year, with the lease rates and lease terms being renewed.
Leased Asset	: 26 areas and utility services and facilities within the area
Other Key Terms	: <ul style="list-style-type: none">- The Lessee is responsible for any damage that may occur to the building and asset of the Lessee within the leased premises caused by the Lessee or customers of the Lessee.- The Lessee must not transfer the leasehold rights and sublet the leased premises to other people. Unless the Lessor has provided written consent.- The Lessee agrees to pay utility bills such as electricity bills, water bills, etc. to the Lessor monthly. This is calculated from the actual utilities incurred on the monthly invoice billed to the Lessee in the proportion of 80 percent of the actual utility bills according to the proportion of electricity and water consumption.
Termination	: <ul style="list-style-type: none">- In case either party breaches the agreement, and the other party has been notified in writing to act correctly and do not comply within 30 days.- In case the Lessee is willing to terminate the contract before the expiration of the lease term, the Lessee must notify the Lessor at least 90 days in advance.
Default / Cancellation	: The Lessee must proceed to move the property out of the lease premises and must deliver the lease place back to the Lessor in good condition.

(4) Space Lease Agreement with SG Service Plus Public Company Limited

The Company entered into an area lease agreement with SG Service Plus Co., Ltd., which is a company under the SINGER group to use for the business of the Company. The summary and important details of the agreement are as follows:

Parties	: SG Service Plus Public Company Limited ("Lessor") SG Capital Public Company Limited ("Tenant")
Agreement Period	: Nov 1, 2021 to 1 Dec 31, 2022

Agreement Period	: In case neither party terminates the lease, the lease period shall be extended for another 1 year at a time with the lease rate and rental conditions to be agreed upon.
Leased Asset	: Parts of the area of the warehouse building, No. 8, Moo 4, Sam Khok-Sena Road, Bang Nom Kho Subdistrict, Sena District, Phra Nakhon Si Ayutthaya Province and utility services and facilities within the lease area.
Other Key Terms	<ul style="list-style-type: none">- The Lessor is responsible for any damage that may occur to the building and asset of the Lessee within the lease premises caused by the Lessee or customers of the Lessee.- The Lessee must not use the lease premises and leased properties for purposes other than the business of the Lessee and must not allow other people to use the leased premises to be used as a business and must not transfer the leasehold right under the contract and bring the leased premises to other people to sublet without the prior written consent of the Lessor.
Termination	<ul style="list-style-type: none">- In case either party breaches the agreement, and the other party must notify in writing the party that violates the agreement to resolve within 30 days, but the Lessee still ignores or does not comply.- In case the Lessee is willing to terminate the agreement before the expiration of the agreement, the Lessee must notify the Lessor at least 90 days in advance.
Default/ Cancellation	<ul style="list-style-type: none">- When the contract ends, the Lessee must move the property out of the lease premises and must deliver the lease place back to the lessor in good condition.

1.2.2 Car Rental Agreement

The Company has entered into a car lease agreement with a service provider. As of September 30, 2022, the Company has a total of 4 car lease agreements, totaling 7 cars, which can be summarized as follows:

Parties	: True Leasing Company Limited ("Lessor") SG Capital Public Company Limited ("Lessee")
Agreement Term	: 4 Year
Payment Term	: Pay the lease every 25th of the month.

Responsibility of Lessee : - Do not sell, transfer, pledge, lend, sublease, create obligations to be occupied by others, or take the lease car outside Thailand without written consent.

- Do not modify, add, or use the car in an illegal act or use the vehicle while there is an abnormal condition.

Responsibility of Lessor : - Providing insurance according to the Motor Vehicle Accident Victims Protection Act and car insurance type 1, responsible for insurance premiums throughout the contract period.

- Responsible for any expenses related to registration, car tax, expenses for car repairs, spare parts, and car maintenance expenses.
- Notify the Lessor of changes in lease rates at least 30 days in advance, in case of changes in lease rates during the agreement period.

Other Key Term : Some agreements may specify conditions that the Lessee has the right to make a purchase decision at the price specified in the Agreement. In case the Lessee is willing to purchase the leased car at the expiration of the agreement before the Lessor offers the car to another person.

Termination : - Agreement expires.

- The Lessee fails to comply with any of the conditions in of the agreement.
- The Lessee fails to pay the monthly lease fee in time

Default / Cancellation : - In case the Lessee fails to pay the rent in time, the Lessee must pay the rent and damages with interest at the rate of 7.5% per year of the outstanding amount.


- In case the agreement expires, and the Lessee delivers the car back to the Lessor later than specified, the Lessee must pay the lease rate until the car is returned.
- In case the Lessee terminates the contract before the expiration or the Lessee breaches the agreement and the Lessor has notified to resolve it within 7 days and the Lessee does not take an action to resolve it, the Lessee must return the car immediately or within the date specified by the Lessor and must pay all debts and compensation in the amount of 30 percent of the remaining rent within 15 days from the Lessee terminating the agreement or the date the contract ends.



1.3 Intangible Assets

As of September 30, 2022, the intangible assets of the Company are computer software, etc., with a net book value according to the financial statements of the Company of 5.47 million Baht or 0.04% of total assets.

1.4 Trademark

As of September 30, 2022, the Company has a trademark registration and a trademark registration application with the Department of Intellectual Property and the Ministry of Commerce. The details are as follows:

Trademark	Registration No.	Description	Registered Date	Expiration Date
	191101875	The 36th category provides hir purchase loans open credit or loan.	Mar 2, 2017	Mar 1, 2027

Trademark	Request No.	Description	Date of Submission
	220121054	Category 36, loan guarantees, providing loans and hire-purchase loans services, financial consulting for hire purchase loans.	June 16, 2022
	220121060	Category 36, provides hire purchase loans, installment loans, providing loans and credits financial, consulting financial services.	June 16, 2022

1.5 Significant Licenses for Business

As of September 30, 2022, the company has important licenses to operate its business. The details are as follows:

License	Licensor	Type	Date of Issuance	Expiration Date
Letter of permission to operate personal loan business under supervision	Ministry of Finance	Business operators that are not commercial banks, finance companies and credit fancier companies under the law on financial institution, business established under specific laws.	Dec 18, 2019	-None-

1.6 Insurance of Business Assets

As of September 30, 2022, the Company has entered into an insurance contract for asset risk. The coverage covers the head office of the Company and gold, which is collateral for gold installment loans. The details of the major asset. The summary is as follows:

(1) Insurance Policy of the Asset Risks No. JMI-D-IAR-6411-000008 JMI-D-IAN-6411-000020

Insurer	The Company
Beneficiary	The Company
Insurance company	Jay Mart Insurance Public Company Limited
Coverage Period	November 19, 2021 to November 19, 2022
Location of Insured Asset	72 CAT Telecom Building, 20th Floor, Charoen Krung Road, Bangrak, Bangkok
Insured Asset	Assets and various contract documents, including the cost of copying or making various contract documents, including vehicle registration documents hire purchase agreement, documents related to lawsuits and judgment documents including furniture in the room where such documents are stored.
Coverage Type	Loss coverage or damage to the insured asset which is caused by fire, lightning, explosion, windstorm, earthquake disaster or volcanic eruption or underwater waves, or tsunamis, flooding threats disaster due to water (excluding floods), hail, smoke, aircraft, vehicles the threat of protests, strikes, riots or acts of malicious intent and including other accidents under the conditions and exclusions of the standard asset risk insurance policy.
Coverage and Claim Limit	The limit is not more than 37,537,000 Baht, with the limit of coverage for loss or damage caused by floods in the amount of not more than 3,000,000 Baht per event per time and throughout the insurance period.
First Claim	<ul style="list-style-type: none"> - The first 5,000 Baht per each and every incident except fire, lightning, explosion, aircraft peril, vehicle peril, peril from protests, strikes, riots or acts of malicious intent. - 10% of damage or a minimum of 5,000 Baht, whichever is higher for each and every event for loss or damage from disasters due to water (excluding floods) and the threat of burglary that does not appear to show signs of prying. - 10% of damage or a minimum of 10,000 Baht, whichever is higher to each and every event for loss or damage from floods, windstorms, earthquakes or volcanic eruptions or undercurrent or Tsunami.

(2) Insurance Policy for Jewelers no SJ000246-21NBK

Insurer	The Company
Beneficiary	The Company
Insurance Company	Muang Thai Insurance Public Company Limited
Location of Insured Asset	72 CAT Telecom Building, 20th Floor, Charoen Krung Road, Bangrak, Bangkok, Bangkok
Insured Asset	Stock of products related to the business operations of the insured or asset which has been entrusted to maintain and occupied by the beneficiary.
Coverage Period	October 18, 2021 to November 19, 2022
Coverage Type	Loss coverage or damage from all kinds of risks against the insured asset within the insured premises.
Coverage Limit	Coverage limits not exceeding 50,000,000 Baht
Claim	First 30,000 Baht for each and every damage

2. Investment and Management Policy in Subsidiaries and Associated Companies

The Company has established a joint investment policy with subsidiaries and/or associates in business groups that operate in accordance with the main business and provide synergy for the Company. However, subsidiaries and/or associated companies may consider investing in other types of businesses additionally if they are businesses that can generate good returns and have the potential to extend or benefit the core business of the Company to increase competitiveness and achieve maximum returns.

The investment evaluation of the Company, subsidiaries, and/or associated companies, the Company will conduct investment analysis with caution and must be approved by the Board of Directors or the resolution of the shareholders meeting on a case-by-case basis. The investment approval of such subsidiaries and/or associated companies must be in accordance with the principles of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand or related agencies.

SG Capital Public Company Limited

Attachment 5

Corporate Governance Policy and Code of Conduct (Full Version)

The Board of Directors realizes on the important of governing the Company under the principles of good corporate governance. Therefore, the Corporate Governance Policy including Code of Conduct and Business Ethics have been established which can be downloaded from the Company's website at:

https://www.sgcapiatal.co.th/en/investor/ir_cg or



Audit Committee Report

The Audit Committee of SG Capital Public Company Limited (“the Company”) consists of 3 independent directors who are fully qualified as stipulated in the Audit Committee Charter.

It was prepared in accordance with the guidelines and requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. In 2022, the Audit Committee of the company consists of

- | | |
|-----------------------------|--|
| 1. Mr. Suranit Sorasuchart | Chairman of the Audit Committee and Independent Director |
| 2. Mr. Pongsak Achakulwisut | Member of the Audit Committee |
| 3. Mr. Pisit Puapan | Member of the Audit Committee |

The Board of Directors has assigned the Audit Committee to assess and review the efficiency of the internal control system established by the executives. This includes hiring an independent internal auditor to assess the internal control system, risk management, and supervision to ensure compliance with legal requirements.

The audit committee evaluate the results of the internal control audit of the independent internal auditors, financial reports, and auditor's opinion and held a meeting with the executives of the Company, independent internal auditor, and auditor to acknowledge the review report, exchange views and determine appropriate measures.

In 2565, the Audit Committee held 4 meetings, with all members attending all meetings. The executives, accountants, and independent internal auditors of the Company are invited to attend the meetings of the Committee. The Committee fulfilled its duties within the scope of its authority and responsibilities as stipulated by the regulations. The key points of the meetings are summarized as follows:

1. The Audit Committee reviewed the financial statements of the Company quarterly. For the fiscal year ended December 31, 2022, it has been reviewed by the auditor. It is done by reviewing key figures and information in the financial statements including important issues and special items, and have been clarified and confirmed by the auditor and relevant executives about the information used in the preparation of the financial statements including reviewing the disclosure of the remarks to the financial statements to ensure that the preparation of the financial statements of the Company is accurate, complete and reliable and in accordance with financial reporting standards before presenting to the Board of Directors Meeting for approval. The Audit Committee has approved the financial statements that the auditor has reviewed and commented on the results.
2. The Audit Committee has reviewed the related party and connected transactions of the Company. The persons who may have conflicts of interest including evaluating the disclosure of related party and connected transactions of the Company. The Audit Committee concluded that the related party and connected transactions of the Company are in accordance with normal business conditions and are necessary and reasonable by disclosing information about the Company accurately, completely, and sufficiently.

3. The Audit Committee reviewed the internal control system to ensure that the Company has an adequate internal control system that is suitable and efficient. It was evaluated from the audit results of an independent internal auditor who reviewed internal control systems and operations.

In addition, the Audit Committee has instructed the independent internal auditor to follow up on the correction to ensure that the executives have made improvements according to the recommendations of the independent internal auditor within the specified period. Based on the review, the Audit Committee confirms that the internal control system of the Company is appropriate and sufficient, and no significant defaults which affect the operations and financial statements of the Company.

4. The Audit Committee has evaluated and reviewed the scope of work, and responsibilities as well as performing according to the audit plan of the independent internal auditor. This is done to maintain the quality and standards of internal auditing. For the internal audit operations in 2022, the Company has appointed PricewaterhouseCoopers ABAS Company Limited, an internal control auditing company that is an independent internal auditor in order to work according to international standards. The Audit Committee has evaluated the report on the audit results of the internal control system, follow up on the audit results of the internal control system along with providing advice to independent internal auditors to ensure that the performance is aligned with the audit plan of the internal control system with efficiency and effectiveness. The Audit Committee confirms that the performance of the internal audit is in accordance with the specified goals and sufficiently efficient.
5. The Audit Committee has reviewed the x operational supervision of the Company to comply with the requirements and other laws related to the business operations of the Company. The evaluation was based on the results of reviews conducted by the Compliance department of the Company to ensure that the Company conducts business correctly, transparently, and reasonably. The Audit Committee provides an opinion that the Company has the guidelines for supervision and is able to comply with relevant regulations and laws.
6. Regarding the appointment of auditors for the year 2022, the Audit Committee has evaluated and approved the auditors from KPMG Phoomchai Audit Ltd. to be the auditors of the Company for the year 2022. The appointment of the auditors and auditing fees are proposed to the Board of Directors for approval at the annual shareholders meeting. The Audit Committee held a meeting with the external auditor only 1 time without the executives attending the meeting to discuss the scope, approach, and audit plan, independence in performing duties, and expressing opinions of the auditor by focusing on the presentation of accurate, complete, and sufficient information.
7. Evaluate complaints together with an investigation to uncover the facts

In summary, the Audit Committee performed its duties as specified in the Audit Committee Charter by using knowledge and skills with caution, and prudence and is independent in performing duties. The information and corporation are well received from the executives of the Company. The Audit Committee provides the following opinions:

(1) the financial reports are accurate and in accordance with generally accepted accounting standards and disclose material information in a complete and adequate manner (2) there are related party and

connected transactions of the Company. Sufficient information about persons who may have conflicts of interest under normal business conditions with necessary and reasonable and complete are disclosed (3) there is an internal control system and an internal audit system that is suitable, concise, and efficient without any material errors that may affect the business operations and financial statements of the Company and (4) it complied properly with relevant laws, requirements, and regulations.

A handwritten signature in blue ink, appearing to read 'Suranit Sorasuchart'.

(Mr. Suranit Sorasuchart)
Chairman of the Audit Committee