

Annual Report



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SRISAWAD CORPORATION PUBLIC COMPANY LIMITED.



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Board of Directors



Mr. Sukont Kanjanahuttakit
Chairman



Mr. Vinai Vittavasarnvej
• Independent Director
• Vice Chairman
• Chairman of Audit Committee



Mr. Chatchai Kaewbootta
Director



Miss Duangchai Kaewbootta
Managing Director



Dr. Veera Veerakul
Independent Director



Mr. Tzung-Han Tsai
Director



Mr. Kudun Sukhumananda
Director



Board of Directors



Pol. Gen. Pharnu Kerdlarpphon

- Independent Director
- Audit Committee
- Chairman of Nomination and Remuneration Committee



Mr. Veerachai Ngamdeewilaisak

- Independent Director
- Audit Committee
- Chairman of Risk Management Committee



Mr. Sumate Maneewattana
Independent Director



Mr. Pinit Puapan
Director



Mr. Prayong Sannual
Director



Mr. Somyos Ngerndamrong
Director



Report from the Board of Directors

In 2020, the Company received capital increase from last exercise of Warrant amounted Baht 1,792 million, this is another source of funding to expand our business. In addition, the Company will entry into a joint investment transaction with Government Saving Bank in Fast Money Co., Ltd. in order to operate the auto title loans business for quality and low risk customers. And will entry into a joint investment transaction with Noble Development Public Company Limited in SWP Asset Management Co., Ltd. for expansion of asset management business. These two transactions will be completed in Quarter 1 of 2021, and will help the Company's business continue to grow.

As for the core business of the company Group, overall of SAWAD's group was unable to increase the portfolio size as planned due to the outbreak of COVID-19, however, the portfolio size increased by 11% from year 2019, and increase the number of branches by the end of 2020 by totaling 4,750 branches in operation in all major municipalities throughout all provinces in the country. In addition, the Company has provided personal loans under supervision of Bank of Thailand after the Company had increased investment in Srisawad Capital Co., Ltd. which provide personal loans under supervision. However, the company group still carefully released loans to customers, debt managing and cost control, including with expanding insurance brokerage service. All these factors enabled the Company to increase the net profit to Baht 4,790.84 million compared to Baht 3,928.75 million in 2019, a growth rate of 22% from year to year.

The company group will continue to focus on sustaining the profit growth as it has in the past. The aim is to grow the business by another 30%, through branch expansion and online channels, diligent credit assessment, risk management, and expanding the various lines of business such as Insurance or incorporate with our business partners to develop new technology not only local partners but also foreign partners, to expand core business as well as the new opportunities.

With the skills of the Company's employees and management team from their deep experience in the business, the Company aims to produce attractive returns for all the stakeholders including shareholders, business partners, customers and employees.



On behalf of the Board of Directors, I would like to express our gratitude to all customers, business partners, investors, and shareholders for the support that the Company has received. I would also like to thank all of our personnel and management team for the dedication to the company group, enabling us to grow and succeed at the rate that we have thus far.

Mr. Sukont Kanjanahuttakit

Chairman



Part I

Business Operation

1. Policies and Overall Business Operation

1.1 Vision and Mission

Vision

To become a leader of financial convenience store in Thailand

Mission

To provide prompt financial services covering all areas in demand, with appropriate risk management and continued quality development for employees to gear up for sustainable growth

Business Target in next 3-5 years

To expand financial service cover every sub-district in Thailand and to expand financial service to AEC, with suitable and compatible products to each country under concerned risk management. To expand NPL management service and debt collection service.

1.2 Company History, Changes and Significant Development

SAWAD was originally founded by the Kaewbootta family to operate an auto title loan business in Petchaboon province. The Company has continued to extend its service coverage by opening new branches in other provinces to include financial services offered to customers who need financial aids but have limited access to financing services offered by banks and financial institutions.

At present, SAWAD and its subsidiaries offer auto-backed loans and home-backed loans through their 4,750 branches (update as of 31 December 2020), under the service mark / trade name “**Mee Baan Mee Rod Ngern Sod Than Jai**” (literally translated as “Your car and/or your home can bring you instant cash”) and changed the service mark to “**Srisawad Ngern Sod Than Jai**” The Company’s strengths include its prompt services, fast approval and lending process as well as easy access and close relationship with customers. The Company



offers financing services to general retail customers in Bangkok, Bangkok's vicinity, and other provinces nationwide.

The Company's major changes and development can be summarized below.

1979 -2000	<p>The Kaewbootta family founded the Company to provide vehicle title loans in Petchaboon province.</p> <p>The business had been expanded to include larger service coverage in other provinces, marking a pioneer of the so-called car-for-cash loan segment.</p>
2007	<p>Sold the existing business which included branches and the service mark to another operator in the industry.</p>
2008	<p>Srisawad Power 1979(“SAWAD” or the Company) was established (formally known as PV and KK Service 2008), with the registered capital of Baht 1 million, without any business operation.</p>
2009	<p>Acquired Srisawad Power Co., Ltd (SP) , engaging in the debt collection business and the auto title business (with less than 100 branches).</p> <p>Under SAWAD Group's umbrella, SP expanded the debt collection and lending businesses to include 136 branches.</p>
2010-2014	<p>The Company increased the registered and paid-up capital to Baht 5 million and launched the auto-backed loans and home-backed loan business under the service slogan “Mee Baan Mee Rod Ngern Sod ThanJai”</p> <p>Restructured the business by acquiring two companies, without business operation</p> <ul style="list-style-type: none">- Srisawad Power 1982 Co., Ltd (“SP 1982”) (formally known as K.P.N Holding Co. Ltd- Fast Money Co. Ltd. (“FM”) (formally known as J.D.T Money Service Co., Ltd) <p>The Company increased the registered and paid-up capital to Baht 200 million.</p> <p>SP's business was transferred to the Company after SAWAD purchased and received the transfer of loan receivables and hire purchase receivables for operation and management at the Company and SP 1982.</p> <p>The branch network was expanded to include 265 branched at the end of 2011.</p>
2012	<p>The Company increased the registered capital and paid-up capital from Baht 200 million to Baht 750 million.</p>



- 2013 The Extraordinary Shareholder Meeting No. 1/2013 held on 31 May 2013 approved the plan to privatize the Company to become a public company with a change of the par value from Baht 100 per share to Baht 1 per share. The Company increased the registered capital from Baht 750 million to Baht 1,000 million by raising the capital of Baht 250 million, with 250 million shares allocated for the initial public offering.
- The Company was registered the privatization on 14 June 2013
- As of 31 December 2013, the Company's branch network included a total of 602 branches.
- 2014
 - The Company carried on the initial public offering for the total shares of 250,000,000 at a par value at Baht 1 and at a share price of Baht 6.90 per share. In addition, the Company registered the change of the paid-up capital to Baht 1,000 million (1,000,000,000 shares at a par value of Baht 1) with the Business Development Department, Ministry of Commerce on 2 May 2014. Then, the Stock Exchange of Thailand listed 1,000,000,000 ordinary shares at the par value of Baht 1, with the stock trading started on 8 May 2014.
 - Issued senior and unsecured bonds valued at Baht 500 million, with maturity of one year and six months, for institutional investors and high net worth investors on 30 June 2014.
 - The Company founded Srisawad Asset Management Co. Ltd, with the registered capital of Baht 25 million, with holding of 99.99 percent. The new company was set to operate debt collection services and purchase distressed assets from financial institutions, with an operating license being granted by the Bank of Thailand in July 9, 2014.
 - On 9 September 2014, the Extraordinary Shareholder Meeting No 3/2014 resolved to allow the Company to receive the business transfer from Srisawad Power 1982 Co, Ltd., its subsidiary. The transaction was completed on 30 September 2014 and Srisawad Power 1982 already registered the company's dissolution and it has now been under the company liquidation process.
- As of 31 December 2014, the Company's branch network included a total of 1,059 branches.
- 2015
 - Increased registered capital from Baht 1,000 million to Baht 1,060 million by issuing 60 million ordinary shares at the par value of Baht 1, for stock dividend amounted 20 million shares and reserve for exercised warrant amounted 40 million shares.
 - Issued Warrant No. 1 (SAWAD-W1) amounted 40 million units for existing shareholders.
 - Received the Nano Finance operating license granted by BOT
 - Srisawad Asset Management raised its registered capital from Baht 25 million to Baht 100 million and renamed to SWP Asset Management.



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|------|---|
| 2016 | <ul style="list-style-type: none">● The Company founded Srisawad International Holding Co. Ltd, with the registered capital of Baht 10 million. The new company was set to be a holding company.● The Company founded Srisawad Vietnam LLC, with the registered capital of Baht 200 million. The new company was set to operate trading service in Vietnam.● As at 31 December 2015, the Company's branch network included a total of 1,627 branches.● Decreased and increased capital fund from 1,060 Million Baht to 1,086.5 Million Baht by issuing 26.5 Million ordinary shares, at the par value of Baht 1, for stock dividend amounted 25.5 million shares and reserve for adjusted exercise ratio of Warrant No. 1 amounted 1 million shares.● The Company founded SWP Services Co. Ltd, with the registered capital of Baht 15 million for providing consultancy services to implement and manage the credit-provision process from end to end. After restructured within Group the Company sold all ordinary shares of SWP Services to Srisawad International Holding Co., Ltd. (the Company's subsidiary)● Established Srisawad Power 2014 Co., Ltd. with registered capital of Baht 1 million for debt collection service.● Srisawad International Holding Co., Ltd. founded United Coastal Co., Ltd. with registered capital of Baht 1 million for being a holding company.● The Company had invested in Bangkok First Investment & Trust Plc. for 9.84% of paid-up capital. The Company had applied and received permission to hold BFIT up to 100% from The Bank of Thailand on 27 December 2016.● As at 31 December 2016, the Company's branch network included a total of 2,130 branches.● The Company had invested in Bangkok First Investment & Trust Plc. (changed name to Srisawad Finance Plc. later) through the Company's agent and tender offer for 36.35% of paid up capital. |
| 2017 | <ul style="list-style-type: none">● Decreased and increased registered capital from 1,086.5 Million Baht to 1,130 Million Baht by issuing 43.5 Million shares at the par value of 1 Baht, for stock dividend payment amounted 41.8 Million shares and reserved for adjusted exercise ratio of Warrant No. 1 amounted 1.6 Million shares.● Raised fund in Srisawad Power 2014 Co., Ltd. (S2014) from 1 Million Baht to 2,000 Million Baht and partial business transferred and branches from the Company to Srisawad Power |



- 2014 Co., Ltd. and S2014 started to provide loans, loan management service and debt collection service.
- Transformed the Company's business from lending business to holding business and changed the Company's name to "Srisawad Corporation Plc." for founding financial group..
 - Restructured business among the Company's group by lending agreement segregation and size of lending
 - Srisawad International Holding Co., Ltd. founded Srisawad Leasing Laos Co., Ltd. with registered capital of Baht 12.08 million for expanding lending business to Laos.
 - Warrants' holders had exercised 50,200 units of Warrant to 53,513 registered shares in the first exercise period.
 - As at 31 December 2017, the Company's branch network included a total of 2,490 branches
- 2018
- Decreased and increased registered capital from 1,130 MB. to 1,192.72 MB. by issuing 62.77 million ordinary shares at the par value of 1 Baht, for stock dividend payment amounted 60.41 million shares and reserved for adjusted exercise ratio of Warrant No. 1 amounted 2.36 Million shares.
 - Increased capital in the Company's subsidiaries and associates as follows:
 1. Increased capital in Srisawad International Holding Co., Ltd. from 10 MB. to 300 MB.
 2. Increased capital in Fast Money Co., Ltd. from 50 MB. to 150 MB.
 3. SWP Services Co., Ltd. (subsidiary of Srisawad International Holding or "SIH") increased capital from 15 MB. to 300 MB., SIH exercised its right for 210 MB. or 75% of registered capital, the rest 25% of registered capital sold to Win Lily Pte. Ltd. which will be beneficial to the business in Myanmar.
 - Moved from the Ninth Grand Rama 9 Tower to new office at Srisawad Building, Cheang Wattana Road.
 - Dissolution United Coastal Co., Ltd. (a subsidiary of SIH)
 - Decreased and increased registered capital from 1,192.72 MB. to 1,249.71 MB. by issuing 57 million ordinary shares at the par value of 1 Baht, for offering to specified person such as Cathay Financial Holding Co., Ltd. or its associates at the offered price of Baht 45 per share worth 2,565 MB.
 - Founded P Lending Co., Ltd. to establish platform for lending business, with registered capital 5 MB. the Company held 75% of total shares, the rest 25% held by strategic partners.



2019

- As at 31 December 2018, the Company's branch network included a total of 2,870 branches
- Increased registered capital from 1,249.71 MB. to 1,374.66 MB. by issuing 124.95 million ordinary shares at the par value of 1 Baht, for stock dividend payment amounted 120.48 million shares and reserved for adjusted exercise ratio of Warrant No. 1 amounted 4.47 Million shares.
- Srisawad International Holding Co., Ltd. buy back shares of SWP Services Co., Ltd. from partner which cannot get along with.
- Subscribed and oversubscribed right to purchase new shares of BFIT, then make the proportion of holding of BFIT rose from 45% to 78% and make a tender offer from BFIT's shareholders, after tender offer, the proportion of holding of BFIT increase to 82%
- Warrant holders (SAWAD-W1) had exercised their right to purchase ordinary shares amounted 8,893,749 units, this made the paid-up capital increased 11,001,563 Baht
- Srisawad International Holding Co., Ltd. disposed its investment in Srisawad Vietnam LLC from 100% to 10% to its business partners.

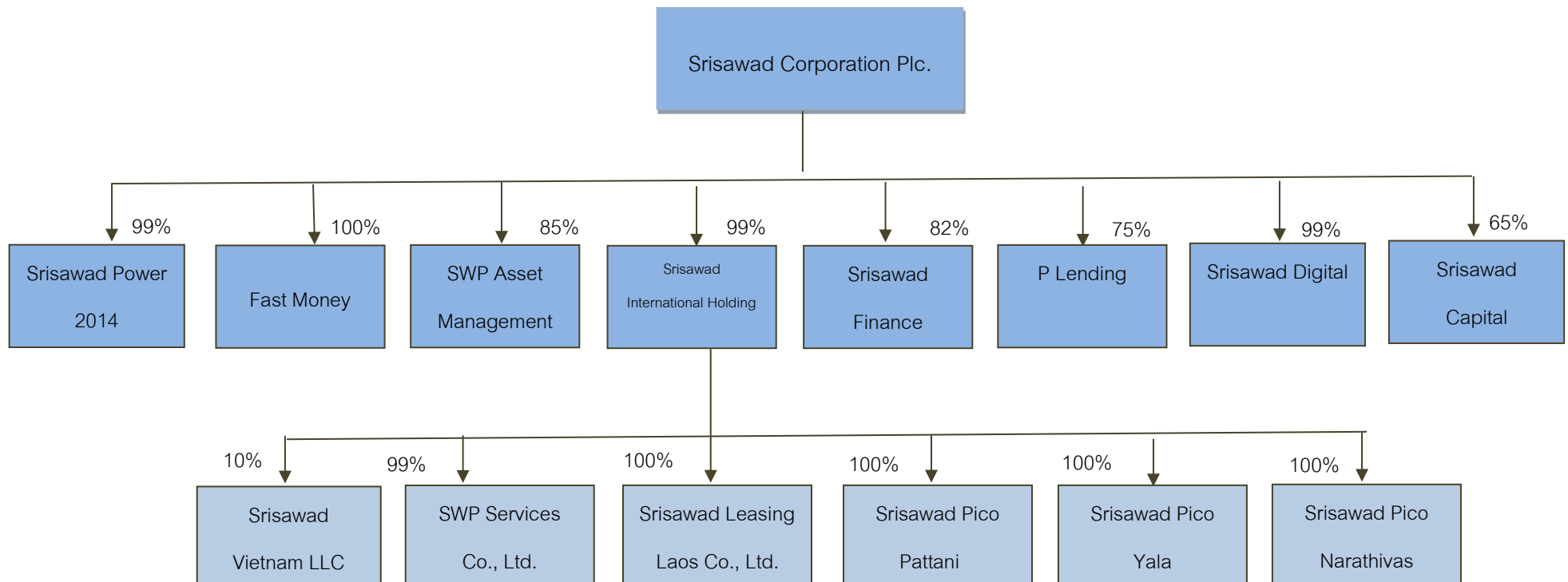
2020

- As at 31 December 2019, the Company's branch network included a total of 4,080 branches.
- From the last exercise of SAWAD-W1, there were 29,834,500 units of SAWAD-W1 had been exercised that made the paid-up capital increased Baht 36,905,142 and SAWAD-W1 delisted and expired.
- Srisawad International Holding Co., Ltd. founded 3 companies, Srisawad Pico Narathivas Co., Ltd., Srisawad Pico Yala Co., Ltd., and Srisawad Pico Pattani Co., Ltd. for expanding PICO Finance business.
- Decreased and increased registered capital from Baht 1,374.66 million to Baht 1,428.08 million by issuing 54.93 million ordinary shares to reserve for exercise SAWAD-W2
- Issued and offered SAWAD-W2 amounted 54.93 million units to existing shareholders.
- Founded Srisawad Digital Co., Ltd. with 50 million Baht registered capital, the Company held 100% to expand lending business.
- Invested in Srisawad Capital Co., Ltd. up to 65% to expand personal loan business
- As at 31 December 2020, the Company's branch network included a total of 4,750 branches



1.3 The Company's Structure

As of 31 December 2020, the Company owned the following companies.





2. Business Characteristics

At present, SAWAD Group offers secured retail loans under the service slogan “Srisawad Ngern Sod Than Jai”. The lending services consist of hire purchase loans for new motorcycles and personal loans; in addition, the Company has just expanded its business to cover debt collection business and purchase of distressed assets from financial institutions for management. The details of the Company's business as follows:

Company	Business
Srisawad Corporation Public Company Limited	Holding business (former: provided secured loans, for complying to BoT regulation according to invest in finance company, the Company has to transform to holding company and transferred business to Srisawad Power 2014 Co., Ltd.)
Srisawad Finance Public Company Limited	Finance business providing deposits, corporate lending, projects lending, consumers lending, car for cash and house for cash, Bond representative service.
Fast Money Co., Ltd.	Offers hire purchase loans for new motorcycles, non-secured personal loans, Nano finance loans and personal loan under supervision of the Bank of Thailand (At present suspense hire purchase loans and non-secured personal loans)
SWP Asset Management Co., Ltd.	Provides debt collection service and the purchase of distressed assets from the financial institutions for management
Srisawad International Holding Co., Ltd.	To invest in other business in Thailand or aboard
Srisawad Power 2014 Co., Ltd.	Provides debt collection service and provide loans secured by houses, land, townhouses and condominiums and all kinds of old vehicles including motorcycles, commercial cars, trucks, public buses, vehicles for agricultural purposes, e.g., tractors and rice harvesters, and four-wheel cars by hire purchase contract and motorcycle for cash and insurance service agent.



P Lending Co., Ltd.	Generate platform for lending business, to expand the Group's lending business and lending business agent
Srisawad Digital Co., Ltd.	Provides digital personal loan (under the process of applying for a license)
Srisawad Capital Co., Ltd.	Provides personal loan under supervision of the Bank of Thailand
SWP Services Co., Ltd.	Provides consultancy services to implement and manage the credit-provision process from end to end in ASEAN
Srisawad Vietnam LLC	Provide secured loans
Srisawad Leasing Laos Co., Ltd.	Obtained leasing license in Laos and start leasing business in 2018
Srisawad Pico Narathivas Co., Ltd.	Provides provincial loan under supervision (under the process of applying for a license)
Srisawad Pico Yala Co., Ltd.	Provides provincial loan under supervision (under the process of applying for a license)
Srisawad Pico Pattani Co., Ltd.	Provides provincial loan under supervision (under the process of applying for a license)

As of 31 December 2020, SAWAD Group's total receivable portfolios amounting to Baht 39,459 million, consisting of the total auto title loan receivables amounting to Baht 20,292 million, hire purchase loan receivables of Baht 191 million, the home-backed loan receivables valued at Baht 16,026 million and nano finance receivables and personal loan receivables of Baht 2,950 million, accounting for 51.43 percent, 0.43 percent, 40.61 percent and 7.48 percent, respectively, of the total loans.

Revenue Structure

The Company's revenue structure in the consolidated financial statement in 2018-20 is as follows:



Consolidated Financial Statement	2018		2019		2020	
	Million	%	Million	%	Million	%
Core business						
Revenue from hire purchase business	954.36	12.11	447.93	4.57	103.04	0.94
Interest income from lending business	4,811.31	61.05	6,715.68	68.57	6,715.68	68.57
Interest income from asset management business					239.23	
Total revenue from core business	5,765.67	73.16	7,163.61	73.15	8,166.09	74.29
Other revenue^{1/}	2,115.65	26.84	2,629.65	26.85	2,826.94	25.71
Total revenue	7,881.32	100.00	9,793.26	100.00	10,993.03	100.00

Note:^{1/} Other revenue includes fees, service charges, expense and penalty fees, and etc.

Business Operation by Products

2.1 Characteristics of the products or services

Auto title and home-backed loans

SAWAD Group provides secured loans by Srisawad Corporation Plc., (serviced between January to June 2018), Srisawad Power 2014 Co., Ltd. and Srisawad Finance Plc. (started service from July 2018) in Thailand, Srisawad Vietnam LLC provides secured loans (car and motorcycle) in Vietnam, collateralized by all kinds of vehicles, including personal cars with not exceeding seven seats, personal trucks (pick-up trucks), motorcycles, six-wheel vehicles, the-wheel vehicles, trailers and vehicles used for agricultural purposes as well as other collaterals including houses, land, condominiums.

As of 31 December 2020, the Company offered auto title loans and home-backed loans with the total net receivables under the hire purchase contracts and loan agreements totaling Baht 36,509 million.

Loan values classified by collaterals

Loans classified by collaterals /1	31 December 2018		31 December 2019		31 December 2020	
	million	%	million	%	million	%
Motorcycles	2,366.99	9.04	3,616.19	8.97	7,705.64	19.38
Commercial Cars	2,033.17	7.76	2,065.13	5.12	1,879.74	5.15
Vehicles used for agricultural purposes	441.24	1.68	171.76	0.43	42.62	0.12
Four-wheel vehicles	10,349.83	39.53	11,878.07	29.48	11,484.55	31.45
Deeds of houses, land and condominiums	10,994.30	41.99	15,192.84	37.70	16,026.53	43.90
Total	26,185.53	100.00	32,923.84	100.00	32,923.84	100.00



Loan accounts classified by collaterals

Accounts classified by collaterals	31 December 2018		31 December 2019		31 December 2020	
	contract	%	contract	%	contract	%
Motorcycles	411,031	68.60	457,718	67.33	500,128	66.55
Commercial Cars	18,138	3.03	18,883	2.67	17,965	2.39
Vehicles used for agricultural purposes	717	0.12	669	0.09	548	0.07
Four-wheel vehicles	119,994	20.02	141,944	20.09	168,089	22.37
Deeds of houses, land and condominiums	49,308	8.23	69,373	9.82	64,790	8.62
Total	599,188	100.00	706,587	100.00	751,520	100.00

Examples of collaterals



motorcycles



Four-wheel and six-wheel



Ten-wheel vehicles



Tractors



rice harvesters



Trailers



Personal cars



Personal pick-up



Deeds of house and land

Legal transactions and contracts can be classified into two groups

- (1) Loan agreements: The Company provides lending services under the loans agreements secured by all kinds of collaterals. The collaterals can be classified into two categories:

- 1.1) For loans collateralized by all kinds of vehicles, customers do not have to transfer the ownership of the vehicle registration when the loan agreement is inked but they are required to present the vehicle registration certificate to the Company and also sign in a transfer request for floating transfer of



collaterals to the Company. In case a customer defaults on his obligation to repay loan for a certain duration specified by the Company, the Company will send a warning letter and the customer shall repay loan within seven days. If the customer fails to repay loan by the specified time, then the Company shall confiscate the collateral. Once the collateral is confiscated, the customer is allowed to redeem the collateral within 30 days. If no redemption is done within 30 days, the Company is entitled to sell the collateral. Also, the Company is entitled to register the ownership transfer with no legal actions required.

1.2) Legal transactions for loans secured by the deeds of land, houses and condo units can be classified into two categories as follows:

- Mortgage contracts: A customer, as a mortgagee, registers mortgage with the Company, as a mortgagor, and signs a loan agreement. Then the customer presents the deed to the Company as collateral on the day the loan is extended to the customer. Note that the customer still holds the right to possess and use the collateral. If the customer defaults on his obligation to repay loan for a certain period, the Company, as a lender and mortgagor will send a notice to the customer, requesting the customer to repay loan within specified time. If no loan repayment is done, then the Company shall file a lawsuit against the customer and take possession of the collateral or sell it by auction.
- Consignment contracts: A customer, as a seller on consignment, signs a consignment contract with the Company, as a buyer on consignment. The ownership of the collateral belongs to the buyer after the consignment contract is inked. The ownership will be returned to the seller upon the collateral redemption within the time specified in the contract. If the seller fails to redeem the collateral within the redemption period (lending period), the ownership of the collateral will completely belong to the Company. In other word, if the customer defaults on this obligation to repay loan for a certain period of time, the Company is entitled to take possession of the collateral without any legal actions required.

- (2) Hire purchase contracts: SAWAD Group provides hire purchase loans collateralized by vehicles. A customer is required to transfer the ownership of the vehicle registration certificate and presents the vehicle registration certificate to the Company as collateral. As for a rice combine harvester with no ownership documents, the customer is required to present an ownership certificate issued by the manufacturer and a sale contract as collateral but he or she still remains an owner of the vehicle. If the customer leaves the outstanding balance overdue for specific time, the Company will proceed with the collection procedure. In



case the customer defaults on his obligation to repay loan for a certain period longer than the Company's policy, the Company will send a notice to terminate the contract and request that the customer repay debts within 30 days. Failure to do so will result in collateral confiscation. After the Company confiscates the collateral, the customer is given 30 days to redeem the collateral. If the customer fails to redeem the collateral within the specified time, the Company will sell the collateral by auction.

Loan amount classified by legal transactions

Auto title loan classified by legal transactions and contracts	31 December 2018		31 December 2019		31 December 2020	
	million	%	million	%	million	%
Loan agreements	23,431.57	89.48	32,043.68	97.33	36,317.85	99.48
Hire purchase contracts	2,753.96	10.52	880.16	2.67	191.23	0.52
Total	26,185.53	100.00	32,923.84	100.00	36,509.08	100.00

In term of repayment period, the Company allows 6-48 installment periods, depending on types of collaterals. For example, the maximum repayment period for loans collateralized by motorcycles is 18 installment periods while loans collateralized by general vehicles, customers are given a maximum of 36 installment periods. As for popular cars, home or land deeds, the repayment period does not exceed 48 installment periods. Finally, in terms of interest, the rates vary, depending on types of collaterals.

Commercial Loans and Project Finance

SAWAD Group provides commercial loans and project loans by Srisawad Finance Plc. provides project loans to fill the need for expansion or new business development. Project loans can be provided as a short-term, medium-term, or long-term loan to match with the necessity and suitability of each project.

As at 31 December 2020, there are outstanding commercial loans and project finance amounted Baht 225.93 million

Non-secured loans for retails

SAWAD group provides non secured loans by the subsidiary, Srisawad Finance Plc., Fast Money, which was granted licenses by the Bank of Thailand as follows;

Consumer Loans

Consumer loans license was granted by Bank of Thailand for Srisawad Finance Plc. which provides services to corporate employees with a wide range of tenors of repayment from short term, medium term, to long term.



Personal Loans

FM was granted a license by the Bank of Thailand to provide personal loan services under its control (Personal Loans) since 2011. The Company offers loans only to stable and secured income earners, permanent resident, at least two guarantors in order to minimize the risk. However concerning to minimize risk, the Company now has frozen personal loan since the beginning of 2016.

As at 31 December 2020, there are outstanding personal loans 67 contracts amounted Baht 1.52 million, and not only freeze new personal loans in 2016 but continually contact the existing customers.

In 2020, Srisawad Capital Co., Ltd. (SAWAD's subsidiary since December 2020) provide personal loan services under supervision of the Bank of Thailand since 2019, offers loan to salary men who have monthly income more than Baht 30,000, and provide loans via independent sales team. As at 31 December 2020, there are outstanding personal loans 3,267 contracts amounted Baht 1,840 million.

Nano Finance

FM was granted a license by the Bank of Thailand to provide Nano finance loan services and the permission to provide loan through Nano finance scheme since April 2015. Not being secured by collaterals, providing Nano finance loans is riskier than offering auto title loans or hire purchase loans for new motorcycles. Hence, the Company offers loans only to person who want to start new business as a franchisee, by focusing franchiser policy, place of business, revenue and expense projection, to consider suitable loans in order to minimize the risk. The FM's income earned by its Nano finance loan segment includes interest income, fees for minimum repayments, contract fees, and penalty fees for late repayment.

To consider approving personal loans, FM focuses on customers' ability to repay debts, analyzing general information and credit data from National Credit Bureau Co. Ltd. For the lending duration, FM allows 24 – 36 installment periods. Customers who fail to settle the installment bills for four consecutive months will receive a warning letter from the Company. If customers or guarantors still refuse to repay debts, FM will proceed with legal actions.

As of 31 December 2020, FM recorded Nano finance loan receivables of 34,079 contracts, with the total receivables valued at Baht 205.77 million and lending duration were between 12-30 installment periods. However concerning to minimize risk, the Company now has frozen Nano finance since the beginning of 2020.

Debt Collection Business



The Company provide debt collection service by the subsidiaries, SWP Asset management and Srisawad Power 2014 which focus on debt collection particularly for secured debts. SWP Asset Management provide debt collection service to the financial institutions, and Srisawad Power 2014 will provide debt collection service for leasing and dealer company.

SAWAD group has networks of branches and experienced staff members across Bangkok, Bangkok's vicinity and other regions nationwide. As at 31 December 2020, the Company had 4,750 branches across the country.

Distressed Asset Management Business

In 2015 SAWAD started operating distressed asset management by auctioning financial institutions' distressed asset. Before auction, SWPAM has to due diligence non-performing loans data, analyze, and pricing for auction. After auction, SWPAM will inspect all details of non-performing loans, subrogate, and substitute all non-performing loans to SWPAM's assets. In each auction process, SWPAM will concern and consider succession rate of collection, enforcement, resell, all expense used for collection, period of time to collect and the Company required rate of return.

As at 31 December 2020, the Company had outstanding distressed asset at cost amounted Baht 2,808 million.

Comprehensive Credit-Provision Management Consultancy Service

In 2016, The Company established a subsidiary, SWP Services Company Limited (SWPS), to engage in the business of providing consultancy services to implement and manage the credit-provision process from end to end. The focus market consists of companies in the CLMV countries, with the intention of being able to study the markets and prepare for further expansions in the future.

The type of services provided by SWPS includes assisting companies in the banking and financial service industry, and also those engaging in instalment sale arrangements, to manage the credit provision process from end to end. This includes developing and advising on procedures related to customer verification, customer credit evaluation, credit approval, balance collection, and marketing.

Deposits Service

SAWAD group provides deposits by Srisawad Finance Plc., offers several types of deposit service such as deposit receipts and promissory notes to general public, corporate entities, foundations and associations. Terms of deposits are at call or ranging from 1 – 36 months. The Company offers appropriate interest rates according to the existing economic condition and in line with the interest rate in the money market as a whole.

As at 31 December 2018-2020, there are outstanding deposits classified by type of deposits as follows:



Type of Deposits	31 December 2018		31 December 2019		31 December 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
At Call	404.42	5.56	94.70	1.49	199.19	3.81
At maturity	6,869.55	94.44	6,253.63	98.51	5,034.91	96.19
Total	7,273.97	100.00	6,348.33	100.00	5,234.10	100.00

Insurance Brokerage Service

In 2018, the company received a license to operate non-life and life insurance brokerage businesses, issued by the Office of Insurance Commission (OIC), the company is able to offer car insurance policies and other insurances, including credit coverage insurance, personal accident insurance and health insurance (e.g., COVID-19 insurance)

Providing insurance services to corporate credit customers and individuals.

In the year 2019, the company has started to offer options for customers who buy auto insurance and pay in cash, with an interest-free car insurance installment plan for up to 8 months, in order to reduce the burden of customers. While other service providers in the same business, usually, installment payment plans are only offered to customers who have credit cards under certain conditions. This alternative providing such an option for installment payments made the company a significant advantage in acquiring new customers who has low purchasing power can reach auto insurance. This also benefits customers to have more access to the company's insurance products, and the clients can better manage their turnover.

In addition, in 2021, the company prepares to develop a platform that creates the company's competitive advantage. It is a crucial factor driving the growth of the company's insurance brokerage business. The platform can be used to compare and set prices of the payment of insurance premiums, both in full amount, installments and renewal. The aforementioned system assists in the work of the branch. The company's platform is connected to the insurance company partners with outstanding features that the price can be offered to customers, including providing protection to customers immediately. This allows customers to conveniently compare and purchase car insurance policies from 10 leading insurance companies in Thailand. The company believes that the ability to distribute products through digital and data analytic capacity will enable the company to serve customers better in the future. Using a processing system to set better prices and increase sale opportunities across other financial products. It also reduces the damage that may occur to the insurance partners of the company.



The company's service is considered an important part of the insurance selling. It will benefit from the analysis of the company's data in the future and at the same time for clients. The company is committed to be an accessible and reliable advisor in making purchase or reinsurance decisions. So that the company have continuous income even though the company has no risk in underwriting. However, with the information of insurance sales and claims that the company has collected, it will be helpful for underwriting and risk management in the future.

2.2 Market and Competition

The Company is in the business of providing collateralized retail loans, with vehicles, land, homes and condominiums as collateral, in the form of hire purchase contract, personal loan, and nano finance, which provides interest income from loans, and interest income from hire purchase. Therefore, financial outlook of the country including interest rates, and yields on government bonds, which affects the Company cost of fund to operate the business, are material factors for the Company business.

Financial Outlook for 2020

- 1) Interest rate in 2020, the Monetary Policy Committee ("MPC") decided to lower the polict rate in February, March and May, the policy rate was cut totaled 0.75 percentage point from 1.25 percent per annum at the end of 2019 to 0.50 percent per annum at the end of 2020. Due to the outbreak of COVID-19 which started to spread since the end of 2019. The assessment was lower than previous forecast which correlation with down trend of policy interest rate which MPC had cut the policy rate in the first half of 2020. In the second half of 2020, Thai economic continued to recover but at a slow pace in the period ahead. Therefore, the economy need would thus ned support from the continued low policy rate. The average deposit rates and average lending rates of large-sized commercial banks decrease to 0.68 and 5.57 percent, respectively.
- 2) Lending In 2020, private credit outstanding of Depository Corporations at the end of the year grew by 4.4 percent, accelerated from a 2.3 percent at the end of 2019, as a result of the favorable expansion in both household and corporate loans. The expansion was partially supports by the government financial support measures related to COVID-19 that implemented through specialized financial institutions.
- 3) Return on government bond (yield) Government bond yields declined in both short-term and long-term. Short-term bond yield declined following investors' capital requirments for managing liquidity, along with the policy tare remained at low levels. The downtrend of long-term bond yield mostly contributed by investors anxiety over the COVID-19 pandemic.



Household Debt 2020

Information from the Office of the National Economic and Social Development Board indicated that Thai household debt grew from the year 2019, due to economic contraction as a result of COVID-19 pandemic. Household debt was 13.77 trillion baht, increased from 3.8 percent in the third quarter of 2020, equivalent to 86.6 percent of the total GDP. Non-performing loans (NPLs) was 144,329 million baht or accounted to 2.91% of total household debt. This was a result of assistance measures and debt restructuring. However, the ability to repay debt needs to be closely monitored. The ratio of outstanding loans of less than 3 months in personal consumption accounted for 6.7 of total loans, or twice the ratio of NPLs to total loans. It indicates the risk that such loans would turn into NPLs if household income and their ability to repay debt were negatively affected.

Trends in household debt is expected to increase by the government's stimulus package plan and measures will boost demand for personal loans, credit cards, housing loans and car and motorcycle leasing loans.

Thai Economy in 2021

The Office of the National Economic and Social Development Board ("NESDB") expects the Thai economy in 2021 is projected to grow in the range of 2.5-3.5 percent better than the year 2020 which affected from COVID-19, drought and the delay of government disbursements. However, the uncertainty of the pandemic situation may slowdown the economic growth in quarter 1. Thai economy tends to recover with key supporting factors as follows: (1) the recovery of global economy and the global trade volume (2) the support from government spending (3) the gradual recovery of domestic demand and (4) the unusually low growth base of the economy in 2020 due to the COVID-19 outbreak. Nevertheless, the limitations and risks to recovery during 2021 are the uncertainties surrounding the pandemic both domestic and foreign which may intensify and prolong the situation, the delays in the recovery of the tourism sector, financial conditions of the households and business sectors, especially amidst a non-fully recovered labor market and business activities, risk of drought, and the volatilities in the global economy and financial market.

Interest Rate and Household Debt in 2021

For Thai monetary policy in the year 2021, expects the Monetary Policy Committee ("MPC") to maintain the policy rate at 0.5 percent per annum due to the effect of COVID-19 caused the economy in 2020 grew lower than expected and lower than potential. The impact of the new outbreak on the Thai economy would be less severe than last year, nonetheless, the recovery prospect remained highly uncertainty across economic sectors where likely to be more uneven which would affect the sustainability of the economic growth going forward. The economy would thus need support from the continued low policy rate.



The household debt in 2021 tend to continue to inch upward, and this may reflect the fact that indebtedness remains a sensitive issue for many households, in particular, those having a large variety of liabilities, as well as younger workers who have begun to borrow earlier than older generations. To tackle these structural issues, cooperation between numerous parties will be required.

Competitions

Auto title and home-backed loans

The auto loan segment has continued to grow given the nature of loans secured by car registration certificates and attractive returns. This business segment should also benefit from high demand from low income earners who need to reach financing services. The Company projected the number of people seeking financing services at 18-20 millions. On the back of the aforementioned factors, many operators have become more interested in this loan segment. Also, the new car market has become slower after the cars under the first-time car buyer scheme were delivered. Hire purchase loan providers then expanded to the auto-title loan segment as they view that the business generates attractive returns while the competition in the hire purchase segment for new cars is rather intense. Players in the auto title loan segment can be classified into two major customer groups:

- 1) Players focusing on Grades A to B- customers who earn stable incomes: Such customer groups include employees of private firms or state enterprises. Most operators who focus on these customer groups include commercial banks and their subsidiaries, e.g., Krungsri Auto (Car4Cash), TISCO Bank (TISCO Auto Cash), Thanachart Bank: TBANK (Cash Your Car), KBANK (K-Car to Cash), SCB (My Car My Cash), and KTB Leasing (KTBL Car Convenience Cash). This group of players sees cost advantages thanks to their lower financial costs and larger branch networks, as well as stronger capital bases. These players focus primarily on financial documents, emphasizing customers with good financial records.
- 2) Players focusing on below Grade B- customers upcountry: The customer groups in this category include small business operators, factory employees, general workers, farmers and lower-end customers with limited access to funding or loan sources. The funding limitation may be caused by their unfamiliarity with transactions in the banking system, their uncertainty that their loan application will be approved, and their understanding that the loan application at a bank is way too complicated and slow. Financial service providers in this category include Ngern Tid Lor Pcl., Muengthai Capital Pcl., and Saksiam Leasing Pcl. They consider credit limits, based the customers' data base. Branch



officers who are close with the communities go to check the customers' information on site, as well as examining supporting financial documents. Moreover, services include those collateralized by many asset items, including cars, motorcycles, vehicles used for agricultural purposes, land deeds, and etc. These operators focus on the expansion of branches in order to be close to communities, enabling them to develop relationships with community members and leaders. The operators focus on organizing marketing activities to promote their service brands and improve relationship with communities. As of 30 September 2020, the Company captured market share, in the third place of total receivable value in the non-financial institution system.

Comparative Details vs. Peers

	SAWAD	Other operators		
		Ngern Tid Lor	Muangthai Capital	Saksiam
Slogan	"Mee Baan Mee Rod Ngern Sod Than Jai"	Ngern Tod Lor	Convenient, Fast, Good Service and Lower interest rate	Loans for Social
Founded in	2522	2549	2535	2538
Total receivables (million baht)	39,235	45,928	65,870	6,247
As of 30 September 2020				
Branch network	All regions	All regions	All regions	Upper North
Collaterals /3				
- Second-hand cars	✓	✓	✓	✓
- Motorcycles	✓	✓	✓	✓
- Trucks	✓	✓	✓	✓
- Vehicles for agricultural purposes	✓	✓	✓	✓
- Land	✓	✗	✓	✗

Source: BOL and the Company's website

Non-secured loans for retails

The competition in the personal loan segment will intensify but the Company will not focus on personal loans.

The Company focuses on Nano Finance, from the Bank of Thailand report as at 31 December 2020, there



are 45 players in Nano Finance business with total loans outstanding amounted Baht 17,441 million. The Company has assessed the risks of this business and impact of COVID-19, this made the Company frozen Nano finance business.

In December 2020, the Company has invested in Srisawad Capital Co., Ltd., which provides personal loans under supervision of Bank of Thailand, provides personal loans to customers who have strong financial position but temporary lack of liquidity or for alternative channel to reach the sources of funds through independent sales teams. This will provide to customers who have monthly fixed income more than 30,000 Baht per month, the installment will be 12-60 periods with the interest rate not more than 25% per annum. This means that the Company will provide this service to hi-end customer, which have less competitors, the Company should be able to expand this service.

Debt Collection Business

Many debt collection companies and law firms have competed in the industry; therefore, the competition is rather intense. However, with its extensive branch networks across the country, SAWAD can enjoy cost advantages over its peers.

Distressed Asset Business

At present, there are many asset management firms including state owned asset management company, asset management companies under Bank's arms and private asset management company. However SWPAM will join auction the selected and encountered with the Company's experience portfolio, moreover ,nationwide coverage branches can thoroughly contact the debtors. And economic growth rate is lower than expected, drought crisis made agricultural industry cannot widely growth and may increase number of non-performing loans.

Comprehensive Credit-Provision Management Consultancy Service

In this line of business, there is currently no other company engaging in providing comprehensive advisory services on credit provision management. The target market in Myanmar is expected to increase over time due to the rising consumer needs for credit. If there is no new direct competitor, SWPS should be able to continue its growth in the foreseeable future.

Insurance brokerage business

The insurance brokerage business, the company competes with a large number of small and large group of insurance brokers, since the insurance brokerage market in Thailand is highly fragmented. In 2019, other








service providers in the same business in the auto secured loan market in Thailand by the company and other service providers in the same business. The Company has experience in the lending business and car insurance business through the rapid expansion of branches. In addition to expanding the business to similar businesses in order to increase the current customer base and the branch network.

Overview of the non-life insurance brokerage business

The non-life insurance brokerage business in Thailand is highly fragmented. There are 539 non-life insurance broker licenses, which can be divided into 7 groups such as independent insurance brokers, Dealer or car leasing company, non financial institutions, bancassurance, online insurance broker, shops or hypermarkets and individual agents. All employees of the insurance brokers who act as a non-life insurance underwriter, are required to have an individual brokerage license. In 2019, more than 166,000 individual insurance brokerage licenses were registered.

Category of Brokerage agents

Brokerage Type	Detail	Brokerage Company	Competitive advantage
 Brokerage agent	Agent who focus only insurance business	TQM Lockton Sri Krung	Wellknown and have experience in insurance brokerage business
 Dealer or Leasing companies	Car Dealer and leasing company	Honda Insurance Broker Toyota Insurance Broker	Own cutomers base
 Non financial institutions	Non-Bank who provide lending service	Srisawad Muangthai Capital Ngern Tid Lor	Cross selling between their products to their customers
 Bancassurance	Subsidiary of commercial bank	Thanachart Broker Krungsri General Insurance Broker	Bank's customers base, bank reputation cross selling between bank products
 Online insurance broker	Online only	Rabbit Finance Roo Jai	Low cost, simple and rapid



Brokerage Type	Detail	Brokerage Company	Competitive advantage
 Shops or hypermarket	Huge customer base to cross sell	Tesco Lotus 7-11	Huge customer base to cross sell
 Individual agent	Individual sales	Shop owner	Have good relationship with customers

2.3 Procurement of products and services

Sources of Fund

The Company's funding comes mostly from short-term and long-term borrowing from financial institutions at Baht 4,237.9 million accounting for 9 percent of the total funding sources. The figure suggests that the Company is rather highly dependent on borrowing from financial institutions. Nonetheless, the Company also has bills of exchange, debentures offered to institutional investors or high net worth investors, deposits for use as working capital and a means to inject liquidity to the Company; these accounted for 31 percent of the total funding so, as of 31 December 2020. Moreover, the Company also has funding from shareholders' equity at 46 percent of the total funding

Source of funding	31 December 2018		31 December 2019		31 December 2020	
	million	%	million	%	million	%
Deposits	7,273.97	20.23	6,348.33	15.04	5,234.10	10.89
Debt securities issued	6.00	0.02	6.00	0.01	6.00	0.01
Short-term loans from financial institutions	3,400.00	9.45	923.52	2.19	-	-
Bills of exchange	650.00	1.81	980.00	2.32	200.00	0.42
Obligations under finance leases	48.45	0.13	21.84	0.05	1,477.53	3.07
Long-term loan for investment in receivables	338.83	0.94	-	-	-	-
Long-term borrowings from financial institutions	3,445.83	9.58	4,372.53	10.36	4,237.90	8.82
Senior debenture	8,935.08	24.85	11,220.29	26.58	14,815.64	30.83
Shareholders' equity	11,862.86	32.99	18,338.37	43.44	22,084.87	45.96
Total	35,961.02	100.00	35,961.02	100.00	48,056.04	100.00



As for future funding, the Company has a policy to find funding to suit the purposes. The Company also takes account of the repayment period and the debt to equity ratio.

Characteristics of the products or services

1. Characteristics of customers and customer targets

SAWAD Group has a policy to offer loans only to retail customers, not those in the big corporate sector. The Group's customer targets include Grade B- customers, including factories' workers, general workers, state employees, and etc. Potential customers must own collaterals and the sources of their income should be clearly specified and verified by financial documents. A customer/a guarantor is required to submit supporting documentation for loan approval process, including a copy of ID card, a copy of house registration document, and a pay slip or a salary certificate.

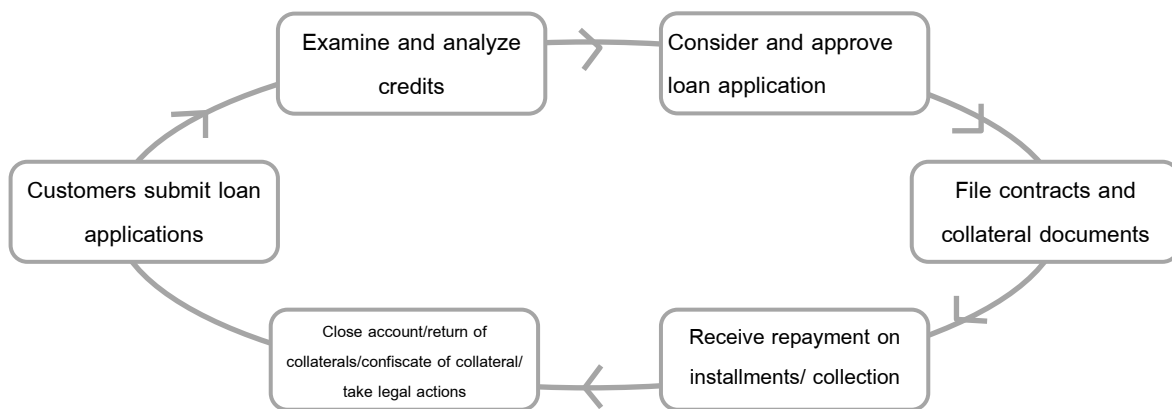
For debt collection business, customer targets are leasing company and financial institutions, which SAWAD group has expertise in secured loans especially auto backed loans.

2. Loan Approval Process

Auto title and home-backed loans, non-secured loans and Sale of Merchandise on a Credit Sale Basis

Considering approving loan applications, the Company emphasizes the qualifications of the customers and/or guarantors to assess their repayment ability. Also, the quality of assets placed as collaterals and the repayment ability of the guarantors are taken into account. The staff members at branch offices carefully examine the information and identification of the potential customers as well as the documents showing their income as well as their guarantors'. Moreover, the staff also carries on inspections on site. In terms of asset quality appraisal, the Company has an effective team working on examining the conditions and the liquidity of the collaterals to determine credit limits. For vehicles, the examining team considers types, ages, models, brands, physical conditions and popularity. Generally, the Company offers auto title loans for cars aged not more than 15 years and motorcycles aged not more than five years. As for commercial vehicles, such as tractors and harvesters, or over-aged vehicles, the Company considers physical conditions on a case-by-case basis. Over 80 percent of the total collaterals are vehicles with average ages between 2-14 years. For home and land collaterals, the Company conducts the asset valuation, based on the appraisal values given by the Land Department as well as the market prices of the property nearby.

Loan Approval Process



Lending Approval Process

A customer who needs loans from the Company is welcomed to contact staff members at all branches. An application form shall be accompanied by supporting documentation from both the customer and a guarantor (if any), including a copy of ID card, a copy of house registration, financial documents, e.g., a salary certificate, a copy of passbook, the documents proving the ownership of the collaterals, e.g., an original car registration certificate, an original land deed. Following the documentation process, an officer explains details about the loans, the credit limit, the interest rate, and the installment periods. Once the customer agrees on terms and conditions, the officer accordingly records the information of the customer and the guarantor (if any) in a loan application form.

Loan analysis process

The branch staff in charge checks the accuracy of the identification documents as well as financial documents of the customer and the guarantor (if any) and then examines the overall conditions of the collateral and verifies the documents showing the ownership of the collateral. The officer will do the inspection on site to verify the accuracy of the documents and the existence of collateral before checking with the Company's data base. In case a motorcycle is put as collateral, the branch staff focuses on verification of the ownership document because doing inspection on site requires high cost when compared to the credit limit. After gathering all supporting documentation, the staff in charge completes a report about the customer and the guarantor (if any) in order to assess their ability to repay loan, the credit limit, and terms and relevant conditions. Finally, the report is submitted to the authorized officers in charge of final loan approval.

Loan Approval Process

In approving loans, the Company set rules for officers authorized to approve loans, depending on the credit limit levels as well as the types of collaterals. Authorized officers include those in the positions of deputy



branch manager, area manager, region manager, director of loan management department, management and Company's directors.

If the information for loan approval meets the criteria for the Company's loan approval, the authorized officers inform the branch offices of the loan approval result and the branch offices then inform the customers accordingly. Provided that the loan application and supporting documentation are completed, the Company takes 30 minutes to consider approving loans with motorcycles and four-wheel vehicles as collaterals and one day for home-backed loans; this depends on the credit terms and conditions.

Once a loan application is approved with the branch's authorized credit limit of not exceeding Baht 30,000, the branch can extend loan in cash to a customer immediately. In case the credit limit is higher than the branch's authority, the branch staff will submit all documents including the credit limit letter, the money-transfer request form, the report of examination of the car, the house registration book, the copy of ID card, and the copy of passbook to the loan management department to verify the transaction, the details of collateral, and the credit terms and conditions with the data base once again before transferring money directly to the customer's account in accordance with the bank's procedure. Following the money transfer transaction, the staff will submit all money transfer documents to the account department on a daily basis so that the account department will cross check to ensure that the information in the money-transfer form and the loan application from match the information in the data base, e.g., the customer's name, the credit limit, the lending duration. Once every detail is double-checked, all information is recorded accordingly.

Contract and Collateral Filing Procedure

An area manager in charge verifies the contract and collateral documents prepared at a branch before sending all the documents to the head office within 30 days from the month end. After the documents arrive at the head office, the registration department will verify all documents once again. If the documents are found incomplete, the head office will notify the branch and the area officer at charge so that they can have the document complete. The officers at a special document room will copy all documents in order to make a back-up file in case the original documents are lost.

Cash Repayment and Collection Procedure

Branches and the credit development department oversee repayment transactions and debt collection. Customers will be given a card identifying a contract number, the installment amount, and a due date and they can repay debts at specified payment channels. The Company's Call Center and branch staff closely



monitor customers' repayment. In case of one-week overdue, a staff at the head office will send a reminding message to the customer's mobile phone. Customers can pay the bills at the Company's branches, Counter Services, and service counters at Krung Thai Bank, Bangkok Bank, and Kasikorn Bank across the country. Customers shall receive repayment evidence for every transaction, either in a form of a receipt issued by the head office's system or a temporary receipt issued by a repayment service provider.

Account Closure or Enforcement of Collaterals

Once a customer repays all debts as stated in the contract, the head office will issue a letter certifying the complete repayment and return the collateral ownership documents as well as other related documents so that the customer can either receive the transfer of collateral ownership or redeem the collateral right away.

In case a customer defaults on his obligation to repay loan, the Company sets rules for the collection procedure in accordance with types of collaterals. When the customer begins to default on his obligation to repay loan, a collection staff will begin the collection procedure. The major strategy is phone calls: a collection officer at the head office calls up the customer with the call details being recorded in the system. In case the customer cannot be reached or the customer leaves the outstanding balance overdue beyond the Company's permission, a branch officer will begin to follow the customer. If no action is taken by the customer, the head office will send a registered letter notifying of the termination of the loan agreement. If the customer fails to make the repayment within 30 days from the notice date, the branch is entitled to confiscate the collateral. In this case, the customer is still allowed to redeem the collateral within 30 days after the confiscation date. After the specified timeframe, the Company is entitled to sell the collateral, with the price being based on the market price, the vehicle conditions vs. the remaining balance. The Company tries to sell the assets as fast as possible because the longer the time the lower the prices; this would negatively impact the Company's operational performance.

In case of a loan agreement collateralized by a land deed, if a customer fails to redeem the deed within 30 days, the Company will file a lawsuit so that it can proceed with the sale by auction afterwards. As for a consignment contract, if a customer fails to redeem the collateral within the specified time, the ownership of the collateral will completely belong to the Company, as a complete seller on consignment.

Debt Collection Business

- Phone calls



SAWAD proceeds with debt collection on customers who default on loan repayment from one installment period onwards. SWPAM's clients will send lists of targets. The first collection step involves phone calls, with conversation recorded. In case the telephone conversation between SWPAM's staff and a debtor becomes more violent, a senior staff with more experience will take over the conversion and continues to negotiate with the debtor.

- Enforcement of collaterals

In case, a client hires SWPAM to proceed with enforcement of collateral, the company will have to locate debtor and the collaterals. After that, the company will send details of the debtor to the branch located the nearest to the debtor. Then, the branch staff will proceed with enforcement of collateral; all practice is carried on under the scope of law.

Distressed Asset Management Business

After purchased complete, SWPAM will send substitution letters to all NPLs and let them to negotiate and find the conclusion to restructure their loans with many alternatives as follows:

- Adjust installment term or condition
- Voluntary transfer asset to settle loan
- Re-finance
- Legal prosecution
- Collateral auction

Comprehensive Credit-Provision Management Consultancy Service

The company relies on the base of employees who are experts in the credit provision business to provide advice on the customers' operation. The analysis observations and recommendations from the review by these industry experts would allow the customers to increase the efficiency and effectiveness of their processes.

Insurance Brokerage Service

The company has good relationships with 10 - 15 leading insurance companies in Thailand, some of which are well-known in the industry. The company is considered to be an important strategic partner. Which can



be seen from the fact that the company's status as one of the main underwriters of many insurance company partners. And has never been revoked from a partner with the company's insurance company. In this regard, the company believes that trade partners and insurance companies see the rapid growth of insurance premiums that the company has present or forward to customers. Including the company customer which is the results from the application of advanced technology that can be further enhanced and effective. Which will ultimately bring a cost advantage, when compared to the existing model of distribution.

3. Competitive Strategies

The competition in the business is currently intensified both from the existing players and new players who were initially engaged in the hire purchase segment and then wanted to expand their business to the auto loan segment. Nonetheless, the Company does not intend to lower prices, but it rather focuses on the following strategies:

- *Fast Service and Management*

The speed of loan approval process is one of key factors for operation in the secured-loan segment as it is a key factor taken into account by customers before choosing loan providers. SAWAD's credit officers at all branches can manage to inform customers of the approval results within 30 minutes for loans collateralized by motorcycles. This fast approval speed makes the Company become a competitive provider in the industry.

- *Comprehensive lending policy*

Despite the customer target in the B- Grade with rather limited access to financial services provided by banks of financial institutions, the Company always focuses on careful loan application approval process, especially in terms of information verification. Credit officers at branches ensure the accuracy of supporting loan application documents and also confirm the identification of the customers and their guarantors by inspections on site. Photos of actual locations of customers' residents and work places are taken. The Company bears in mind that the customer information is very crucial to loan application approval and loan collections.

- *Effective Credit Management*

SAWAD Group emphasizes effective loan management, starting from the loan application approval process until the collection process. The Company focuses on offering loans to customers who reside or work within



a boundary of 20-30 kilometers away from branches, enabling the officers to verify customers' information and proceed with debt collections in prompt manners. With effective credit management, the Company's NPL to total loan ratio stood at 3.75 percent as of 31 December 2020.

- *Competitive coverage*

As of 31 December 2020, the Company's branch network was larger than its peers' coverage. The Company has a plan to add a minimum of 50-100 branches per annum to the branch network in order to expand the sale channels. The Company focuses on expansion at locations near communities with easy access to commercial banks.

- *Nationwide coverage*

The extensive service coverage network enables the Company to enjoy competitive advantage over its peers. As of 31 December 2020, the Company's coverage network included a total of 4,750 branches. Hence, the Company can manage to utilize its capacity for lending, handling repayment transactions, pursuing collection practices and verifying information of customers/guarantors in prompt and effective manners. In addition, the Company can also effectively take action in case of debt defaults or outstanding balances overdue.

- *Focus on effective recruitment process as well as continued training*

In response to the rapid branch expansion, the Company increases recruitment channels by recruiting directly from education institutions. Moreover, the Company also regularly organizes trainings on products and related services, e.g., credit and financial training, training on information about land. Moreover, the Company also focuses on the importance personnel development. Not only can the branch staff members provide lending services, they can also work on debt collections, sale of forecast assets as well as launches of marketing strategies.

- *Public relation promotion with a focus on close relations with communities*

The Company has a policy to have branch officers and agents promote services and products as well as organizing public relation activities in order to widen brand awareness. The Company focuses on marketing activities aimed at tightening relationship with people in the communities as well as general customers. SAWAD highlights service quality, friendly atmosphere, prompt and convenient services. Customer satisfactory is regularly surveyed through telephone calls or visits.

- *Varieties of Service*



The Company offers varieties of financing services including many collateral items, such as personal cars, commercial cars, e.g., motorcycles, personal cars, pick-up trucks, tractors, rice harvesters and etc. With loans collateralized by the aforementioned collateral items, the Company's services can serve a wide range of targeted customers.

4. Pricing Policies

The Company does not have a policy on price competition, i.e., cutting interest rates. It rather considers lending based on types of collaterals as well as qualifications of customers and/or guarantors. The Company's funding cost and operating cost is set at a certain level that enables the Company to remain profitable and competitive. Thus, SAWAD does not have a policy to provide lending services below funding costs.

As for credit limits for all collaterals, the Company approves credit limits at 30-70 percent discounts from the market prices, depending on types of collaterals, models, years of manufacturing, and popularity. The loan management department reviews credit limits every six months or when the market sees significant changes in overall conditions. Meanwhile, the Company also identifies the installment amounts and installment periods, taking into account customers' ability to repay debts. However, the installment periods do not exceed 48 periods.

For loans collateralized by land or home deeds, the Company considers credit limits, based on the value of land and buildings (if any). The credit limits are based on the appraisal prices given by the Company's appraisal team, details of contracts, and locations of the collaterals. For example, if the collateral is land in a community area, the credit limit is higher than the land in other areas.

5. Sale and service channels

Customers are welcomed at all branches across the country. As of 31 December 2020, the Company's branch network included a total of 4,750 branches. The branches open Mondays to Fridays, 08:30 – 16:30 hrs., and Saturdays, 08:30 – 15:30 hrs. The staff members at all branches organize public relation and sale promotion activities on a monthly basis in order to introduce services to potential customers in the community. In regard to payment channels, customers can settle installment bills at all branches, Counter Service, service counters of Bangkok Bank, Krung Thai Bank, Kasikorn Bank, Bank for Agriculture and Agriculture Cooperatives, and Government Saving Bank. Customers only show the identification card indicating the contract number so that staff can record the repayment transactions and issue receipts.



3. Risk Factors

The risk factors discussed below are based on the assessment of the current situation. Apart of the risk factors below, there may be other risky issues that the Company is unable to predict at the present time or that the Company deems that the issues shall not have any impacts on the overall operation. It should be noted that the risk factors linked to the economic situation as well as the government's policies are based on the information disclosed by government agencies and reliable sources. Also note that the Company does not verify the accuracy of such information. Investors are, therefore, advised to make a cautious decision before investing in SAWAD.

The Company and its eight subsidiaries, namely Fast Money Co., Ltd (FM), SWP Asset Management Co., Ltd.(SWPAM), Srisawad Power 2014 Co., Ltd. (S2014), Srisawad Finance Plc. (BFIT), P Lending Co., Ltd., Srisawad Digital Co., Ltd., Srisawad Capital Co., Ltd., Srisawad International Holding Co., Ltd.(SIH) and SIH's five subsidiaries, namely SWP Services Co., Ltd., Srisawad Leasing Laos Co., Ltd., Srisawad Pico Pattani Co., Ltd., Srisawad Pico Yala Co., Ltd., and Srisawad Pico Narathivas Co., Ltd. (which are called SAWAD Group), offer secured retail loans. SAWAD Group provide secured loans collateralized by auto titles, homes and land deeds, non- secured loans, debt collection service and distressed asset management business for which the firm purchases NPLs from other financial institutions, comprehensive credit-provision management consultancy service and credit sales. (Srisawad Digital Co., Ltd., Srisawad Pico Pattani Co., Ltd., Srisawad Pico Yala Co., Ltd. and Srisawad Pico Narathivas Co., Ltd. are under the process of applying for licenses)

Risk factors in SAWAD Group's business operation that may have a significant impact on investment returns for investors as well as potential strategies to prevent the risks are discussed below.

3.1 Risks in regard to marketing and strategies

3.1.1 The risk of competition in the auto title loan and hire purchase loan segments

The auto title loan and hire purchase loan segments see intense competition, both from the existing players and new comers. Most new operators penetrating the business are financial institutions who enjoy competitive advantages from lower financial costs and larger capital base. These operators, including commercial banks or their subsidiaries and hire purchase or leasing firms engaging in auto title loans and hire purchase loans, see good potentials for attractive returns. In addition, the auto title loan and hire purchase loan segments do not require large investment in operating equipment, and neither do they need operating licenses from a particular government agency. Hence, new comers can easily penetrate the business, without any limitation, as they need only some funding sources for offering loans to customers. Given this favorable business condition, more and more new players begin to compete in the industry. In



addition to the aforementioned competition from the new players, the existing ones also attempt to come up with marketing strategies to beat one another. For instance, they offer bigger credit limits, extend repayment duration, and offer low interest rates in order to attract potential customers.

It is worth highlighting that the success factors do not depend solely on sufficient funding. With its long experience of 40 years in the business, SAWAD Group understands its customer groups very well, so the Group is able to provide services that well suit customers' demand. The Company's service coverage is across the country, with service networks covering all regions nationwide. As of 31 December 2020, SAWAD Group's branch networks included 4,750 branches. The Company provides fast and effective services, with a large system for its customer-related data base. In addition, SAWAD also possesses expertise in loan approval procedure as well as loan collections. As a result, the Group enjoys competitive advantages over its peers and is able to examine loan applications efficiently. Moreover, most commercial banks or the firms under the umbrellas of commercial banks focus mainly on the new auto market while hire purchase or leasing companies emphasize on providing services for buyers of new cars or used cars in the upper and middle market segments. On the contrary, SAWAD group focuses on different customer groups by offering auto-backed loans and home-backed loans to potential customers who may be unable to access financial services offered by commercial banks or those under banks' umbrellas but they owns vehicles and property.

3.1.2 The risk in regard to competition in the personal loan segment

The personnel loan segment has seen fiercer competition. The fact that the interest rates and fees in this loan segment are higher than those from credit card loans attracts both financial institutions and non-financial institutions to enter the business. While SAWAD Group is well aware of the risk of higher competition, the firm believes the risk will not have any significant impact on its overall operation given that the Group focuses on Grade B customers including government officials, state enterprises' employees and village heads, unlike other financial institutions that focus on Grade A customers. SAWAD Group understands well about the nature and repayment behaviors of its target customers. Also, the Company's staff teams are available to provide services and launch marketing strategies to reach target customers nationwide. Hence, the Company is very confident in its competitiveness. However the Company freeze personal loans from the beginning of 2016. In the year 2017, the Company also took in Srisawad Finance Public Company Limited as part of the group, where personal loans are granted to employees of private companies. The credit approval process for these individuals also takes into consideration the financial health of the related companies as well. The logic is that as long as the company is doing well, the employee's income should be stable, and thus the ability to pay back the loan should be secure.



3.1.3 The risk in regard to competition in Nano finance loan segment

Nano finance loan business is stipulated by Bank of Thailand and Ministry of Finance for individuals seeking to borrow without collateral to use for business operation. There are many corporates interest and apply to enter this business, that means the competitions will be more extreme. Also government policy which will grant PICO finance license for local operators in each province.

SAWAD Group is confident in its networks of branches and staff members across Bangkok, Bangkok's vicinity and other regions nationwide with the larger coverage. Moreover, the present number of firms permitted to operate this business is 45 firms, and the PICO finance will have been limited with areas and credit limit. The Company is confident that the Company's Nano finance license can cover more areas and lower cost of funding. However the Company freeze Nano finance loans from the beginning of 2020.

3.1.4 The risk in regard to the competition in the debt collection business

At present, there are a large number of players in the debt collection business, including local players. This leads to more intense price competition and the nature of debt collection practices of some operators may lead to some complaints.

SAWAD Group is confident in its potentials, which board networks of branches and staff members across Bangkok, Bangkok's vicinity and other regions nationwide. The Company assigns highly-experienced debt collection staff to base at extensive branches and this strategy enables the firm to save collection costs. The Company also ensures that its debt collection staff members are well trained, as required by the law, before they are assigned to perform their duties.

3.1.5 The risk in regard to the competition in Comprehensive Credit-Provision Management Consultancy Service

In this line of business, there is currently no other company engaging in providing comprehensive advisory services on credit provision management then the competition will not extreme. However in the future, the customer will have more experience to do business and terminate our service.

The Company has considered risk that customer no longer use our service, but the target market in Myanmar is expected to increase over time due to the rising consumer needs for credit. In the mean times the Company has considered to expanse this service to other neighborhood country.



3.1.6 The risk regard to the competition in Insurance Brokerage Service

The Company faces high competition in all aspects of its business operations. And expected that such competition will increase, especially from the fact that the insurance brokerage business in Thailand is highly competitive. The Company competes with a large number of small- and large-scale insurance brokers, this is because the insurance brokerage market in Thailand is highly dispersed. Leading insurance brokerage firms may focus on their own clients directly, which potentially in head to head with the Company. While smaller insurance brokerage firms, including companies that specialize in technology, may be able to offer new services to compete with the Company, and can be quickly acceptance.

The company has sales channels through the company's branches, which have 4,750 branches nationwide. As well as providing installment payment services for insurance premiums. It is an alternative for customers to have easier access to insurance services, which increase the competitiveness even more.

3.2 Risks in regard to loan management and collateral

3.2.1 The risk of Conflicts of Interest

Subsequent to the acquisition of shares and the Tender Offer to purchase all securities of Srisawad Finance Public Company Limited ("BFIT") by Srisawad Corporation Public Company Limited ("The Company" or "SAWAD") in April 2017, the Company and BFIT, subsidiary, SAWAD held 45.34 percent of BFIT total paid-up shares, undertake the restructuring of businesses within the group in order to create opportunities for future business growth. Whereby, BFIT has extended its lending business from personal loan to corporate employees to collateralized loan to small SMEs and retail individuals that is not overlapped with the businesses currently operated by Srisawad Power 2014 Company Limited ("S2014"), a wholly-owned subsidiary of SAWAD, in order to clarify the Group business structure and eliminate conflicts of interest.

According the Tender Offer Statements concerning the Company's future business plan after completion of the Tender Offer, in the event that the Company can hold between 36.35 and 60 percent interest in BFIT, the lending business to be operated by BFIT shall not overlap with S2014, which shall be separated by type of collateral. In this regards, BFIT will operate the lending collateralized by vacant land and house, and the 4-wheeled vehicles, whilst, S2014 will offer the lending secured by motorcycle, trucks, and agricultural vehicles.

The Group's revised business plan shall affect the following lending products of BFIT: Car for Cash and Home for Cash services. After amending to re-separate the business between SAWAD and BFIT, the lending



entity for Car for Cash product will be determined by type of contracts (Loan/Hire Purchase). Whilst, Home for Cash will be determined by transaction type (Mortgage and Sale with redemption right) and loan value (exceed/not exceed Baht 10 million). The amendment of the Group business plan will impact and change BFIT operation as previously stated in the Tender Offer documents.

However, the Group Companies is confident that the revised business plan will not create conflicts of interest as the Company has prepared to develop clear criterion to determine the lending entity and has promptly established reliable measures to prevent potential conflicts of interest, as follows:

1.1 Develop Clearly Written Work Instruction, Policy, and Business Separation Criterion

The Group Companies has developed clearly written work policy and instruction to provide effective guidance for the separation of business between BFIT and S2014, as follows:

Car for Cash – Use Rate Book to determine type of contract

- ▶ S2014 will offer the lending service through Hire Purchase contract, which is determined by loan amount that is equivalent or more than the Rate Book, where the client shall transfer ownership of the vehicles to S2014.
- ▶ BFIT will offer the lending service through Loan contract, which is determined by loan amount that is less than the Rate Book, and the client is not required to transfer ownership of the vehicles to BFIT.
- ▶ The clients will indicate their own financial needs and shall enter into the contract suitable to their choices, that is, if the desired loan amount is high, the clients will need to enter into Hire Purchase contract and shall transfer the ownership of vehicle to S2014. If the desired loan amount is low, the clients will need to enter into Loan Contract with BFIT which does not require to transfer the title of vehicle.

In practice, branch staffs, who seek for and get contact with the client, will refer to standard loan amount as stipulated in the Rate Book applicable at the time. Rate Book will provide standard loan amount for each type, brand, model, and year of vehicles. Nevertheless, the pre-approved credit limit shall never exceed the rates stipulated in the Rate Book.

Standard loan amount per the Rate Book will then be compared with the client's desired loan amount in order to determine contract type to be entered. If the desired loan amount is lower than the Rate Book,



the client will need to execute Loan contract with BFIT, but if the desired loan amount is equivalent or higher than the Rate Book, the client will execute Hire Purchase contract with S2014. The credit limit of each borrower is determined by creditworthiness of the borrower and the guarantor as well as the quality of collateral and other factors.

Home for Cash – Use transaction type and loan value of Baht 10 million to determine the lending entity

The basis used in determining the lending entity for Home for Cash service or loan secured by house, land, and condominium is transaction type and loan value of Baht 10 million, which is referred from the Bank of Thailand's supervision on Housing Loan, which rule outs the lending criteria for the residences price up to and exceed Baht 10 million separately based on different inherent risks.

In the practical lending process, the branch staffs will consider the fair price of house and land as appraised by Group internal staffs, and the government's appraised price for land, in order to determine the fair price of collateral before adjusting according to Loan-to-Value policy of the Company in order to derive pre-approved credit limit. If the loan value does not exceed Baht 10 million, the clients will enter into Loan contract with BFIT. If it exceeds Baht 10 million, the Loan contract shall be executed with S2014, where the loan amount shall be always within the pre-approved credit limit.

1.2 Regularly Review Business Separation Criterion and Ensure Audit Committees Approval Before Effective

Announcement of the Rate Book for Car for Cash and the Baht 10 million basis for Home for Cash service are under the responsibility of the Collateral Committee, which is a unit independent of the Credit Department. The Collateral Committee is responsible to review and ensure appropriateness of the Rate Book that is effective at any point in time. The Rate Book will be reviewed on a quarterly basis and adjusted in accordance with changing market of the used cars.

The Group Companies has established key policies to review the basis used in determining the lending entity, as follows:

- ▶ Rate Book shall be reviewed at least every quarter, and, when necessary, shall be revised in accordance with market changes.
- ▶ Once the Rate Book is mutually agreed by both parties, it shall be proposed to the Audit Committee of each entity for approval. For BFIT, the internal audit team will be responsible to reconfirm and justify the adjusted items on the Rate Book by comparing to the current market price of used cars, and report the audit results to the Audit Committee for their consideration and approval.



- ▶ Without approval from the Audit Committee by both parties, the Rate Book cannot become effective. In such event, both parties will need to reconsider and fine tune appropriate rates to be used in the Rate Book.

1.3 Use Conflict Checklist Form to Assist in Business Separation

Branch staffs are required to use Conflict Checklist Form to assist in determining appropriate type of contract to be entered by the client in accordance with the Group lending policies. The branch staffs are required to attach the Conflict Checklist Form with a copy of Rate Book prior to sending all relevant loan documents to the Credit Department for approval.

1.4 Review and Reassure the Appropriateness of Contract Type by the Credit Department

Credit Department will conduct the review of loan application to justify the appropriateness of loan offered by the branch staffs prior to signing approval, as follows:

- ▶ Branch staffs will verify completeness and accuracy of loan application and determine pre-approved credit limit for the borrower, by comparing the desired loan amount with the standard loan amount per the Rate Book, in order to identify appropriate type of contract to be entered by the borrower (Loan/Hire Purchase contract)
- ▶ If the borrowers are qualified for Loan contract with BFIT, loan application and relevant supporting evidences will be scanned into the system and sent to the Credit Department. The Credit Department will review and confirm appropriateness of the pre-approved credit limit against the Rate Book before signing approval.

1.5 Prepare Monthly Credit Approval Report for Management Consideration

The Company has established a procedure to monitor inappropriate actions which wrongly define the lending entity. At the month end, the Credit Officer shall prepare a credit report to compare credit limit and standard loan amount per the Rate Book for the top Management consideration.

1.6 Regularly Perform Internal Auditing at Branch Office

The Company's internal audit team will conduct proactive audit at each branch on a rotating basis to ensure appropriateness and effectiveness of business separation, and report any inappropriate actions to the Audit Committee. Such internal audit activities have been included as part of the Company's annual audit plan.



1.7 Ensure Approval by the Audit Committee Before Rate Book Becomes Effective

The Audit Committee has the ultimate responsibility to review appropriateness of the revised Rate Book and approve it before effective. The Audit Committee will also consider other connected transactions or the transactions with potential conflicts of interest and ensure that the transactions are reasonable and in the best interest of the Company, and the disclosures of which have been made accurately, completely, and in compliance with the requirement of the SET and relevant regulations.

1.8 Develop Information Technology System to Assist in Defining the Lending Entity

The Group Companies has planned to implement a new IT system to support the separation of business between SAWAD and BFIT, particularly for loan approval process. The newly-implemented IT system is aimed to reduce roles of the branch staffs, which is the point at which the conflict of interest may arise. The new IT system will enable the Company to reduce most of the daily human errors and define clear process for determining the lending entity. The plan to implement new IT system was included as part of the plan to establish a financial business group proposed to the Bank of Thailand.

At present, the Company is in process to develop the new IT system. Nevertheless, it may take at least 3-5 months ahead to ensure that the newly-developed system has worked reliably and functionally according to the purpose.

3.2.2 The risk of higher NPLs

At present, the auto title loan and hire purchase loan businesses are not under control by any particular state agencies or regulations. Hence, operators are able to expand their business at their full potentials. They are thus at high risk of seeing greater non-performing loans ("NPL") if they lack of cautious loan approval process or effective internal control system.

However, the Company is very cautious about examining loan applications and emphasizing loan quality. The Company thoroughly examines the information of the customers and their guarantors. Reports on evaluation results for customers' repayment ability are carried out regularly. As of 31 December 2020, the Company saw NPLs amounting to Baht 1,479.91 million, increasing from Baht 1,077.84 million as of 31 December 2019. The increase in NPLs was in line with the rise in total loans. Meanwhile, the NPL ratio increased from 2.97 percent as of 31 December 2019 to 3.75 percent as of 31 December 2020, in tendon with overall loan growth. Regarding the allowance for doubtful accounts, as of 31 December 2019 and 31 December 2020, the Company set aside the allowance for doubtful accounts amounting to Baht 432.89 million and Baht 1,187.66 million, respectively, implying coverage ratios of 1.19 percent and 3.01 percent,



respectively. While the loan provisions are lower than NPLs, the Company views that the provision position is appropriate given that the Company offer secured loans and the loan to value ratio (LTV) is rather low at 30-70 percent.

During 2018-2020, the Company's bad debt stood at only Baht 323.46, 599.85 and 302.89 million, equivalent to NPL ratios of only 0.77 – 1.65 percent, lower than the coverage ratios for the years at 1.19 – 3.01 percent. In other words, the Company has set aside sufficient loan provisions to cover NPLs.

Unit: Million	31 Dec-18	31 Dec-19	31 Dec-20
NPL ^{/1}	776.90	1,077.84	1,479.91
Total Loan ^{/2}	29,433.00	36,341.00	39,459
% of NPL to total loan	2.64	2.97	3.75
Loan loss provision	623.67	432.89	1,187.66
% allowance of doubtful accounts to total loans	2.12	1.19	3.01
Bad Debt	323.46	599.85	302.89
% NPL to total loans	1.10	1.65	0.77
Allowance of doubtful accounts to total loans to NPLs (time)	1.93	0.72	3.92

Note ^{/1} NPLs mean loans which the Company stops realizing revenue according to revenue realization policy

^{/2} Total loans mean the amount of loans stated in the loan agreements and hire purchase contracts deducted by interests not yet booked as income.

3.2.3 The risk in regard to loan agreements and collateral documents being lost or damaged by fires

Loan agreements and documents identifying the ownership of collaterals are major assets for the loan service business. In case customers fail to make repayment for the outstanding balance overdue, the Company needs to use such agreements or documents for further legal actions. Loss or damages of such loan evidences due to fires may have negative impact on the Company's operation.

Realizing the risk of loss and damage of loan evidence, the Company thus comes up with measures to reduce the risk by setting up a special document room for keeping loan agreements and collateral documents in order to speed up the operation process because the loans linked to motorcycles are short-term loans with low credit limits. Entry to the special document room is very strict, with fire insurance being put in place. Moreover, the Company also keeps all documents in an electronic form, with all data being backed up at a separate location on a daily basis in order to prevent damages from any causes.

3.2.4 The risk of possible failure to confiscate collaterals



Most collateral items are cars and motorcycles and these items are more difficult to confiscate, in case customers fail to repay debts, than other collateral items, e.g., deeds of housing units, land, and etc. If the Company is unable to confiscate and sell the collateral in compensation of unpaid debts, this will have a direct negative impact on the Company's business operation, financial position, and earnings performance.

To reduce the risk, the Company has a policy to extend loans to individuals and/or collateral and/or guarantors residing in the same areas where the Company's branches are located. Moreover, the Company's credit staff are also assigned to examine the information on site, i.e., the addresses identified by the customers, in order to double check the existence of the collateral. In case the customers fail to settle the monthly installment bills, the Company will assign its staff in charge to follow the customers and confiscate the collateral afterwards. The staff will promptly take action in order to prevent the customers from running away with collateral. It should be noted that the Company also benefit from its extensive branch network that included 4,000 branches nationwide, allowing the Company to locate the collateral more easily.

3.2.5 The risk in regard to inability to sell foreclosed assets

According to the nature of the auto title and hire purchase loan businesses, once a customer fails to settle the installment bills for three consecutive periods, the Company will send a letter notifying that the contract will be terminated should the customer does not repay the debts within 30 years from date (for the hire purchase contracts) or seven days (in case of the loan agreements). If no action is taken by the customer within the identified timeframe, the Company is entitled to confiscate the collateral. After that the Company will issue a letter notifying the customer to redeem the collateral within 30 days, both in cases hire purchase and loan agreements. If the customer is not present to redeem the collateral within the specific timeframe, the Company is entitled to sell the collateral. At present, the Company sells foreclosed assets through several sale channels including branches for selling motorcycles, and warehouses for keeping confiscated cars. In addition, the Company also hires a private auction organizer to organize auctions for people who may be interested in buying confiscated motorcycles. The proceeds from the sale of confiscated collateral will be used for covering the outstanding balance. If the Company is unable to sell the confiscated items, this will have a negative impact on its financial position and operational performance.

The Company decides to extend loans to customers, considering the popularity of the vehicles in the market or the locations of the land in order to reduce potential impact of the lack of liquidity from the sale of confiscated collateral. After confiscating the collateral, the Company's staff will keep the items and sell them to the Company's selected counterparty by tranches at net asset value price.



The pricing of confiscated collateral is based on the remaining value of the outstanding balance, which is normally lower than the market price. Hence, the selling prices of confiscated collateral items are normally lower than the market prices, increasing more liquidity to the sale transactions.

Foreclosed assets classified by types of collaterals	31 December 2018			31 December 2019			31 December 2020		
	Value (million)	Quantity (unit)	Average value (Baht/unit)	Value (million)	Quantity (unit)	Average value (Baht/unit)	Value (million)	Quantity (unit)	Average value (Baht/unit)
Old motorcycles	123.32	11,370	10,846	136.46	13,915	9,807	124.73	7,747	16,101
New motorcycles	2.38	66	36,086	2.23	62	35,929	0.99	26	38,225
4-wheel vehicles	199.79	1,784	111,992	267.74	2,471	108,352	62.75	565	111,069
Commercial cars	46.79	258	181,370	60.06	329	182,561	37.66	193	195,112
Vehicles for agricultural uses	1.64	6	272,963	1.68	6	279,560	2.13	4	532,577
Home and land	24.33	22	1,105,814	36.01	34	1,059,091	54.16	37	1,463,904
	398.25	13,506	29,487	504.17	16,817	29,980	282.43	8,572	32,948

It is found that most of the foreclosed assets are used motorcycles, with an average unit value of Baht 16,101.

3.2.6 The risk that the sales of foreclosed assets not covering the unpaid debt values

The Company confiscates the collateral when a customer fails to repay the instalments for the certain time specified in the contract. After that the Company proceeds to sell the confiscated item at its own branches, warehouses or auctions where general people who are interested in buying new motorcycles are invited to participate. Should the Company manage to sell the collaterals at the value exceeding the remaining value of the outstanding balance, only in the case of hire purchase contracts, the Company will return the remaining proceeds (net after deducting the remaining value of the outstanding balance and relevant expenses) to the customer. If the debt balance is higher than the value of the foreclosed asset sales (this may be because the average age of the collaterals ranges around 2-14 years) and if the Company is unable to obtain the variance from the customer or the guarantor, the Company will see some losses from the sale of the collaterals. This will in turn have a negative impact on the Group's operational performance.

To reduce the risk, before approving auto-backed loans and home-backed loans, the Company has to examine and appraise the values of the collateral very carefully. Also, the Company approves credit limits with 30-70% discount from the market prices of the collaterals; the discount depends on the models and the popularity of the collaterals. Hence, the remaining value of the outstanding balance is lower than the selling price of collaterals sold by auction. Meanwhile, the loss from the sale of collaterals at FM was attributable to



the Group's policy to sell the confiscated new motorcycles as fast as possible in order to reduce the risk that the prices of new motorcycles drop rapidly. Note that the Company sets aside provision for the impairment loss of foreclosed assets for the hire purchase loans for new motorcycles at the rate of 25 percent of the total debt value as of the confiscation date. The rate is set by the management, based on historical data.

As of 31 December 2020, over 58% of foreclosed assets lasted not more than one year from the confiscation date. However, most of the foreclosed assets that last longer than one year (worth Baht 117.88 million) are new motorcycles for which the Company regularly sets aside provisions for impairment loss.

Cost of foreclosed assets classified by the duration after the confiscation date	31 December 2018		31 December 2019		31 December 2020	
	Million	%	million	%	million	%
Less than 1 months	34.42	8.64	120.06	23.81	77.33	27.38
1 - 3 months	68.74	17.26	70.17	13.92	2.02	0.72
4 - 6 months	85.83	21.55	24.79	4.92	12.76	4.52
7 - 12 months	106.34	26.70	132.45	26.27	72.44	25.65
Longer than 12 months	102.92	25.84	156.70	31.08	117.88	41.74
Total	398.25	100.00	504.17	100.00	282.43	100.00
<u>deduct</u> provision for foreclosed asset impairment	(11.29)	(2.83)	(21.82)	(4.33)	(29.13)	(10.31)
Foreclosed assets - net	386.96	97.17	482.35	95.67	253.30	89.69

Moreover, the Company also uses the actual values of foreclosed asset sold as criteria for considering new credit limits. As of 31 December 2020, the foreclosed assets at the cost price amounted to Baht 282.43 million, with provisions for impairment amounting to Baht 29.13 million, equivalent to 10.31 percent of the cost price.

3.2.7 The risk from the fluctuation of economy from COVID-19 outbreak

From the beginning of the year 2020, there were COVID-19 pandemic in many countries included Thailand, which resulted in the cessation of operations in various business sectors such as production sector, service sectors, domestic consumption, factories have to stop or delay the production. The Company's also were affected by the cessation of operations caused many customers could not repay loans, the Company has measures to help customers by prolong periods or reduce the installments which may affect the Company's performance.



However, the Company would mitigate the impact and risk from this situations by consider new loans more carefully. At present, the Company has set up debt restructure clinic for customers to sustain customers to be able to get through this situation.

3.3 Legal Risks

3.3.1 The risk of being sued by customers

As mentioned above, the auto title loan and hire purchase loan businesses are not controlled by any particular agencies. The most relevant laws for the business are Civil and Commercial Code and Consumer Protection Law stating that the business about hire purchase of cars and motorcycles is the business with controlled contracts. SAWAD Group emphasizes the importance of the law and seriously complies with the laws, ensuring that all hire purchase contracts and loan agreements are legal.

Regarding the hire purchase business, the Company always carries on the business, complying with laws and regulations set forth by relevant authorities, especially the Bank of Thailand that sets rules about principles, procedures and conditions for conducting personal loan business. Non-financial firms are allowed to collect the maximum interest rate of 15 percent per annum and the total of collection fee as well as other fees shall not exceed 28 percent per annum. For conducting Nano finance loan business, interest rate, fee and penalty fee totaled not exceed 36 percent per annum or as specified by the regulator.

Even though the Company always follows the rules and regulation and there have never been any legal cases against the Company, the Company always keeps in mind of legal risks in case some customers may want to file lawsuits against the Company. Any court case against the Company will definitely have a direct impact on its business operation. In light of this, the Company regularly communicates with its customers and ensures the same understanding between the two parties. Moreover, the Company also emphasizes the customers and guarantors' ability to repay debts in order to reduce the possibility of loan defaults, which may eventually lead to collateral confiscation or lawsuits. In case of overdue outstanding balance, the Company has a clear and fair collection policy, in accordance with the legal procedure. Hence, the Company is confident that it is very unlikely to face any lawsuits filed by its customers.

3.3.2 Risks from the future controls on vehicle title loans and hire purchase loans by the state sector

As present, the auto backed loans, home-backed loans and hire purchase loans are not controlled by any state agencies, including the Bank of Thailand. Nonetheless, but Office of Consumer Protection Board" oversees the hire purchase contracts and The Act Prohibiting the Collection of Interest at an Excessive Rate B.E. 2560 in order to ensure that consumers are treated with fairness. In the future, a state agency may be



appointed to directly oversee and control the auto title loan and hire purchase loan businesses; this may have some negative impacts on the Company's business operation.

In February 2019, the Bank of Thailand becomes in charge of controlling interest rates for lending. However the Company is confident that the potential control by any state agency may not have significant impacts on the operation and small operators, whose operations are not systematized and standardized, may be pressured, and may prevent new players from entering the market given that penetrating to the business may not be as easy as in the past. And the secured loans under BFIT are in compliance with the regulations of Bank of Thailand.

3.3.3 Risks in regard to the possibility that a state agency may control the personal loan business

The personal loan segment is controlled by the Bank of Thailand. Thus, any new rules or regulations against business operation of the Company may have an impact on the Company given that the Group will have to adjust some of its business procedures to comply with the rules and regulations. This may have an impact on the Company's business and operational performance.

SAWAD Group is well aware of the risk, so it closely monitors updates and news about changes in regulations and project potential impacts of the changes. Updates and projections of possible impacts of regulation changes are then reported to the Company's directors so that they can accordingly decide strategies of measures in response to the changes in appropriate and prompt manners.

3.3.4 Risks in regard to the supervision the insurance brokerage business.

The insurance brokerage governed by a number of relevant laws and regulations, including under supervision of the Office of Insurance Commission. If there are changes in those laws or regulations, for examples restrictions are imposed, or prohibitions on the insurance brokerage business of the company. It may prohibit this company's segment expansion, according to the planned program. Furthermore, the governance is constantly changing and evolving, if there are material changes or interpretations of current laws and regulations or a new law or regulation is enacted, it may incur additional costs to comply with the law or limit the company's ability to profit, which may affect the business financial position and the performance of the Company. Additionally, various licenses must be obtained and must be renewed for a period of time for the operation of related businesses. The Company's non-life insurance brokerage license which expires in August 2021 and life insurance brokerage license which expires in July 2021, if the Company cannot guarantee that the company will be able to renew such licenses or licenses on the future. In the past, the company has not been accused, or found that do not comply with applicable laws or regulations or investigate or prosecute or impose penalties against the Company by Insurance Regulation



and Promotion Committee, or other relevant regulators or employees of the company or may refuse to renew or issue any licenses necessary to undertake the company's insurance brokerage business such as the company's non-life insurance brokerage license, the company's life insurance broker license or a foreign business license or may suspend the license to operate the insurance brokerage business of the company.

3.3.5 Risks in regard to not comply the Personal Data Privacy Act.

The Personal Data Protection Act 2019 ("Personal Data Protection Act") has been in force since May 2019, with the provisions relating to the protection of personal data originally will be enforced on the day of May 27, 2020. However, due to the COVID-19 epidemic, the government has passed a draft decree to postpone the effective date of the Act Protection of Personal Information Until June 1, 2021. The Personal Data Protection Act provides protection of personal information from the collection, Use or disclose personal information by improperly and set restrictions on the processing of personal information by persons in possession of the personal information. Since The protection of personal information act has a wide scope of application and with the nature of the business of the company, the company has to comply with the provisions of the Civil Service Act Protection of personal information in the business operations of the company. One of the provisions of the provisions is the duty to appoint a Personal Data Protection Officer. Because the company Sensitive personal data is processed. Penalties for violators of the Act Personal information protection includes indemnity. In some cases, punitive compensation may be incurred not more than twice the damage caused to the personal data subject. In addition, high amounts of criminal liability and fines are imposed.

Provisions of the Act Personal information protection is applicable in many areas. In addition, regulators may delay announcements and prescribing relevant guidelines. Making it difficult for the company to assess the adequacy of the company's measures in compliance with the law. The company cannot guarantee that the User Information Protection System and its technical measures It will be deemed appropriate and adequate in accordance with applicable laws and regulations at present or in the future. And the new legislation on data protection that will be promulgated may influence the company's flexibility in dealing with information in the company's business. And it can incur additional costs to comply with the law. If the company is found to violate the Personal Information Protection Act, the company may face severe penalties. Inability to access the assets or information required to operate daily business or damage



to the brand or the reputation of the company in which these cases may have a negative impact on the business, financial position performance and business opportunities of the company significantly.

The company has carefully studied the law and has provided information system service providers. So that the company can manage the personal information system Whether it is the information of customers, partners, shareholders, employees and related parties, be smooth before the law comes into force.

3.4 Financial Risks

3.4.1 The risk in regard to fluctuation in the interest rate

SAWAD Group's core revenue is from interests from the lending business. The interest rate is fixed throughout the life of the loan agreement. Meanwhile, the main expenses come from cost of funding from financial institutions who set floating interest rates. Any changes in the interest rate will have an impact on the net interest margin and interest expenses. In particular, when the interest rate is hiked, the Company's cost of funding will also increase, resulting in a narrower net interest margin. This in turn will have a direct impact on the Company's operational performance and profitability.

However, at present the variance between interest income and interest expenses is rather large. In case of an interest hike, the Company still believes that its revenue should be enough to cover costs and expenses. Moreover, the Company can also reduce risks from new loan contracts for which it is able to set interest rates and fee to reflect actual cost of funding. Also, in the short to medium term, the interest rate is likely to continue on a downtrend. Furthermore, the Company received more funding from debenture issuance, which should help to lower interest expenses to a certain degree.

3.4.2 The risk in regard to dependence of borrowing from financial institutions

Given the nature of lending business, lenders need sufficient funding for operation in order to have the business continue. As of 31 December 2020, SAWAD's funding sources were i) eight financial institutions; ii) bills of exchange, iii) shareholders' equity and iv) debenture. As of 31 December 2020, the amount of loans taken out from the eight financial institutions totaled Baht 4,237.90 million. The proportion of the lending from the seven financial institutions was 0.00-6.00 percent of the total funding sources. In case the Company is unable to get loans from the financial institutions, this will have a negative impact on its business, financial position as well as operational performance.



Borrowing mainly from the financial institutions, the Company has a very good repayment record and has never been requested by the lenders to repay debts before schedule. In order to reduce the dependency on the financial institutions, the Company seeks new sources of funding by issuing short-term bills of exchange and offering them to institutional investors or high net worth investors. As of 31 December 2020, the Company sold bills of exchanges amounting to Baht 200 million and including unsecured debenture 2 series, amounting Baht 6,000 million, in order to reduce the dependency on the financial institutions.

In addition, Srisawad Finance Plc. can raise fund through deposits which is the major sources of fund of BFIT for expand its lending business.

3.4.3 The risk in regard to the mismatching between the lending periods for customers and the lending periods from creditors

The motorcycle-backed loans allow repayment durations of not more than 18 installment periods while four-wheel vehicles –backed loans allow an average repayment duration of not more than 24 installment periods. Meanwhile, the Company's funding comes from short-term loans from the financial institutions. As of 31 December 2020, the Company saw short-term loans and bills of exchanges totaling Baht 200 million, long-term loans from financial institution totaling Baht 4,237.90 million, senior debentures amounting Baht 14,815.64 million and short-term and long-term deposits amounting Baht 5,240.10 million. Hence, it is rather risky if the financial institutions does not allow loan contract extension or if a payable requests the repayment immediately after the loans are due.

As of 31 December 2020	Amount (Baht Million)	% compared to total assets
Receivables due within 1 year – net	30,587.78	58.81
Receivables due more than 1 year – net	10,366.50	19.93
Total assets	52,007.37	100.00
Short-term loans due within 1 year	11,043.95	21.24

However, the Company is classified as a good customer and has never caused any financial problems or debt defaults. Moreover, to reduce the risk about repayment of short-term loans, the Company has prepared for seeking funding from other sources, including raising funds from the public offering in order to increase the liquidity and manage funding sources more effectively. The Company also completes a cash flow projection to cover the estimated loan growth in the future. The projection is aimed at analyzing the liquidity so that the Company can plan for supporting funding and it should thus be able to continue its business operation.



3.4.4 The risk in liquidity

Liquidity risk is the risk resulting from the Company's failure to pay its debts and obligations when due because of the inability to convert assets to cash or to mobilize adequate funds by schedule or at acceptable costs which could cause damage to the Company.

The Company has closely monitored, reviewed and evaluated liquidity status by using risk control system and daily financial status report and presented them to Managing Director every day. The Asset and Liability Management Committee will have a monthly meeting to consider the liquidity status. In case of an emergency situation, the Company will be able to handle such situation because the Company has also prepared the Liquidity Contingency Plan and Guideline including the scenario study in case of bank run situation.

3.4.5 The risk in regard to the foreign exchange rate

According to the Company has service and credit sales in neighborhood countries, that will make the Company face the loss from foreign exchange rate and the depreciation of those currencies.

The Company provides advisory service to Myanmar customer which will settle the service fee in terms of Thai Baht so the Company will not suffer from exchange rate.

3.5 Operational Risks

3.5.1 The risks in regard to corruptions by employees

Being engaged in the auto tile loan, hire purchase and non-secured personal loan businesses, SAWAD Group authorizes the branch managers to approve credit limits and extend loans to customers immediately, provided that the loans are under the credit limits within their approval authority. Customers can settle the installation bills at the Company's branches by cash with the branch staff. This practice can be risky from the possibility that operation staff may involve in corruption.

The Group is well aware of the risk, so it puts an internal control system in place in order to examine the performance of branches. The internal control system is equipped with supporting informational technology. Officers from the central offices also cross check and ensure that customers receive loans as specified in the contracts. Moreover, for every repayment transaction at any branched, customers will receive receipts from the central data system. The headquarter office has a monitor system, which can detect when a branch office receives more over-limited repayment amounts. A branch receiving over-limited repayment amounts will be requested by the headquarter to deposit the sum to the bank. Moreover, the Group also has a particular division examining the lending procedures and repayment transactions of branches at random. Various measures as well as systems should help to keep any possible damages at insignificant levels. In



addition, the Company has a policy that any staff dealing with payment and repayment transactions done by customers have to put guarantees or guarantors before the employment contract is signed.

3.6 Management Risks

3.6.1 The risk in regard to the fact that the major shareholder group holds stake of more than 45 percent

As of 29 January 2021, the Kaewbootta Group consisting of Ms. Thida Kaewbootta, Ms Duangchai Kaewbootta, Mr Chatchai Kaewbootta and Mrs Jariya Kaewbootta was the major shareholder group holding combined stake of 45.68 percent of the paid-up capital. With such a large portion of stake holding, the Kaewbootta Group has a controlling power as well as influence on decision making. The Group can also control the majority votes in the shareholder meeting. Hence, there is a risk that some other shareholders may want to join hands and gather votes in order to balance power and question some matters raised by the major shareholder group in the shareholder meetings.

Based on the Company's organizational structure, however, the Company has clearly identified scopes of authority, rules and responsibilities of directors with transparency. Also, measures in regard to connected transactions linked to directors, major shareholders, management, as well as individuals with conflicts on interests are clearly identified. The aforementioned people are not allowed to vote on related issues that may cause conflicts of interests. Also, independent directors are appointed to consider and make decisions on the issues to ensure that the practice on such issue is transparent enough to convince the shareholders that the Company's management structure highlights balance of power and effective management.

3.6.2 The risk of high dependence on major shareholders

At present, SAWAD Group is financially supported and guaranteed by its major shareholders. As of 29 January 2021, The Kaewbootta family, the major shareholder group with 45.68 percent of the paid-up capital guaranteed the loans amounting to Baht 500 million for business operational purposes (Further details can be obtained from Part 2, 12 Connected Transactions). This can be inferred that SAWAD Group sees considerable risk in regard to its high dependence on Kaewbootta Group. An absence of financial assistance from the Kaewbootta Group may put the Company's business operation in trouble.

Note that the aforementioned guarantee was carried out in accordance to regulations set forth by the financial institutions. At present, the financial institutions is processing to withdrawn the guarantee.



4. Assets used for Business Operation

4.1 Fixed Assets

4.1.1 Premises and Equipment – Net

As of 31 December 2020, the Company owned premises and equipment at a net value of Baht 641.74 million as the following details:

Types of Assets	Nature of ownership	Net value (Baht)	Obligation
Land	own	28,859,100	No
Building and building improvement	Own	360,951,508	No
Office decor accessories	Own	106,141,596	No
Office Supplies	own	70,948,652	No
Vehicles	own	41,968,978	Yes
Work in process	own	32,871,233	No
Total		641,741,067	

4.2 Loans to customers

The hire purchase receivables and loan receivables are shown based on the net values. The figure shows the amount of debts stated in the contracts deducted by interests not yet booked as income and allowance of doubtful accounts, based on the duration of outstanding balance.

Hire purchase receivables	31 December 2018		31 December 2019	
	million	%	million	%
Current or overdue not over than 1 month	1,495.11	54.29	351.23	39.90
Overdue more than 1-3 months	1,027.06	37.29	419.00	47.60
Overdue more than 3-6 months	144.67	5.25	46.11	5.24
Overdue more than 6-12 months	53.88	1.96	27.12	3.08
Overdue more than 12 months	33.24	1.21	36.71	4.17
Total	2,753.96	100.00	880.17	100.00
Deducted by allowance of doubtful accounts	(92.68)	(3.37)	(60.90)	(6.92)
Hire purchase receivables - net	2,661.28	96.63	819.27	93.08



Loan receivables	31 December 2018		31 December 2019	
	million	%	million	%
Current or overdue not over than 1 month	22,133.30	82.96	26,928.61	75.94
Overdue more than 1-3 months	3,878.64	14.54	7,439.33	20.98
Overdue more than 3-6 months	500.75	1.88	761.27	2.15
Overdue more than 6-12 months	110.28	0.41	225.58	0.64
Overdue more than 12 months	56.07	0.21	106.04	0.03
Total	26,679.04	100.00	35,460.83	100.00
Deducted by allowance of doubtful accounts	(530.99)	(1.99)	(372.00)	(1.05)
Loan receivables - net	26,148.05	98.01	35,088.83	98.95

In the year 2020, the report had reclassified concerning with TFRS 9 which effective since 2020

Loans to customers and accrued interest	31 December 2020	
	Million	%
Performing financial assets	26,914.35	68.21
Under-performing financial assets	11,064.30	28.04
Non-performing financial assets	1,479.91	3.75
Total	39,458.56	100.00
Less Expected credit loss	(1,187.66)	(3.01)
Loans to customers and accrued interest - net	38,270.90	96.99

Policy on allowance of doubtful accounts

SAWAD Group has a policy to set aside allowance of doubtful accounts, according to the durations of receivables' outstanding balance deducted by interests not yet booked as income and the value of collaterals. The collateral is calculated at 0-75 percent of the outstanding receivables deducted by interest not yet booked as income. The calculation is also based on the potential to get repayment and possibility to sell collaterals. The criteria for setting allowance of doubtful accounts are as follows:

Overdue Period	Hire purchase contracts and loans for motorcycles		Hire purchase contracts and loans with other collaterals		Personal Loans
	Percentage of allowance	Value of collaterals	Percentage of allowance of	Value of collaterals	Percentage of allowance of



	of doubtful accounts	(%)	doubtful accounts	(%)	doubtful accounts
Current	1	75	1	75	1
Overdue1 month	2	75	2	75	1
Overdue 1- 3 months	2	55-65	2	55-65	2
Overdue 3-6 months	100	0	20	25-45	100
Overdue 6-12 months	100	0	100	15	100
More than 12 months	100	0	100	0	100

Note: Allowance of doubtful accounts = Percentage of allowance of doubtful accounts X (outstanding receivables – interests not yet booked as income – value of collateral calculated at the rate on the aforementioned table)

In 2020, the Company changed provision and allowance policy according to TFRS 9 which effective since 2020

Allowance for expected credit loss

The Company applies general approach to measure expected credit losses on debt instruments measured at amortised cost and debt instruments measured at fair value through other comprehensive income. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

Under the three-stage expected credit loss impairment model except for significant exposures in loans to customer, the impairment will be assessed by using collective approach model with forward-looking



information adjustment. The impairment of some significant exposures in loans to customer will be assessed by using individual assessment approach.

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

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

Write- off Policy

SAWAD Group has set a write-off policy in accordance with the Ministerial Regulation No. 186 (1991) governing writing off bad debts from debtors' accounts as follows: A receivable with the value of not exceeding Baht 100,000 with outstanding balance overdue 3-4 months onwards is subject to collection procedure/ contract termination in a written form. If the Company is not contacted by the receivable, debts shall be written off. For a receivable worth from Baht 100,000 to 500,000, a part from the aforementioned collection procedure, the Company also proceeds with legal actions before writing off the bad debts. For a receivable valued at least Baht 500,000, the Company files a lawsuit against the debtor for bankruptcy and when the court accepts the case then the bad debts can be written off.

4.3 Loans to customers and accrued interest receivables

Loans to customers are commercial loan, project loan and consumer loan provide for short term working capital, or for expansion or new business development, which will be beneficial to the economic of the entities.

The outstanding of loans to customers and accrued interest, as at the end of 2018-2019 shown as follow:

Loans to customers (Million Baht)	31 Dec 2018	31 Dec 2019
Loans to customers	1,133.97	952.78
Accrued interest	3.62	3.49
Loans to customers and accrued interest	1,137.59	956.27
Less Allowance for doubtful accounts	(373.29)	(376.29)



Less Allowance for troubled debt restructuring	(0.46)	(0.04)
Loans to customers and accrued interest - net	763.84	579.94

Policy on allowance of doubtful accounts

The Group has a policy to set aside allowance of doubtful accounts for loans to customers, according to the guideline of Bank of Thailand.

In 2020, this part has included and shown in 4.2 Loans to customers

4.4 Loan receivables from purchase of loan

Loan receivables from purchase of loan is the distress asset bought from financial institutions. The movement and outstanding of loan receivables shown as follow:

Loan receivables from purchase of Loan (unit: million Baht)	2018	2019
Loan receivables from purchase of loan - beginning	2,742.05	3,188.78
Purchase	1,048.58	21.00
Amortization from collection	(601.85)	(205.35)
Loan receivables from purchase of loan - ending	3,188.78	3,004.43
Less Allowance for impairment	(4.41)	(3.51)
Loan receivables from purchase of loan - Net	3,184.37	3,000.93

In 2020, this report had reclassified concerning to new accounting standard as follows:

Loans to customers and accrued interest	31 December 2020	
	Million	%
Purchased or originated credit impaired financial assets	2,807.67	100.00
Less Expected credit loss	(124.30)	(4.43)
Loans to customers and accrued interest	2,683.37	95.57

**Allowance for expected credit loss**

The Group measures expected credit losses from the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive discounted at credit adjusted effective interest rate. The Group shall recognise in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss. The Group shall recognise favourable changes in lifetime expected credit losses as an impairment gain, even if the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.



4.5 Intangible assets

As of 31 December 2020, the Company had intangible assets valued at Baht 605.14 million as the following details:

Type of assets	Nature of ownership	Value (Baht)	Obligations
Computer Program	own	27,566,787	No
Finance License	Own	554,000,000	No
Goodwill	Own	23,576,727	No

4.6 Trademarks and Right

As of 31 December 2020, SAWAD Group had three trademarks as the following details:

Trademarks/ service marks	Type	For	Status	Issued on	Valid until	No.
	Service	Lending, Mortgage and Pledge	Approved	29 Jan -13	10 Nov 21	๒56313
	Service	Lending, Mortgage and Pledge	Approved	4 Apr - 11	17 Feb 20	๒49642

4.7 Investment Strategies**4.7.1 Investment Strategies and Control of Subsidiaries**

As of 31 December 2020 , the Company invested in subsidiaries as followings:



Company	Business	Paid-up (million Baht)	% of investment	Value
Direct				
Fast Money Co., Ltd.	Hire purchase, non-secured loan	150.00	99.99	150.00
SWP Asset Management Co., Ltd.	Asset management	100.00	95.00	95.00
Srisawad Power 2014 Co., Ltd.	Debt collection, lending service and Insurance service agent	2,000	99.99	1,999.97
Srisawad International Holding Co., Ltd.	Holding company	300.00	99.67	299.00
Srisawad Finance Plc.	Finance Company	2,756.24	82.04	7,730.16
P Lending Co., Ltd.	Create platform for lending business	5.00	75.00	3.75
Srisawad Digital Co., Ltd.	Digital personal loan	50.00	99.99	50.00
Srisawad Capital Co., Ltd.	Personal loan under supervision	300.00	65.00	195.00
Total				10,512.88
Indirect (Through Srisawad International Holding Co., Ltd.)				
SWP Services Co., Ltd.	Advisory service	300.00	99.99	299.49
Srisawad Leasing Laos Co., Ltd.	Lending service	12.08	90.00	10.96
Srisawad Pico Pattani Co., Ltd.	Provincial personal loan	10.00	99.99	10.00
Srisawad Pico Yala Co., Ltd.	Provincial personal loan	10.00	99.99	10.00
Srisawad Pico Narathivas Co., Ltd.	Provincial personal loan	10.00	99.99	10.00



The Company has a policy to invest in businesses that benefit or support its core business in order to boost revenue, earnings and growth potential for the Group. The management policies of subsidiaries are based on the Company's major policies. The investment portion is also at a level that enables the Company to have a control power over its subsidiaries or affiliates. The investment can come in forms of self –investment, co-investment, and part investment. Nonetheless, the Company does not have a policy to invest in any company where the Company is unable to have its representative act as a director.

4.7.2 Policy to invest in securities

The Company does not have a policy to invest in securities, a part from its investment related to its core business.

4.8 Highlights of major contracts for business operation

4.8.1 Loan agreements

As of 31 December 2020, the Company inked loan agreements with eight financial institutions as follows:

The 1st financial institution

Debtor	SAWAD Group	SAWAD Group
Credit Type	Short-term loan	Overdraft
Credit limit	Baht 1,000 million	Baht 35 million
Collateral and guarantor	None	None
Liabilities as of 31 Dec-20	Baht -- million	Baht -- million
Conditions	<ul style="list-style-type: none"> SAWAD Group is entitled to withdraw loan at the amount that the Group provides loans to hire purchasers or debtors. The Group is prohibited from offering loans to directors before all bank loans are repaid. The Group agrees not to repay loans to directors before the loan repayments to banks are completely settled and the interest rates from loans offered by directors must not exceed the interest rates from bank loans. In case of some events that have negative impact the Company's financial position and thus make the financial institution doubt about the Company's ability to repay loans, the financial institutions have the right to terminate the loan conditions immediately. 	



	<ul style="list-style-type: none"> The D/E ratio must not exceed 3.0x (excluding the loans borrowed from directors), based on the annual financial statement.
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The second financial institution

Debtor	SAWAD Group	SAWAD Group
Credit Type	Short-term loan	Overdraft
Credit Limit	Baht 2,200 million	Baht 90 million
Collaterals and guarantor	None	None
Liabilities as of 31 Dec 20	Baht -- million	Baht -- million
Other terms and conditions	<ul style="list-style-type: none"> The Group agrees not to repay loans to directors before the loan repayments to banks are completely settled and the interest rates from loans offered by directors must not exceed the interest rates from bank loans. For a credit limit of Baht 1,000 million, the Company was required to maintain its D/E ratio at not exceeding 3x. If SAWAD Group defaults on obligations to repay loan or any agreements made with the financial institution, the financial institution is entitled to request the guarantor to repay capital at full amount plus interests and compensations as well as other obligations. 	

The third financial institution

Debtor	SAWAD Group
Credit Type	Short-term loan
Credit Limit	Baht 500 million
Collaterals and guarantor	Credit guaranteed by the major shareholder group
Liabilities as of 31 Dec 19	- million
Other terms and conditions	<ul style="list-style-type: none"> The Company was requested to maintain the D/ E ratio in the consolidate financial statement at not exceeding 3.0x. (excluding the loans borrowed from directors)

The fourth financial institution

Debtor	SAWAD Group	SAWAD Group
Credit Type	Short-term loan	Long-term loan
Credit Limit	Baht 2,120 million	Baht 1,000 million
Collaterals and guarantor	None	None
Liabilities as of 31 Dec 20	Baht -- million	Baht 60.00 million
Other terms and conditions	<ul style="list-style-type: none"> The Company was requested not to binding with company's assets accepted hire purchase and loan contracts that pledged with other financial institutions The Company was requested to maintain the D/ E ratio in the updated consolidate financial statement at not exceeding 4.5x. Kaewbootta Group has to maintain major controlling 	

The fifth financial institution

Debtor	SAWAD Group
Credit Type	Long-term loan
Credit Limit	Baht 2,500 million
Collaterals and guarantor	None
Liabilities as of 31 Dec 20	Baht 847.22 million
Other terms and conditions	<ul style="list-style-type: none"> The Company was requested not to binding with company's assets accepted hire purchase and loan contracts that pledged with other financial institutions The Company was requested to maintain the D/E ratio in the updated consolidate financial statement at not exceeding 4.5x. Kaewbootta Group has to maintain major controlling

The sixth financial institution

Debt	SAWAD Group	SAWAD Group	SAWAD Group
Credit Type	Short-term loan	Long-term loan	Overdraft



Credit Limit	Baht 500 million	Baht 1,500 million	Baht 75 million
Collaterals and guarantor	None	None	None
Liabilities as of 31 Dec 20	-- million	972.18 million	-- million
Other terms and conditions	<ul style="list-style-type: none"> The Company was requested not to binding with company's assets accepted hire purchase and loan contracts that pledged with other financial institutions The Company was requested to maintain the D/ E ratio in the updated consolidate financial statement at not exceeding 4.5x. Kaewbootta Group has to maintain major controlling. 		

The seventh financial institution

Debt	SAWAD Group
Credit Type	Long-term loan
Credit Limit	Baht 1,460 million
Collaterals and guarantor	None
Liabilities as of 31 Dec 20	Baht 583.50 million
Other terms and conditions	<ul style="list-style-type: none"> The Company was requested not to binding with company's assets accepted hire purchase and loan contracts that pledged with other financial institutions The Company was requested to maintain the D/E ratio in the updated consolidate financial statement at not exceeding 4.5x. Kaewbootta Group has to maintain major shareholding and major controlling.

The eighth financial institution

Debt	SAWAD Group
Credit Type	Long-term loan
Credit Limit	Baht 4,775 million
Collaterals and guarantor	Srisawad Corporation Pcl. Fully guaranteed
Liabilities as of 31 Dec 20	Baht 1,775 million



Other terms and conditions	<ul style="list-style-type: none">• The Group should withdraw against account receivables amount under the Company disclosed relief measures for customers• The Company was requested to maintain the D/E ratio in the updated consolidate financial statement at not exceeding 4.5x.• SAWAD has to maintain major shareholding and fully guaranteed
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4.8.2 Bills of Exchanges

SAWAD Group had authorized short-term bills of exchange valued at Baht 4,000 million for the duration of not later than 270 days. The bills of exchange were offered to institutional investors or major investors. As of 31 December 2020, the Company sold bills of exchange for the total amount of Baht 200 million.

4.8.3 Lease contracts for branch offices

SAWAD Group signed lease contracts with outsiders and individuals with possible conflicts of interest in order to lease spaces for use as branch offices. Most contracts last no longer than three years, with payments being made quarterly, biannually and annually.

As of 31 December 2019, SAWAD Group had liabilities from leases of space for 4,750 branches (including some branches for which the Company already put deposit for advanced payment prior to the commercial operation in 2021). This is translated into the total obligations from lease contracts at Baht 935.90 million.



5. Legal Disputes

None



6. General Information

6.1 General Information

Company Information

Name	:	Srisawad Corporation Public Company Limited
Address	:	99/392 Srisawad Building 4,6 Floor, Chaeng Wattana Road, Thung Song Hong, Laksi, Bangkok 10210
Type of Business	:	Invest in other business
Registered Number	:	0107556000400
Registered Capital	:	Baht 1,428,078,488
Paid-up Capital	:	Baht 1,373,152,393 Divided into 1,373,152,393 ordinary shares at par value Baht 1.00 per share.
Website	:	www.meebaanmeerod.com
Telephone	:	0-2693-5555
Fax	:	0-2573-1565
Reference		
Share Registrar	:	Thailand Securities Depository Co., Ltd. 14 th Fl., 93 Ratchadapisek Road, Din Daeng, Bangkok 10400 Tel. 0-2009-9000 Fax. 0-2009-9992
Bond Registrar	:	CIMB Thai Bank Public Company Limited 44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330 Tel. 0-2638-8000 Fax. 0-2657-333 Krung Thai Bank Public Company Limited 35 Sukhumvit Road, Klong Teoy Nua, Watana, Bangkok 10110 Tel. 0-2255-2222
Bond Representative	:	Krung Thai Bank Public Company Limited



35 Sukhumvit Road, Klong Teoy Nua, Watana, Bangkok 10110

Tel. 0-2255-2222

Asia Plus Securities Company Limited

175 Sathorn City Tower, 3/1 Floor, South Sathorn Road,

Tung Mahamek, Sathorn, Bangkok 10120

Tel. 0-2680-4037

Auditor : Mrs.Anothai Leekijwattana CPA. No. 3442 or

Mr. Paiboon Tunkoon CPA. No. 4298 or

Ms.Sinsiri Thangsombat CPA. No. 4906

Pricewaterhousecooper ABAS Co., Ltd.

15th Fl., Bangkok City Towers, 179/74-80 South Sathorn,

Tung Mahamek, Sathorn, Bangkok 10120

Tel. 0-2344-1000 Fax. 0-2286-5050

Internal Auditor : P&L Internal Audit Co., Ltd.

73/290-294 The Fifth Avenue Tower B, 2nd Fl., Bangkok-Nont Road,

Bang Khen, Muang, Nonthaburi

Details of the juristic person that the Company held directly 10% onwards of their issued shares

Name : Fast Money Company Limited

Address : 99/392 Srisawad Building 4,6 Floor, Chaeng Wattana Road, Thung
Song Hong, Laksi, Bangkok 10210

Type of Business : Provide hire purchase loans of new motorcycle and personal loan

Registered and Paid-up Capital : Baht 150,000,000

Name : SWP Asset Management Company Limited

Address : 99/392 Srisawad Building 2 Floor, Chaeng Wattana Road, Thung
Song Hong, Laksi, Bangkok 10210

Type of Business : debt collection and purchase distressed assets for management



Registered and Paid-up Capital : Baht 100,000,000

Name : Srisawad Power 2014 Company Limited

Address : 99/392 Srisawad Building 4,6 Floor, Chaeng Wattana Road, Thung
Song Hong, Laksi, Bangkok 10210

Type of Business : Debt collection and lending service

Registered and Paid-up Capital : Baht 2,000,000,000

Name : Srisawad Finance Public Company Limited

Address : 99/392 Srisawad Building 1,3,5,6 Floor, Chaeng Wattana Road, Thung
Song Hong, Laksi, Bangkok 10210

Type of Business : Finance Company

Registered and Paid-up Capital : Baht 2,756,236,205

Name : Srisawad International Holding Company Limited

Address : 99/392 Srisawad Building 4,6 Floor, Chaeng Wattana Road, Thung
Song Hong, Laksi, Bangkok 10210

Type of Business : Holding company

Registered and Paid-up Capital : Baht 300,000,000

Name : SWP Services Company Limited

Address : 99/392 Srisawad Building 4,6 Floor, Chaeng Wattana Road, Thung
Song Hong, Laksi, Bangkok 10210

Type of Business : Advisory service

Registered and Paid-up Capital : Baht 300,000,000

Name : P Lending Company Limited

Address : 99/392 Srisawad Building 4,6 Floor, Chaeng Wattana Road, Thung
Song Hong, Laksi, Bangkok 10210

Type of Business : Create platform for lending business



Registered and Paid-up Capital : Baht 5,000,000

Name : Srisawad Digital Company Limited

Address : 99/392 Srisawad Building 4 Floor, Chaeng Wattana Road, Thung
Song Hong, Laksi, Bangkok 10210

Type of Business : Digital personal loans service

Registered and Paid-up Capital : Baht 50,000,000

Name : Srisawad Capital Company Limited

Address : 99/392 Srisawad Building 4 Floor, Chaeng Wattana Road, Thung
Song Hong, Laksi, Bangkok 10210

Type of Business : Personal loan under supervision service

Registered and Paid-up Capital : Baht 300,000,000

Name : Srisawad Vietnam LLC

Address : 1st Floor, VCCI Tower, No. 1, Lenin Avenue , Hung Dung ward, Vinn
City, Nghe An Province, Vietnam

Type of Business : Credit sale

Registered and Paid-up Capital : 33,500,000,000 Dong or approximately Baht 101.92 million

Name : Srisawad Leasing Laos Company Limited

Address : Baan Pon Than, Sai Chettha , Vientiane

Type of Business : Hire purchase and secured loan

Registered and Paid-up Capital : 3,000 Million Kip or approximately Baht 12.08 million

Name : Srisawad Pico Pattani Company Limited

Address : 31/16 Moo 4 Roosamilae, Muang Pattani, Pattani 94000

Type of Business : Provincial personal loan under supervision service

Registered and Paid-up Capital : Baht 10,000,000

Name : Srisawad Pico Yala Company Limited

Address : 117 Phang Muang 4 Rd., Sateng, Muang Yala, Yala 95000



Type of Business : Provincial personal loan under supervision service

Registered and Paid-up Capital : Baht 10,000,000

Name : Srisawad Pico Narathivas Company Limited

Address : 354/20 Rangaemunka Rd., Bang Nak, Muang Narathivas, Narathivas
96000

Type of Business : Provincial personal loan under supervision service

Registered and Paid-up Capital : Baht 10,000,000



Part II

Management and Corporate Governance

7. Securities and Shareholder

7.1 The Company's securities

7.1.1 Registered and Paid-up Capital

As of 31 December 2020, the Company had registered capital of Baht 1,428.08 million and paid-up capital of Baht 1,373,152,393, consisting of 1,373,152,393 ordinary shares at a par value of Baht 1 per share.

7.1.2 Warrant

From the last exercise of SAWAD-W1 which had exercised at 29 May 2020, there were 29,834,500 units of SAWAD-W1 had exercised to 36,905,142 ordinary shares. The rest of SAWAD-W1 had already expired and delisted from SET since 30 May 2020.

In the Annual General Meeting of Shareholders for the year 2020, shareholders approved to issued and offered Warrants to purchase newly issued ordinary shares of Srisawad Corporation Plc. No. 2 (SAWAD-W2) amounted 54,926,095 units to existing shareholders in the ratio of 25 shares receive 1 unit of warrant and has issued SAWAD-W2 since 3 September 2020. As of 31 December 2020, the detail of the Company's Warrant prescribed as follows:

Name of Warrants	Warrants to Purchase Newly Issued Ordinary Shares of Srisawad Corporation Plc. No. 2 (SAWAD-W2)
Issuance Date	3 September 2020
Allotment Method	Allot to shareholders whose name appear as the shareholders on 18 August 2020 with the ratio of 25 ordinary shares per 1 unit of warrant.
Offering Price	-0- THB per unit
Exercise Ratio	One unit of warrant is entitled to purchase 1 ordinary share.
Exercise Price	Baht 100.00
Exercise Period	Warrant holders may exercise on the last business day of the months of February and August each year throughout the tenor of the warrants. The first exercise date will be the last business day in February 2023 or 28 February 2023. The last exercise date is 29 August 2025.
Term of Warrants	Not more than 5 years



Maturity Date	30 August 2025
Number of Warrants	54,923,477 units
Outstanding of Warrants	54,923,477 units
Underlying Shares	54,926,095 shares

7.2 Shareholders

The list of shareholders and their shareholding as shown in the book of shareholder's registration as of 29 January 2021 is as follows:

Shareholders	29 January 2021	
	Share amount	%
1. Kaewbootta Family ^{/1} consisting of	627,237,211	45.68
1.1 Ms Thida Kaewbootta	394,854,856	28.76
1.2 Ms DOUNGCHAI Kaewbootta	100,582,196	7.32
1.3 Mr. Chatchai Kaewbootta	50,276,399	3.66
1.4 Mrs. Jariya Kaewbootta	81,523,760	5.94
2. Thai NVDR Company Limited	146,372,351	10.66
3. Cathay Financial Holding Co., Ltd.	125,827,257	9.16
South East Asia UK (Type A) Nominees	62,700,000	4.57
Citi (Nominees) Limited	63,127,254	4.59
4. South East Asia UK (Type C) Nominees	32,856,584	2.39
5. State Street Europe Limited	29,661,100	2.16
6. SCB Dividend Stock 70/30 LTF	17,554,330	1.28
7. Mr. Suthisak Chaipradit	8,824,513	0.64
8. Social Security Office by SCBAM	8,765,900	0.64
9. EGAT Registered Provident Fund	7,697,400	0.56
10. SCB Stock Plus Long Term Equity Fund	6,846,620	0.50
11. General investors	361,509,130	26.33
Total	1,373,152,393	100.00

Note ^{/1} Including the family, not shareholding of the related parties, based on Article 258 of the Securities and Stock Exchange of Thailand

7.3 Dividend Policy



The Company and its subsidiaries have a policy to offer a dividend payout ratio at not below 40% of the after tax and after provision net profit, based on the separated financial statement. The Company's directors have authorities to consider the dividend payment, except for the case that the Company decides not to follow such dividend policy or occasionally change the policy. The dividend policy can be changed, provided that the change will bring maximum benefits to the shareholders of the Company and subsidiaries. For example, the Company may need to reserve cash for future loan repayment or funding for potential business expansion. Also, the dividend payment policy can be changed in accordance with changing market conditions that may have an impact on the Company's future financial position.

7.4 Issuance of bills of exchange

SAWAD Group had authorized short-term bills of exchange valued at Baht 4,000 million for the duration of not later than 270 days. The bills of exchange were offered to institutional investors or high net worth investors. As of 31 December 2020, the Company had sold bills of exchange for the total amount of Baht 200 million.

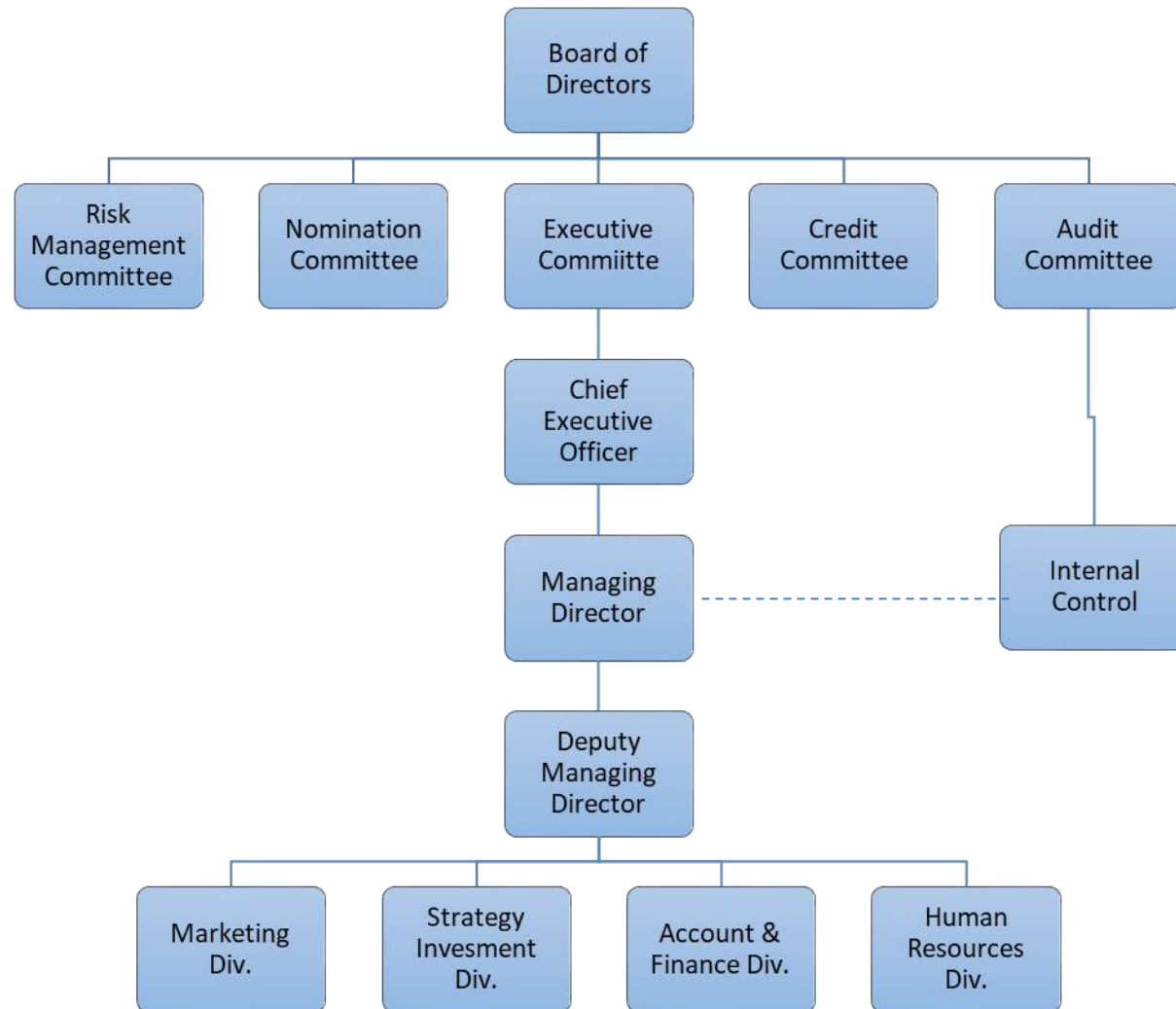
7.5 Issuance of debentures

SAWAD Group had authorized to issue debentures valued at Baht 30 billion, as of 31 December 2020, SAWAD had already issued senior and unsecured debentures for sale to high net worth investors and institutional investors as follows:

Issuance Date	Symbol	Amount (Baht)	Interest Rate	Tenor	Maturity Date
3 Feb 2017	SAWAD212A	2,102,100,000	4.40	4 year	3 Feb 21
19 Sep 2017	SAWAD209A	1,225,000,000	3.60	3 year	19 Sep 20
8 Aug 2018	SAWAD218A	1,651,600,000	3.90	3 year	8 Aug 21
8 Aug 2018	SAWAD228A	1,548,400,000	4.15	4 year	8 Aug 22
29 Mar 2019	SAWAD223A	550,000,000	4.10	3 year	29 Mar 22
13 Jun 2019	SAWAD236A	500,000,000	4.40	4 year	13 Jun 23
27 Jun 2019	SAWAD226A	2,500,000,000	4.15	3 year	27 Jun 22
29 Jan 2020	SAWAD221A	500,000,000	2.80	2 year	29 Jan 22
29 Jan 2020	SAWAD231A	2,500,000,000	3.40	3 year	29 Jan 23
28 Aug 2020	SAWAD228B	700,000,000	3.15	2 year	8 Aug 22
28 Aug 2020	SAWAD236B	603,100,000	3.45	2 year 9 months	13 Jun 23
28 Aug 2020	SAWAD242A	1,696,900,000	3.75	3 year 6 months	28 Feb 24



8.1 Management Structure





The Company's management structure composes of six committees, namely the Board of Directors, the Audit Committee, the Executive Committee, the Risk Management Committee, Nomination and Remuneration Committee and Credit Committee. The details are as follows:

8.1.1 The Board of Directors

As of 31 December 2020, the Board of Directors comprised of the following 13 directors:

1.	Mr. Sukhont	Kanchanahuttakij	Chairman
2.	Mr. Vinai	Vittavasarnvej	Vice Chairman of the Board/ Chairman of Audit Committee / Independent Director
3.	Mr. Chatchai	Kaewbootta	Director / Chief Executive Officer
4.	Ms. Doungchai	Kaewbootta	Director / Executive Director
5.	Mr. Prayong	Saennual	Director / Executive Director
6.	Mr. Somyot	Ngerndamrong	Director
7.	Mr. Pinit	Puapan	Director
8.	Mr. Tzung-Han	Tsai	Director
9.	Mr. Kudun	Sukhumananda	Director
10.	Mr. Sumate	Maneewattana	Director / Independent Director
11.	Mr. Veera	Veerakool	Director / Independent Director
12.	Pol.Gen Pharnu	Kerdlarpphon	Audit Committee Member/ Independent Director
13.	Mr. Weerachai	Ngamdeevilaiak	Audit Committee Member/ Independent Director
	Mrs. Chomchaba	Sathapornpong	Secretary

The directors authorized to sign for the Company as in the certificate of the company registration:

The signatures of either Ms. Doungchai Kaewbootta or Mr Chatchai, together with the signatures of either Mr. Somyot Ngerndamrong or Mr. Prayong Saennual, are required to go with the Company's seal.

Scope of authority and responsibility of the Board of Directors

1. To manage and ensure that the Company's business operation conforms to the laws, objectives, and the articles of association including the resolutions of the shareholders' meetings, with honesty and trustworthiness; and to provide utmost benefits to the Company;



2. To determine missions, visions, policies, objectives and business plans; to approve the Company's annual budget; to ensure that the management effectively and efficiently runs business in accordance with the Company's strategies and business plans; also to periodically review the Company's strategies and objectives in accordance with the changing circumstances;
3. To consider, review and approve business expansion plans or M&A plans proposed by the Executive Committee;
4. To ensure that the Company's financial and accounting report system, internal audit system and internal control systems are appropriate, adequate, accurate and reliable in order to make sure that the Company's information is accurately and transparently disclosed in accordance with relevant laws and regulations;
5. To prevent any transactions that may cause conflicts of interests among the Company's directors and management members as well as preventing any wrong doing; and to get rid of any conflicts of interests with careful, honest, reasonable and independent manners under the code of ethical principles.
6. To review and approve the Company's financial statement and the financial report, which are already audited and/or reviewed by the authorized auditor and approved by the Audit Committee;
7. To acknowledge the reports and monitor the performance of the managing director;
8. To review the good corporate governance policies in a regular basis;
9. To review and approve the financial statement and the financial report, which are already audited and/or reviewed by the authorized auditor and approved by the Audit Committee;
10. To appoint advisors to the directors and/or sub-committees to consider some particular matters;
11. To assign any individuals to operate the business of the Company under the Board of Directors' supervision; to authorize such individuals to perform some tasks to a certain degree and within a timeframe, as deemed appropriate by the Board of Directors; and the Board of Directors may cancel, dismiss, or amend such power in case the Board of Directors empower the managing directors or other individuals to work on some tasks linked to the Company's core business.
12. To consider and approve any matters or transactions, which are significant to the Company or deemed as appropriate to maximize benefits to the Company, except for the following matters that require the approval from a shareholders meeting;
 - (a) Any matters required by law that they need the approval from a shareholders meeting;
 - (b) Any transactions that involve conflicts of interests among directors as specified by law or regulations of the Stock Exchange of Thailand, i.e., indicating that such transactions need approval from the



shareholder meeting, e.g., acquisitions or disposals of significant assets as specified by the Stock Exchange of Thailand;

The following matters require the approval from the majority of the directors attending the Board of Director meeting and from three-fourths of the total eligible voters in a shareholders meeting:

- (a) Disposal or transfer of all or some significant businesses of the Company
- (b) Acquisition or receiving of transfer of businesses from other companies or private companies
- (c) Revision or termination of contracts linked to leasing of all or some of the Company's business; or arrangement of other parties to manage the Company's businesses; or the consolidation to the businesses of other parties for the purpose of profit and loss sharing;
- (d) Revision to or additions of details in the memorandum of association or Article of Association;
- (e) Capital increase; capital decrease; issuance of debentures;
- (f) Company merging or dissolution;
- (g) Any other matters, for which the law about securities and/or regulations of the Stock Exchange of Thailand require that they need approval from Board of Director meeting and shareholder meeting with the aforementioned amounts of votes;

Note that the aforementioned scope of power and responsibility of the Company's Board of Directors does not include the power that allows any directors or individuals authorized by the directors to be able to approve any transactions that they involve in conflicts of interests (as announced by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand and/or the Capital Market Supervisory Board) with the Company or the subsidiaries; except for the case that the approval of those particular transactions is made in accordance with the policy or principle that a shareholder meeting or a meeting of Board of Directors already considers approving;

8.1.2 The Audit Committee

As of 31 December 2020, the Audit Committee comprised the following three members:

- | | | |
|----|-------------------------------|---|
| 1. | Mr. Vinai Vittavasgarnvej | Chairman of Audit Committee/ Independent Director |
| 2. | Pol.Gen Pharnu Kerdlarpphon | Audit Committee Member/ Independent Director |
| 3. | Mr. Weerachai Ngamdeevilaisak | Audit Committee Member/ Independent Director |
| | Mrs. Chomchaba Sathapornpong | Secretary to the Audit Committee |



Mr. Vinai Vittavasgarnvej and Mr. Weerachai Ngamdeevilaisak possess such extensive and sufficient knowledge and experience in accounting and finance that they are able to review the reliability of the Company's financial statement. Mr. Vinai Vittavasgarnvej, the chairman of the Audit Committee and independent director, earned bachelor's degrees in accounting from Thammasat University. At present, he also holds the position of chairman of the Audit Committee and the independent director for Ekarat Engineering Plc. and member of Audit Committee for Charoen Pokphand Foods Plc. Another Audit Committee Member and independent director, Mr. Weerachai Ngamdeevilaisak, received a bachelor's degree in accounting from Thammasat University. At present, he is also a member of the audit committee for Prukha Holding Plc., chairman of the Audit Committee for Syn Mun Kong Insurance Plc. and chairman of the Audit Committee for ALLA Plc.

Term in office of the Audit Committee

The chairman and members of Audit Committee serve the term of three years. Once the term is completed, they can also be re-appointed.

Scope of power, duties and responsibility of the Audit Committee

1. The Audit Committee has duties to review and ensure that the Company's financial reports are accurate and adequately disclosed, in co-operation with the external auditor and the management responsible for the quarterly and annual financial reports. The Committee reviews the financial statement and financial reports, which relate to the accounting standard, the significant change in accounting standard and the reasons of the management in regard to the accounting standard, before proposing to the Board of Directors prior to the disclosure of such information to shareholders and general investors.
2. The Audit Committee also takes responsibility in ensuring that the Company's internal control system and internal audit system are sufficient and effective, in co-operation with the external auditor and the internal auditor. The Audit Committee also reviews the Company's audit plan and evaluates the audit results in co-operation with the authorized auditor and internal auditor, examining problems and limitations arising from the review of the financial statement. The Committee also plans on control of electronics information and information safety in order to prevent corruptions or wrong uses of computers by employees or outsiders. The Audit Committee also examines the independence of the internal control department as well as approving appointment, transfer or termination of employment contract of the head of the internal control department or any department overseeing the Company's internal control affairs.
3. The Audit Committee also reviews the Company's operations and ensure that they conform to the rules and regulations of the Stock Exchange of Thailand, and any other laws related to the business operation of the Company. The Committee's duties and responsibility is also based on the rules and



regulations of the Office of Securities and Exchange Commission as well as the Stock Exchange of Thailand.

4. The Audit Committee considers proposing an independent individual from an audit company as the Company's auditor as well as proposing the remuneration of the Company's auditor, taking into account the reliability, resource adequacy and the amount of audit work at that particularly audit company and also considering the qualification of the appointed auditor. The Audit Committee also has a duty to attend the meetings with the auditor, without the presence of the management, at least once a year

5. The Audit Committee also has a duty to review connected transactions and/or some transactions that link to either acquisition or disposal of the Company's assets. The Committee also discloses any transactions that may cause conflicts of interests, ensuring that the information relating to those particular transactions are adequate and accurate. Also, the Committee has to approve such transactions before proposing them to the Board of Directors' meeting and/or shareholders' meetings; this is to ensure that those transactions are in compliance with the regulations of the Stock Exchange of Thailand; and to make sure that those transactions are justified and bring maximum benefits to the Company.

6. The Audit Committee also takes responsibility in preparing Audit Committee Report and disclosing it in the Company's annual report. The report must be signed by the Chairman of the Audit Committee and at least contain the following details:

- Opinions concerning accuracy, adequacy and reliability of the Company's financial reports
- Opinions concerning the adequacy of the Company's internal control system
- Opinions concerning the suitable qualification of the Company's auditor
- Opinions whether the Company follows the laws related to securities and the stock market, regulations of the stock market and the laws related to the Company's business
- Opinions concerning some transactions that may cause conflicts of interests
- Opinions in regard to the number of the Audit Committee meetings and the attendance of each member
- Opinions or overall notes that the Audit Committee receives from the charter-based operation
- Other matters that should be disclosed to the shareholders and general investors under the scope of responsibility assigned by the Board of Directors and/or under the scope of laws



7. The Audit Committee has responsibility towards the Board of Directors as assigned by the Board of Directors. In addition, the Board of Director is also responsible for reporting of activities of the Audit Committee or any other duties, as assigned by the Board of Directors, to the Board of Directors,

The Audit Committee shall report the following matters to the Board of Directors immediately:

- Transactions involving conflicts of interests
- Corruptions or unusual matters or significant errors of the internal control system
- Violation of the laws or regulations of the Office of Stock Exchange Commission or the Stock Exchange of Thailand
- Other matters that should be informed to the Company's Board of Directors

In case that the Audit Committee reports a particular matter that may have significant impact on the Company's financial position and earnings performance and that the Audit Committee already discusses the matter with the Board of Director and the management with a conclusion that the revision and adjustment on such particular matter shall be completed within specified timeframe, if the Audit Committee finds out that no action has been taken after that specified timeframe without any acceptable reasons, a member or the Audit Committee may report that matter to the Office of Stock Exchange Commission and/or the Stock Exchange of Thailand, whichever the case maybe.

8. The Audit Committee has power to seek opinions from an independent professional advisor as deemed appropriate, in the expenses of the Company.

9. The Audit Committee has power to request additional information about various matters from other departments

10. The Audit Committee also have other duties as assigned by the Board of Directors and/or approved by the Audit Committee, e.g., review of the financial management policies and risk management policies, review of code of conducts for the management, discussing with the management about important reports to be publicized as required by law, e.g., the management report and analysis, and etc.

Note that the aforementioned scopes of power and responsibility of the Audit Committee do not include the power that enables a member of Audit Committee or an authorized representative for that member to express opinions about any cases that the particular member of the representative or the connected persons (as announced by the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) may have conflicts of interests with the Company or its subsidiaries.



8.1.3 Executive Committee

As of 31 December 2020, the Executive Committee was comprised of the following four members:

- | | | | |
|----|--------------|--------------|--------------------------------------|
| 1. | Mr. Chatchai | Kaewbootta | Chief Executive Officer |
| 2. | Ms.Doungchai | Kaewbootta | Executive Committee Member |
| 3. | Mr. Prayong | Saennual | Executive Committee Member |
| 4. | Ms. Wanaporn | Pornkitipong | Executive Committee Member |
| | Ms. Wanaporn | Pornkitipong | Secretary to the Executive Committee |

Term in office of the Executive Committee

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

Scope of power, duties, and responsibility of the Executive Committee

1. The Executive Committee has duties to determine missions, visions, policies, objectives, business plans and annual budget on an annual basis and propose them to the Company's Board of Directors. The Executive Committee is also responsible for ensuring that the Company's management runs business according to plans efficiently and effectively. The Committee also reviews strategies and targets in accordance with the changing situations.
2. The Executive Committee also considers the annual budget allocation plan proposed by the management before proposing the plan to the Company's Board of Directors for review and approval. This includes the power to consider and approve the changes and additions of annual expense budget during the time when no Board of Directors' meeting is arranged and such matter shall be proposed to the next meeting of the Board of Directors.
3. Executive Committee also has power to consider approving contracts and/or any transactions that relate to the Company's core business, financial transactions made with banks/ financial institutions, loan or lending approval, sale of collaterals or foreclosed assets, procurement of assets/service based on the budget limits approved by the Board of Directors or based on the limit specified by the regulation in regard to approval and operation authority.
4. The Executive Committee can empower a member of Executive Committee or members of Executive Committee or other individuals to perform a particular duty under the control of the Executive Committee or empower such person on some matters and within certain timeframe, as deemed appropriate by the Executive Committee; the Executive Committee has power to cancel, dismiss or change the authorized person as appropriate.



5. The Executive Committee also has other duties and responsibility as assigned by the Board of Directors.

Note that the aforementioned scopes of power and responsibility of the Executive Committee do not include the power that enables a member of Executive Committee or an authorized representative for that member to express opinions about any cases that the particular member of the representative or the connected persons (as announced by the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) may have conflicts of interests with the Company or its subsidiaries. The Executive Committee shall report any cases or transactions causing conflicts of interests to the Company's Board of Directors and/or the shareholders meeting so that they can consider approving such cases or matters based on the rules and regulations of relevant laws.

8.1.4 Risk Management Committee

As of 31 December 2020, Risk Management Committee was comprised of the following six members:

- | | | | |
|----|-----------------|------------------|--|
| 1. | Mr. Weerachai | Ngamdeevilaisak | Chairman of Risk Management Committee |
| 2. | Pol. Gen Pharnu | Kerdlarpphon | Risk Management Committee Member |
| 3. | Mr. Sukhont | Kanjanahuttakit | Risk Management Committee Member |
| 4. | Mr. Chatchai | Kaewbootta | Risk Management Committee Member |
| 5. | Mr. Somyot | Ngerndamrong | Risk Management Committee Member |
| 6. | Mr. Prayong | Saennual | Risk Management Committee Member |
| | Mr. Vasit | Kanchanahuttakij | Secretary to Risk Management Committee |

Term in office of Risk Management Committee

The members of Risk Management Committee serve the term of two years, starting from the appointment date. Once the term is completed, they can also be re-appointed. The Risk Management Committee is directly responsible for the Board of Directors and the members have duties and responsibility as assigned by the Board of Directors.

Scope of power, duties, and responsibility of the Risk Management Committee

1. The Risk Management Committee has duties to draft determine policies and guidelines for the Company's overall risk management on various risk aspects including financial risks, investment risks, risks impacting the Company's business, and etc., and propose such policies and guidelines to the Board of Directors for approval.



2. The Risk Management Committee also comes up with strategies and guidelines for the Company's risk management to be in line with the Company's risk management policies; the Committee also monitors and evaluates risk factors, ensuring that they are at an appropriate level.
3. The Risk Management Committee also monitors and ensures that the risk management policies are followed, under the guideline and policies approved by the Company's Board of Directors.
4. The Committee also sets up the criteria to evaluate risks and risk ceiling at an acceptable level.
5. The Risk Management Committee has a duty to determine the measures to appropriately manage risks in accordance with the changing situations.
6. The Committee is also responsible for the adequacy of the risk management system and policies including the efficiency of the risk management system and the operation to following such risk management policies.
7. The Risk Management Committee regularly reports to the Board of Directors in regard to the management, operation and the risk status of the Company as well as some changes and any matters requiring improvement or adjustment to match the set policies and strategies
8. The Committee also arranges a particular team working on risk management affairs as necessary
9. The Risk Management also supports the teams working on managing risks in regard to personnel, budget, and necessary resources in accordance with the scope of their responsibility.

8.1.5 Nomination and Remuneration Committee

As of 31 December 2020, Nomination and Remuneration Committee was comprised of the following three members

- | | | |
|----|-------------------------------|--|
| 1. | Pol. Gen. Pharnu Kerdlarpphon | Chairman of the Nomination and Remuneration Committee |
| 2. | Mr. Chatchai Kaewbootta | Member of the Nomination and Remuneration Committee |
| 3. | Mr. Weerachai Ngamdeevilaisak | Member of the Nomination and Remuneration Committee |
| | Mr. Prayong Saennual | Secretary to the Nomination and Remuneration Committee |

Term in office of the Nomination and Remuneration Committee

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

Scope of power, duties, and responsibility of the Nomination and Remuneration Committee



1. To determine selection methods and qualifications of persons for the positions of directors, committee members and managing directors
2. To select and propose qualified persons for the positions of directors, committee members, and managing directors to the Company's Board of Directors
3. To set criteria or methods to determine the remuneration for directors, committee members, and managing director
4. To propose the remuneration for the directors to the Board of Directors for permission and to the shareholders for approval
5. To propose the remuneration for the managing director for the Board of Directors meeting for approval
6. To review and conclude the following-up working plan of the managing director on an annual basis and report such plan to the Board of Directors for acknowledgement
7. To perform other duties as assigned by the Board of Directors

Note that the aforementioned scopes of power and responsibility of the Nomination and Remuneration Committee do not include the power that enables a member of the Committee or an authorized representative for that member to express opinions about any cases that the particular member of the representative or the connected persons (as announced by the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) may have conflicts of interests with the Company or its subsidiaries. The Nomination and Remuneration Committee shall report any cases or transactions causing conflicts of interests to the Company's Board of Directors and/or the shareholders meeting so that they can consider approving such cases or matters accordingly.

8.1.6 Credit Committee

As of 31 December 2020, the Credit Committee was comprised of the following four members

- | | | |
|----|----------------------------|-----------------------------------|
| 1. | Mr. Chatchai Kaewbootta | Member of Credit Committee |
| 2. | Ms. Doungchai Kaewbootta | Member of Credit Committee |
| 3. | Mr. Prayong Saennual | Member of Credit Committee |
| 4. | Mr. Somyot Ngerndamrong | Member of Credit Committee |
| | Mr. Vasit Kanchanahuttakij | Secretary to the Credit Committee |

Term in office of the Credit Committee

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

Scope of power, duties, and responsibility of the Credit Committee

1. To consider and approve loans which over the authority of the Executive Committee as follows:
 - 1.1 Real estate backed loans approval authority within Baht 300 million
 - 1.2 Restructuring and re-financing loans

Note that the aforementioned scopes of power and responsibility of the Credit Committee do not include the power that enables a member of the Committee or an authorized representative for that member to express opinions about any cases that the particular member of the representative or the connected persons (as announced by the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) may have conflicts of interests with the Company or its subsidiaries. The Credit Committee shall consider and approve not more than the Company's single lending limit which the Board of Directors had determined not more than Baht 500 million. The single lending limit means total amount available for lending to individual including with his/her controlled entities and his/her connected persons.

2. To report and summarize the approval lending and/or restructuring loans to the Board of Directors.

8.1.7 The Management

As of 31 December 2020, the Company's management comprised of five members as follows:

- | | | |
|----|----------------------------|---|
| 1. | Mr. Chatchai Kaewbootta | Chief Executive Officer |
| 2. | Miss Doungchai Kaewbootta | Managing Director |
| 3. | Mr. Somyot Ngerndamrong | Vice President-Collection Department |
| 4. | Mrs. Wanaporn Pornkitipong | Vice President-Accounting and Finance Department |
| 4. | Mr. Prayong Sannual | Vice President- Personnel and Personnel Development |

Scope of power, duties and responsibility of the Chief Executive Officer

The Board of Directors had announced the scope of power, duties and responsibility of the Chief Executive Officer as follows:



1. To carry out the Company's operation according to the Company's objectives, rules, regulations, policies, business plans, and the resolutions of Board of Directors meetings and/or shareholder meetings
2. To issue orders, rules, announcements, memorandums to make sure that the Company's business is run according to the policies
3. To ensure that the Company's spending is under the limit approved by the Company's Board of Directors
4. To set the Company's structure, management power and to have authority about appointment, rotation and removal of employees as well as setting salaries and other employee benefits; and to consider employees' good performance, bonuses, welfare; and also to approve employment contract termination for various management positions
5. To make agreements linked to the Company's core business and approve transactions under the limits approved by the Board of Directors
6. To authorize or assign any person, as approved by the Chief Executive Officer, to do as acting Chief Executive Officer in some necessary cases, as deemed appropriate by the Chief Executive Officer
7. To be responsible for other duties as assigned by the Board of Directors and/or Executive Committee

Note that the aforementioned scope of power and responsibility of the Chief Executive Officer does not include the power that enables the Chief Executive Officer or an authorized representative to approve any transactions that he or share or any connected persons (as announced by the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) may have conflicts of interests with the Company or its subsidiaries. Any cases or transactions causing conflicts of interests shall be reported to the Audit Committee and Company's Board of Directors meeting so that they can consider approving such cases or matters accordingly; this is except for the case about the approval of the transactions that relate to the Company's core business under normal business practice and normal trade conditions in according to the Notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand and the Board of Directors views and approves that the transaction is in line with relevant policies and regulations.

8.1.8 The Company's Secretary



The Board of Directors meeting No. 6/2013 held on 14 June 2013 appointed Mrs. Chomchaba Sathapornpong as the Company's secretary in accordance with Securities and Exchange Act B.E. 2535 (including the amendments). The Company's secretary is responsible for filing and keeping important documents under the name of the Company or the directors and also providing suggestions in regard to laws and regulations that the directors should be aware of. The secretary also has a duty to oversee activities of the directors as well as ensuring that the resolutions of the Board of Directors meetings are followed.

Note that Mrs. Chomchaba Sathapornpong passed the Director Accredited Program (DAP) training course organized by the Thai Institute of Directors in 2005 and earned the certification of Company Secretary Program Class 56/2014.

Responsibility of the Company's Secretary

1. Complete and keep the following documents
 - Director registration
 - Meeting invitation letters, minutes of the Board of Directors meetings and the Annual General Meeting of Shareholders
 - Invitation letters for shareholders' meeting and the minutes of Annual General Meeting of Shareholders
2. Keep reports about stakeholder prepared by the directors or the management
3. Perform other duties as specified by the Capital Market Supervisory Board

Authority for approval and operation

The Board of Directors meeting No. 10/2013 held on 16 October 2013 approved the rule about the authorities for approval and operation No. 2/2013, revised on 23 September 2014. The details and authorities for approval of budget limits for investment, finance, loan and expense budgets are as follows:

Transactions	Approval Authority		
	Executive Committee	Chief Executive Officer	Managing Director
Investment in new companies or other companies	Not exceeding Baht 15 million		-
Borrowing	Not exceeding Baht 200 million		Not exceeding Baht 50 million
Lending or offering loans			



- Secured loans (property)	Not exceeding Baht 5 million	Not exceeding Baht 2 million	Not exceeding 1 million
- Secured (Property)	Not exceeding Baht 30 million	Not exceeding Baht 7 million	Not exceeding Baht 5 million
- Non-secured	Not exceeding Baht 1 million	Not exceeding Baht 0.7 million	Not exceeding Baht 0.5 million
Purchase or lease of fixed assets (in case of over budget)	Not exceeding Baht 10 million		Not exceeding Baht 5 million
Expenses (per transaction or project)			
- expenses on public relation activities, debt compromising, bad debts write-off, hiring of advisors	Not exceeding Baht 5 million		Not exceeding Baht 1 million
- Entertainment and travelling expenses	Not exceeding Baht 0.5 million		Not exceeding Baht 0.1 million
- Donations	Not exceeding Baht 2 million		Not exceeding Baht 1 million

8.2 Nomination and Selection of directors and management

8.2.1 The company's directors

The Nomination and Remuneration Committee set policies and criteria to select and appoint the Company's directors and proposes the names for an approval of the Board of Directors and/or an Annual General Meeting of Shareholder. A person appointed as the company's director shall possess qualifications as specified by the Public Limited Company Act B.E. 2535, regulations on securities and securities market, notifications of the Stock Exchange Commission, the notification of the Capital Market and other regulations linked other qualifications about experience, knowledge, and etc. According to the Company's Articles of Association, the Company's Board of Directors consists of at least five members and at least half of the total members shall reside in the Kingdom of Thailand. In addition, the directors are to be elected by majority voting in the Annual General Meeting of Shareholders as the following details.

1. Each shareholder shall have one vote per share held by them
2. Each shareholder shall cast all of his/her votes in (1) for one or more candidates but shall not divide his/her voting rights amongst the candidates



3. The candidates elected to fill up the vacant positions in the Board of Directors shall be selected in order of the number of votes received. In a case where there is a tie amongst candidates, the chairman of the meeting shall cast the deciding vote.

In every Annual General Meeting of Shareholders, one-third of directors have to vacate in proportion. In case the number of directors cannot be divided into three parts, the number of directors closest to the one-third portion shall leave the position. A director who is about to leave the position can be re-elected. In addition to completing the term, a director may leave the position by death, resignation, disqualification, prohibition by law, termination by the annual general meeting, or a court order.

In addition to the aforementioned rules, the Article of Associations are also apply:

1. The directors are prohibited from operating similar business to compete with the Company's business. They are also prohibited from holding shares in partnership corporate or being directors of any companies doing the same businesses as the Company's and competing with the Company, except for the case that they inform such information to the annual general meeting prior to the appointment of directors
2. The directors have to immediately inform the Company of any interests in the contracts made by the Company, either directly or indirectly; or about increase or decrease in holding of shares or debenture in the Company or the subsidiaries

8.2.2 Independent Directors

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

Qualification of Independent Directors

1. Being appointed by the Company's Board of Directors or the Annual General Meeting of Shareholders
2. Possessing qualifications as specified by the laws about securities and stock market and the regulations of the Stock Exchange of Thailand:



3. Not holding shares in excess of 1 percent of the total shares with the voting rights of the company, the parent company, subsidiaries, associated companies or related companies, inclusive of the shares held by related parties
4. Having never been a director participating in management, an employee, a consultant with regular salary, or a person with power to control the company, except relieved from aforesaid characteristic at not less than two years before submitting permission to the Office. However, the prohibited characteristics do not include independent directors who used to work as civil servants or advisors to any government bodies holding major shareholding
5. Not being a person of whole blood or registration as stated in the law, in the manner of being father or mother, spouse, brotherhood and offspring including spouse of the offspring of the management, other directors, major shareholders, persons with controlling power or persons to be proposed as the Company's directors or management or persons with controlling power on the Company or subsidiaries
6. Not having or never having been in business relation the Company, the subsidiaries, the affiliates, the major shareholders or the persons with controlling power, in the manners that may obstruct the independent exercise of discretion; Not having been a significant shareholder or a person with controlling power of the persons with business relation with the Company, the subsidiaries, the affiliates, the major shareholders or the persons with control power, except relieved from aforesaid characteristics at not less than two years before the date of submission for permission from the Securities and Exchange Commission
7. Not being or having been an auditor for the Company, the subsidiaries, the affiliates, a major shareholder or a person with control power; not being a significant shareholder, an authorized person or partner of auditing offices whose auditors work for the Company, the subsidiary, the affiliates, a major shareholder or a person with control power in the Company, except relieved from such characteristic at not less than two years before the date of submission for permission from the Securities and Exchange Commission
8. Not being or never having been a professional service provider of legal advisor or financial advisor services, with service fee exceeding Baht two million per annum, for the Company, the subsidiaries, the affiliates, major shareholder or a person with control power on the Company; not being a significant shareholder, a person with control power or a partner of the professional provider, except relieved from such characteristic at not less than two years before the date of submission for permission from the Office Securities and Exchange Commission



9. Not being a director appointed to be a representative of a director of the Company, a major shareholder or shareholders with a relation to the major shareholder
10. Not operating similar business or involving in significant business competition to the Company or the subsidiary; not being a significant partner in a partnership company or not being a director, an employees, an advisor earnings regular salary; or not holding shares of over one percent of the total shares with the voting right in other companies that operate business similar or competing with business of the Company or subsidiaries
11. Not having other characteristics that will hinder independent opinions about the Company's operation
12. Being trusted and accepted in general
13. Having adequate time to perform duties as an independent director

An independent director may be assigned by the company's Board of Directors to make decisions on the business operation of the Company, the subsidiaries, the affiliates, the subsidiaries of same level, the major shareholder or the person with controlling power on the Company under the method of collective decision.

In case a person falls to the aforementioned Items 4 or 6, the Company's Board of Directors may be able to consider appointing that person as an independent director, provided that the Board of Directors views that that the appointment of that person will not have an impact on the performance and independent opinions of that person. The following information must be included in the invitation letter of the Annual General Meeting of Shareholders for the agenda about the appointment of independent directors.

- (a) The details of business relation or profession services that disqualify the person as an independent director
- (b) Reasons and necessity for why the person is needed to be appointed as an independent director
- (c) Opinions of the Board of Directors in regard to the appointment of such person as an independent director

8.2.3 Audit Committee

The Audit Committee consists of three independent directors, serving the term of three years. The policies to nominate and appoint Audit Committee members comply with the Notification of the Capital Market Supervisory Board At Tor. Jor 28/2551 concerning the request for permission and the permission for the IPO (including the amendments); the details are as follows:



1. Being appointed by the Board of Directors of the Annual General Meeting of Shareholders as a member of Audit Committee
2. Being a qualified independent director and
 - (a) Not being a director assigned by the Board of Directors to make decisions in business operation at the parent company, the affiliate, the subsidiary at the same level; not being a major shareholder or having control power over the Company and
 - (b) Not being a director of a parent company, a subsidiary or a subsidiary at the same level, which are listed in the Stock Market
3. Possessing adequate knowledge and experience to perform the duties as an audit committee member; note that at least one member of the Audit Committee shall have sufficient knowledge and experience to review the reliability of the financial statement

The principles and the appointment of members of Audit Committee are in line with the principles and the appointment of the Board of Directors. A member who completes his or her term can be re-elected.

8.2.4 The Executive Committee

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

8.2.5 The Risk Management Committee

The Company's Board of Directors has power to appoint six directors as members of the Risk Management Committee. It is compulsory that the chairman of the Risk Management Committee also holds the position of the independent director.

8.2.6 The Nomination and Remuneration Committee

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

8.2.7 The Credit Committee



The Company's Board of Directors appointed five directors to be members of the Credit Committee, considering the appointment of directors or management members who are capable of consideration and analysis lending proposal and collaterals based on the Company's policy.

8.3 Remuneration for Directors and the Management

8.3.1 Directors

Cash remuneration

The 2020 Annual General Meeting of Shareholders held on 31 July 2020 approved the remuneration for directors with payment made on a monthly basis. Note that the directors who are employees or the management do not get the director remuneration.

Positions	Monthly remuneration (Baht/month)	Attendance allowance/ Gratuity
Chairman of Board of Directors	135,000	-
Vice Chairman of Board of Directors	90,000	
Directors who are not employees or management	65,000	-
Sub Committee Remuneration		
Chairman of Audit Committee	25,000	
Chairman of Nomination and Remuneration Committee	25,000	-
Chairman of Risk Management Committee	25,000	-

The Annual General Meeting of Shareholders of the year 2019 on 24 April 2019 and the Annual General Meeting of Shareholders of the year 2020 on 31 July 2020, also determined the directors' bonus of the year 2019 and 2020, not exceeding to one percent of cash dividend paid to shareholders or 15 percent of stock dividend paid to shareholders. The bonus amount shall be not more than Baht 5,000,000, and will only be paid upon the payment of dividend to shareholders.

The details about remuneration for directors during 2019 -2020 are as follows:

Name	Position	Annual Remuneration		Bonus	
		2019	2020	2019	2020
Mr. Sukhont Kanjanahuttakit	Chairman of Board of Directors	1,620,000	1,620,000	894,000	1,066,000
Pol. Gen. Pharnu Kerdlarpphon	Member of Audit Committee /Chairman of Nomination and Remuneration Committee	1,080,000	1,080,000	596,030	710,700



Name	Position	Annual Remuneration		Bonus	
		2019	2020	2019	2020
Mr. Weerachai Ngamdeevilaiak	Member of Audit Committee / Chairman of Risk Management Committee	1,080,000	1,080,000	596,030	710,700
Mr. Vinai Vittavasgarvej	Vice Chairman of Board of Directors / Chairman of Audit Committee	1,380,000	1,380,000	761,590	908,000
Mr. Sumate Maneewattana	Independent Director	780,000	780,000	430,460	513,300
Mr. Weidt Nuchjalearn ^{/1}	Director	585,000	-	430,460	-
Mr. Pinit Puapan	Director	780,000	780,000	430,460	513,300
Mr. Veera Veerakool	Independent Director	780,000	780,000	430,460	513,300
Ms. DOUNGCHAI Kaewbootta ^{/2}	Director	780,000	195,000	-	-
Mr. Tzung-Han Tsai ^{/3}	Director	97,500	780,000	-	64,100
Mr. Kudun Sukhumanada ^{/4}	Director	-	325,000	-	-
Total		9,060,000	8,800,000	4,569,490	4,999,400

Note ^{/1} Mr. Weidt Nuchjalearn was resigned from Director since 17 October 2019

^{/2} Ms. DOUNGCHAI Kaewbootta requested not receive 2019 bonus and has appointed to be Managing Director in April 2020, after the appointment she did not receive the remuneration as director.

^{/3} Mr. Tzung-Han Tsai was appointed to be Director since 13 November 2019

^{/4} Mr. Kudun Sukhumananda was appointed to be Director since 31 July 2020

Other remuneration

In 2012, the major shareholders decided to sell their 35,600 ordinary shares to the directors, at a par value at Baht 100 per share. According to the financial report standard No. 2 regarding the share-based payment, the sale of such ordinary shares forced SAWAD Group to book the employee expenses under the administrative expense item in the statement of comprehensive income ending 31 December 2012, adjusted and presented for compassion in the consolidated financial statement ending 31 December 2013. The booked employee expenses amounted to Baht 36.19 million, with the share-based premium at the same amount presented in the balance sheet.

8.3.2 The Management

The 13 members of the management received monthly salaries, bonuses and other benefits, e.g., the contributions to the provident fund, position-based allowance, transportation allowance, and etc. The



amount of bonuses for directors and the management members are based on the Company's earnings performance. For the management, the bonuses also depend on their performance and for the directors the bonuses are determined by the Nomination and Remuneration Committee

The total remuneration for 13 members of management in 2019 and 15 members in 2020 amounted to Baht 66.06 million and Baht 77.24 million, respectively.

Forms of remuneration (Baht)	2019	2020
Salaries and Bonuses	63,964,267	74,540,528
Other benefits	2,097,206	2,704,581
Total	66,061,473	77,245,109

8.4 Personnel

The number of employees of the Company and its subsidiaries in the past three years is shown in the following table.

Department (person)	2018	2019	2020
Marketing	19	2	2
Credit Risk	61	81	104
Investment Advisory Service	3	3	2
Collection and inspector	354	857	868
Branch Operation	31	29	32
Accounting and Finance	244	225	209
Operations	-	91	99
Personnel and Personnel Development	30	22	18
Information Technology	-	34	45
Branches	6,237	7,527	6,149
Strategy Investment and Risk Management	26	26	20
Office of Management	11	10	11
Total employees	7,016	8,907	7,580

Forms of Remuneration (Baht)	2018	2019	2020
Salaries and Bonuses	1,128,946,797	1,334,403,575	1,491,985,593
Commission fees	134,111,234	105,817,368	107,858,899
Other benefits	260,520,934	297,461,448	330,272,520
Total	1,523,578,965	1,737,682,391	1,930,117,012



The Company's contributions to the fund amounted to Baht 26,858,786 in 2018, Baht 31,831,051 in 2019 and Baht 37,741,033 in 2020.

8.5 Labor Dispute

No labor dispute has been reported.

8.6 Human Resource Policies

The Company believes that the growth of the company caused by employees who are honest and trust the organization. The Company is determined to create employees who are loyal, cheerful and capable.

The ability to maintain personals with the company for a long term which is an important factor that will lead the organization to a sustainable growth. Therefore, the company has set up a compensation and welfare policy for employees taking into account appropriateness, fairness and in line with the company's performance. This may motivate the employees to work at full capacity and productivity.

The Company has established a clear employee Performance Management System in the form of performance indicators (KPIs) by supervisors and executives who work in collaboration with the Human Resources Department and provide opportunities for employees to self-evaluate and exchange opinions on improvement of work (Performance Feedback) with supervisors as well.

The corporate KPIs has been constantly developed. It covers almost all dimensions of all sectors that affect the company's performance. The indicators will be transmitted to the operating level employees by the Chief Executive Officer or President. Therefore, each employee has his or her own indicators that are related to the goals of the company. These indicators are used as a tool for evaluating employee performance and compensation scheme and also to assess the skills, knowledge and abilities of employees to adjust their promotion and individual skill development including proper training both short term and long term as well.

Salary and bonus compensation

The company has payment policy for employees based on their knowledge, ability and performance in consideration of fairness and to be in-line with the same business. In addition, the company determines the bonus payment and salary adjustment based on the performance of each employee in order to motivate employees to perform the best of their ability.

Other compensation and benefits

Provident fund

In addition to the general basic compensation, the Company also established a provident fund according to the Provident Fund Act, B.E. 2530 as following details;

Employees who are fund members can choose to pay contributions to the fund on a monthly basis at the rate of 3 - 15 percent of their salary and the employer pays contributions to the fund at the rate of 3-7% of the



employee's salary (Employer contribution rate depends on the service years of the fund members) The provident fund is managed by Kasikorn Asset Management Company and will pay back to the employee when that employee resign in accordance with the Company's fund regulations.

Employee benefits

In order to develop the working environment, the company will have to provide welfare to employees according to the law and also to improved the welfare and other additional benefits such as:

1. Insurance

- The company provides health insurance, life insurance and accident insurance to facilitate medical treatment as well as to build security and to reduce the burden of medical expenses. In addition, the company provides special benefits such as annual medical expenses.
- The company allows employees to purchase vehicle insurance at a special rate.

2. Various subsidies

- The company provides benefits in the form of assistance in various occasions such as scholarships for employee's children, funeral expenses for employees and parents.

3. Relationship building Activities

Unity of staff is the key factor of a successful work. The company has organized activities to connect employee relations, for example; New Year's party, local sports events, annual team building activities of each department, and social contribution (CSR) activities to provide opportunities for employees to contribute to society and the local communities.

Human resource development policy

The company is determined to retain the competent employees to remain with the company for a long time. In addition to set up both short-term and long-term compensation structures to be appropriate and fair. The company also has other measures to reduce the employee turnover rate and to build employee's engagement such as satisfaction survey and development plan formulation. To provide opportunities for employees at all levels to develop their career path.

Learning and Development Program

The company has training programs for all employees along with ongoing training to provide knowledge according to the program with a clear training evaluation system. The training program as following details.

1. New hire orientation program for employees who work at Branch and Head Office.
2. Branch Training Roadmap for branch employees with a service year 0-6 months.
3. Branch Training Roadmap for branch employee with a service year more than 6 months.
4. Coaching Program.
5. Individual Development Plan.
6. Train The Trainer Program.



In addition to the training plan that the company has prepared above. The company has established the HR –Learning HUB to be the learning center in each area.

Platform: SAWAD Intranet

This is a central digital platform where all employees have access to valuable information and corporate policies or news including linking and sharing knowledge. The purpose of the digital platform is to create an organizational learning culture, connecting employees together to develop their skills. It is also a tool that can help pass knowledge to new employees.

Employee Engagement survey

Every year, the company conducts the Employee Engagement Surveys through internal online channels in the company. To find the level of engagement and satisfaction that employees have with the organization or to find the reason for resignation in order to analyze the results to improve our sustainability operations. The Employee Engagement Survey consists of 4 assessment areas as follows:

1. Basic needs (job and equipment).
2. Management support and relationship with supervisors.
3. Teamwork and work environments.
4. Growth.

A strong corporate culture for sustainable growth

The company believes that a good corporate culture will harmonize relationships, create unity of employees in order to pursue one goal and drive the organization to sustainable growth.

Working together as SAWAD Values aim for all executives and employees to act with understanding and willing to bring this approach to real life working. Which consists of The 5 corporate values are as follows:

1. **Speed (S):** All of our hard work based on understanding customers, we have sales channels and easy access to products that cover all the needs of customers.
2. **Always Customer First (A):** The trust of customers is the source of everything we do.
3. **Willing to Change (W):** With the belief that only people and organizations that are open-minded, accepting and ready for change, will not stop growing.
4. **Aim for Cost Efficiency (A):** Act with determination to maximize operational efficiency and deliver the best benefits to our stakeholders.
5. **Drive with Integrity (A):** Drive the organization to sustainable growth with transparency, integrity, responsibility and ready to create value for society.



8.7 Workplace Security and Health

The Company has policy to provide good security measures on its premises using standard systems and equipment for security control and by providing appropriate security guards. The Company provides suitable workplaces that encourage staff to perform their work efficiently and effectively take into consideration workplace safety and health together with the gathering of leaving information regarding accidents and sickness raising from work.

In 2020, according to COVID-19 outbreak, the Company has activated business continuity plan, adjusted personnel plan for employee could work safely from infection risk by allowing employees can work at the nearest branches to their residences instead of traveling by public transportations. Some employees can also work from home. Suspension activities that pose risk exposures to infect such as offline marketing, debt collection, seize collateral, and using telephone calls and online activities to replace risk activities during the outbreak period.

In the office, provided screening point, temperature check point, spray disinfectant, placed alcohol gel at various contact points and enforced employees to wear protection masks all the time in the workplace. Adjust the lunch time to reduce the congestion at the employees' cafeteria.



9. Corporate Governance

9.1 Corporate Governance Policies

The Company realizes the importance of corporate governance where management and operations are effective and transparent for securitizing, prompting all related parties to trust the Company. Hence, the Company's business can grow in a sustainable way under the good corporate governance principles where business is operated with ethics, in accordance with relevant laws. As such, the Company determined the good corporate governance policies in order to enhance its operation, ensuring that the business is clearly operated under the clear standard. Employees at all levels follow operation procedure under the set corporate governance policies, creating a real culture of good corporate governance. The Company applies the good corporate governance principle for the year 2012, set by the Stock Exchange of Thailand, which are classified into five categories as in the following details:

1. Rights of Shareholders

The Company emphasizes the importance of the rights of the shareholders, no limiting to only the rights stated by laws. The Company shall refrain from any actions that violate the rights of shareholders while supporting shareholders to exercise their rights. Basic rights of shareholders include selling and transferring shares, sharing profits with the Company, receiving adequate information about the Company, attending shareholders meetings to vote for appointing or removal of directors, appointing auditors, considering matters that may have an impact on the Company, e.g., dividend payment, revisions of the Company's rules and regulations and memorandum of association, capital increase or decrease, approval of special transactions, and etc.

In addition to the aforementioned basic rights, the Company has also set guidelines for other issues to support and facility the right exercise of shareholders, as the following details:

- (1) Disclose policies about supporting or encouraging all groups of shareholders to attending shareholder meetings.
- (2) Disclose information about date, time, venue, agendas of the meetings with reasons for each agendas in the invitation letters to ordinary and extraordinary meetings or the attached meeting agenda; not do anything to limit the opportunity for shareholders to learn about the Company's information.
- (3) Facilitate shareholders' exercising their rights to attend meetings and vote; not do anything to limit the opportunity for shareholders to attend the meetings (i.e., the attendance to the meetings should not be complicated or requires too high expenses; the meeting venue should be easily accessed).



- (4) The chairman in the meeting should allocate appropriate time and encourage the shareholders to express their opinions or ask questions about the Company. Shareholders should also be allowed to ask questions prior to the meeting date. Criteria for sending advance questions shall be clearly indicated and informed shareholders together with the invitation letter to the meeting. The criteria for asking questions in advance is also announced on the Company's website.
- (5) Encourage all directors to attend shareholders meetings and answer questions asked by shareholders.
- (6) Arrange the voting for each matter in case one agenda contains several matters, e.g., the agenda about appointment of directors.
- (7) Arrange technology devices to be used in the shareholder meetings, e.g., registration, voting, counting votes, showing results, in order to speed up the meeting resolutions with accurate results.
- (8) Have independent individuals count votes in the ordinary and extraordinary meetings and disclose the vote results to the meeting as well as including the meeting results in the minutes of meetings.
- (9) Ensure that the minutes of shareholders meetings include the explanation in regarding the procedure for registrations and the presentation of voting results prior to the meeting; allow shareholders to ask questions or raise issues; record questions, answers, voting results of each agenda (i.e., agree, disagree, and abstain), the list of present directors and absent directors.
- (10) Publicize the meeting results in each agenda of ordinary and extraordinary shareholder meetings on the Company's website after each meeting.

2. Equal Treat to Stakeholders

The Company equally and fairly treats all stakeholders, including management shareholder, non-management shareholders, and foreign shareholders; the details of which are follows:

- (1) The meeting invitation letters, accompanies with meeting agendas and explanation and reasons, are sent to shareholders not less than 14 days prior to the meeting, or other timeframe as specified by relevant laws and regulations. An English version of the invitation letters are sent to foreign shareholders as appropriate.
- (2) Shareholders are well informed of any criteria in the meeting including the voting procedure and the voting rights in accordance with types of shares.
- (3) Determine the criteria for minority shareholders to propose additional agenda prior to the meeting date in order to present the fairness and transparency in order to determine whether or not the agenda proposed by minority shareholders shall be included in the meeting agenda. In addition, management shareholders shall not add any agenda not informed in advance, if not necessary, especially for any important agenda that shareholders need time to study before making decision.



- (4) Determine the ways for minority shareholders to propose names of persons as the Company's directors. They can propose the names to the Nomination and Remuneration Committee prior to the shareholder meeting date. Information about qualifications of such proposed persons and their permissions shall also be included.
- (5) Encourage shareholders to use the proxy letter in the form that enables the shareholders can determine the voting method; and propose at least one independent director as a proxy choice for shareholders
- (6) Encourage shareholders to cast the ballots in major agendas, e.g., connected transactions, disposal or acquisition of assets, and etc., for transiency and ability to be scrutinized.
- (7) Provide the opportunity for shareholders to exercise their rights to vote for appointing of directors.
- (8) Order all directors and management members to report their holding of assets, as required by law, and regularly submit the report to the Board of Director; the report shall also be disclosed in the Company's annual report.
- (9) Complete written guidelines for keeping and protecting the Company's internal information and disclose such guidelines so that all employees can follow; prohibit anyone involving in the Company's internal information from trading the Company's securities in one month before the disclosure of the quarterly financial statement and annual financial statement and 48 hours after such information is disclosed.
- (10) Order directors who involve in conflicts of interests in any agenda not to participate in considering that particular agenda.

3. Roles of stakeholders

The Company realizes the importance in taking care of all stakeholders, including internal ones, e.g., the shareholders, the management, the employees, or the external ones, e.g., customers, creditors, business partners, society, commodities, and etc. The Company is well aware that support and opinions from all groups of stakeholders are beneficial to the Company's business operation and development. Hence, the Company always follows the relevant laws and regulations to uphold the rights of such stakeholders. Meanwhile, the Company refrained from doing anything to violate the rights of stakeholders. Moreover, in operating business, Company takes into account of the rights of all stakeholders, based on the following guidelines:

Shareholders : The Company treats all shareholders with equality and tries to maintain the benefits for them. The Company always refrains from violating the rights of shareholders. Also, the Company is committed to ensuring the shareholders' greatest satisfaction, taking into consideration its long-term growth and continuing to bring additional values and appropriate returns to shareholders. The Company is also determined to



operate business in accordance with good corporate governance policies.

- Customers:** The Company is committed to maximizing satisfactory and boosting customers' confidence, taking good care of and be responsible for customers. The Company also ensures that all customers receive good and fair services with high quality under the set standard. The Company also seriously follows the terms and agreements made with customers in order to enhance the service quality and maintain good and sustainable relationship with customers. Moreover, the Company does not use the customers or related parties' information for personal benefits.
- Employees:** The Company treats all employees with equality and fairness in all aspects including, remuneration, welfare, potential enhancement. Also, the Company is always ready to listen to opinions and suggestions from employees at all levels, believing that all employees are valuable resources and key success factors for the organization. The Company is committed to creation of favorable organizational culture and working environment, promoting team work, enhancing employees' capability and career advance. The Company also ensures that all employees have stable careers and live with high living standard; meanwhile, the Company also creates safe working environment. Finally, the Company also encourage all employees to comply with relevant laws and regulations.
- Trade partners and creditors:** The Company takes into account the equality and fairness with trade partners and creditors, running business with honestly and maintaining benefits for trade partners and creditors. The Company seriously follows laws, rules and conditions agreed by both parties. Operating the business under the code of conducts, the Company does not unfaithfully gain or share profits with trade partners while seriously follows all agreed conditions. The Company also treats creditors with fairness and makes repayment within the set timeframe. The Company also takes care of collaterals and ensures that all conditions in the contracts and accurate and cover all aspects under the good corporate governance principle. In case the Company happens to be unable to follow the agreed conditions, it informs trade partners and creditors in advance so that all parties can help to solve the problem.
- Competitors :** The Company treats competitors under the international rules about trade competition, taking into account fair and equal competition rules. The Company does not try to obstruct other new players; nor does it destroy other competitors' reputation. The Company does not attract competitions with any false statement; nor does it involve in any unfair competition.



Community, Society and Environment : The Company has policies to run business with responsibility to society, communities and environment, in terms of safety, good living quality, and natural resource preservation. The Company also promotes effective use of energy, taking into account the good living quality of communities and society. Finally, in operating business or making any business decisions, the Company also takes into account of possible impacts on the environment.

4: Information Disclosure and Transparency

The Company's Board of Directors emphasizes the importance of disclosure of both financial information and non-financial information that is accurate, adequate, prompt and transparent in accordance with regulations from the Office of Securities Exchange Commission and SET. The Company is also well aware that other information also has an impact on the Company's share price and thus affecting the decision making of investors and stakeholders. General practice in regard to information disclosure and transparency is discussed below:

- (1) Disclose general information through various channels specified by the Stock Exchange of Thailand, e.g., financial statement, 56-1 form, and annual report. In particular, the financial information in the financial statement must be prepared, up to general accounting standard in Thailand, audited or reviewed by an independent auditor and the Company's Board of Directors before disclose to public.
- (2) Disclose information both in Thai and English through other channels, e.g., the Company's website, and regularly update such information.
- (3) Disclose the summary of approved corporate governance policies as well as the results through various channels including the annual report and the Company's website.
- (4) Disclose the Board of Directors responsibility on the financial reports together with the auditor's report in the annual report.
- (5) Disclose the roles and responsibility of the committees and sub-committees, the number of meetings and the number of attendance in meetings of each director in the past year, comments about their performance, and the trainings for professional development for Boards of Directors in the financial report.

The Company has an Investor Relation which is responsible for communicate with investors analysts shareholders and regulators, and disclosing the financial and non-financial information in accordance with the information disclosure guidelines, in order to ensure that the Company has disclosed the



information appropriately. In 2020, Management and Investor Relation had disclosed the Company's information via various activities as followings:

Activity	No. of Time	No. of Company	No. of Attendance
Analyst Meeting	3	90	123
Company visit, One on one Meeting, Conference Call	95	360	524
Investor Conference (Virtual)	8	59	118
Opportunity Day	4		

5. Responsibility of Board of Directors

1. Structure of the Board of Directors

- (1) The Company's Board of Directors consists of 13 directors who serve a service term of three years. Four of them are from the management while nine are not members of the management. Out of the total directors, five of them are qualified as independent directors, according to the Securities Exchange Commission's requirement that a SET-listed company have independent directors at the number equivalent to or more than one-third of the total directors. The directors are experts from various sector including corporate sector, financial sector, and accountings sectors, all of which help to support the Company's operation.
- (2) The Company requires that in the ordinary shareholder meetings one-third of directors shall vacate. If the number of directors cannot be divided into three portions, the number of directors closest to one-third shall vacate. In the first and the second year after the company is registered, the decision for which directors should vacate shall be ended in a draw. In the following years, the directors who are to vacate shall be the persons who have been in the position for the longest duration. Note, however, that the directors who have completed their terms can be re-appointed.
- (3) Directors can be directors at other companies, but the number of SET-listed companies where they hold the director position should not exceed five companies, including the non-listed subsidiaries of those listed companies.
- (4) The roles and responsibility of the Company's directors and management are clearly divided: the directors are responsible for determining policies and control the performance of the



management in the policy level; meanwhile, the management members oversee overall operation and ensure that the Company's operation is well in line with the set policies.

- (5) The chairman of Board of Directors is appointed by the Board of Directors. The chairman is not the same person as the chairman of the Executive Committee or the managing director. These separate positions have clearly separated roles and responsibility in order that their power can be balanced. No one has absolute management power. Meanwhile, the managing director is responsible for the Company's daily routine operation under the policies as assigned by the Board of Directors. The scopes of power, duties and responsibility of the directors and the managing director have clearly been identified.
- (6) The Board of Directors appoints a secretary to the Company to take responsibility in the company as stated by the Securities and Stock Market Act (the name and the responsibility of the Company's secretary is disclosed in Item 9.1.6 of this report).

2. Sub-committees

The Company's Board of Directors also sets up another four sub-committees to oversee the Company's business operation. The sub-committees are the Audit Committee, the Executive Committee, the Risk Management Committee and the Nomination and Remuneration Committee.

- (1) The Audit Committee consists of three members, all of whom are independent directors. The Audit Committee has a duty to monitor the performance of the risk management, the internal financial and accounting control, the financial reports and other duties as specified by the Stock Exchange of Thailand.
- (2) The Company's Executive Management is comprised of four members, all of whom are those in the management team. The Executive Committee is responsible for assisting the management in managing daily routine work under the policies assigned by the Board of Directors.
- (3) The Risk Management Committee has six members, all of them are members of the Audit Committee, the independent directors and the members of Executive Committee. The Risk Management Committee takes care of drafting policies and plotting guidelines for the Company's overall risk management aspects. The Committee shall propose the drafted policies and guidelines for the Board of Directors to consider approval. The Committee also has a duty to determine strategies and guideline for the Company's risk management in accordance with the Company's overall risk management policies; the risk management strategies should be able to be evaluated, monitored and control the Company's risks at appropriate levels.



- (4) The Nomination and Remuneration Committee consists of three members, two of whom are independent directors. The Committee is responsible for considering policies and guidelines to determine payment and forms of remuneration for directors and the chief executive management, both in cash and non-cash forms. The remuneration should suit the Company's performance and can be comparable to the remunerations for offered by other companies in the same industry. The Nomination and Remuneration Committee shall propose the suggested figures of remuneration for directors and chief executive management to the shareholder meetings for approval.
- (5) The Credit Committee consists of five members, four of them are those in management team and one of whom is an experience director in lending analysis. The Credit Committee is responsible for consider, evaluate, analyze, and approve lending proposal which exceeding the authorized of the Executive Committee.

3. Roles and responsibility of directors

- (1) The Board of Directors has duties to determine policies and overview of the organization and ascertain that the Company's operation goes well in line with the plans. The Board of Directors also reviews and provides comment in regard to the important matters linked to the Company's operation, e.g., vision and mission, strategies, goals, risks, work plans, and budget. In addition, the Board of Directors also ensures that the management efficiently and effectively operates business according to the set policies and working plans.
- (2) The Board of Directors had the good corporate governance principles written. The Board of Directors meeting No. 6/2013 held on 14 June 2013 approved such principles. The Board of Directors also ensures that the good corporate governance policies are regularly reviewed and followed.
- (3) The Board of Directors also encourages all management members and employees to understand the ethical standard that the Company refers to doing business. The Company's code of conduct is completed in a written form approved by the Board of Directors meeting on 14 June 2014. The approved code of conduct has been announced so that all employees can follow accordingly.
- (4) The Company's Board of Directors set policies about conflicts of interests, based on the concepts that any business transactions must be made only to maximize the benefits for the Company and that any transactions that may cause conflicts of interests shall be avoided. A person involving in any transactions with conflicts of interests is not allowed to take part in the consideration or approval of such transactions. Moreover, the Company's Board of Directors



also ensures that the information about transactions with possible conflicts of interests are sufficiently and accurately disclosed.

- (5) The Board of Directors places emphasis on the internal audit and control, both in the management and operation levels. The Company hires P&L Internal Audit Co., Ltd., an outsourcing internal auditor, to perform the duty as the Company's internal auditor who reports directly to the Audit Committee; this is to ensure that the Company's internal control affairs are appropriate and adequate. The Company regularly assesses its internal control, ensuring that the internal control is adequate, at least once a year and disclose the assess results in the Company's financial report.
- (6) The Board of Directors appoints members of Risk Management Committee to determine the overall risk management policies. The Company requires that the management analyze various risks that may arise and report them to the Risk Management Committee so that the risks can be controlled to an acceptable level. If there are any risks that hinder the Company's operation or prevent the Company from reaching its goals, the Company shall find measures to manage such risks. The Risk Management Committee has a policy to review or evaluate the risk management affairs at least once a year and the review and evaluation results are disclosed in the Company's annual report.

4. The Board of Directors' Meetings

- (1) The Company schedules of the Board of Directors' Meeting and make meeting agendas in advance before informing the directors. The Board of Directors shall convene not less than six meetings per annum.
- (2) The chairman of the Board of Directors and the managing director work together to determine the meeting agendas and consider issues to be included in the agendas, allowing each director to propose any matters to be included in the agendas.
- (3) In each meeting, the agenda document is sent to the directors at least five working days prior to the scheduled meeting to ensure that the directors have adequate time to consider the information, except for some urgent cases.
- (4) The chairman of the Board of Directors encourages directors to attend not less than 75 percent of the total meetings for the whole year.
- (5) The chairman conducts the meetings in an appropriate manner that is favorable to discussions and consideration of various issues, with directors allowed to freely express their opinions. For some agendas, the top management members may participate to provide additional useful



information and to directly learn about the policies so that they can effectively apply such policies to operation.

- (6) The directors have the right to obtain necessary additional information from the managing director or the Company's secretary or other assigned management members. In some necessary cases, the directors may seek independent opinions from external professional service providers in the expenses of the Company.
- (7) The Board of Directors has a policy to allow separate meetings among non-management directors, as necessary, so that they can discuss the problems related to the management that interest them, without the presence of the management-based directors. The results of such non-management directors' meetings shall also be reported to the Board of Directors.
- (8) The resolution of an issue in the Board of Directors' meetings is based on the majority votes. One director holds one vote. A director involving in conflicts of interests in an issue does not attend the meeting and has no voting right in that particular issue. If the votes are equal, the chairman shall have another vote, which is deemed final.
- (9) In each meeting, the secretary to the Board of Director shall attend and complete the meeting minute. The complied minute shall be verified and signed by the chairman and shall be the first agenda for the next meeting proposed for the approval. The secretary is responsible for keeping information and documents about the meetings for future references.

In 2019 and 2020, the Board of Directors convened a total of 12 meetings and 13 meetings, respectively; the details of which are as follows:

Name	Position	2019	2020
1. Mr. Sukhont Kanchanahuttakij	Chairman of Board of Directors	12/12	13/13
2. Mr. Chatchai Kaewbootta	Director	12/12	12/13
3. Ms. Doungchai Kaewbootta	Director	12/12	12/13
4. Pol. Gen. Pharnu Kerdlarpphon	Member of Audit Committee / Independent director	11/12	13/13
5. Mr. Weerachai Ngamdeevilaisak	Member of Audit Committee / Independent director	9/12	13/13
6. Mr. Somyot Ngerndamrong	Director	12/12	13/13
7. Mr. Vinai Vittavasgarnvej	Vice Chairman of Board of Directors/ Independent director	10/12	12/13



Name	Position	2019	2020
8. Mr. Prayong Saennual	Director	12/12	12/13
9. Mr. Sumate Maneewattana	Director/ Independent director	11/12	12/13
10. Mr. Weidt Nuchjalearn ^{/1}	Director	7/9	-
11. Mr. Pinit Puapan	Director	9/12	12/13
12. Mr. Veera Veerakool	Director/Independent director	9/12	13/13
13. Mr. Tzung-Han Tsai ^{/2}	Director	-/2	8/13
14. Mr. Kudun Sukhumananda	Director	-	4/13

Note ^{/1} Mr. Weidt Nuchjalearn resigned from Director since 17 October 2019

^{/2} Mr. Tzung-Han Tsai was appointed as director by the Board of Directors' meeting No. 10/2019 on 13 November 2019. In 2020, according to COVID-19 outbreak, he could not attend the meetings, after the Emergency Decree on Electronic Meetings, B.E. 2563 (2020) has come into force, then he could attend the meetings via electronic means.

^{/3} Mr. Kudun Sukhumanda was appointed as director by the Annual General Meeting of Shareholders for the year 2020 On 31 July 2020

The meetings of Executive Committee must be arranged at least six meetings per annum and the meetings can be called on anytime once urgent agendas need approval. The minutes of meetings are made in written and the minutes are systematically kept and able to be scrutinized.

The Board of Directors' Meeting No. 5.2013 on 15 May 2013 appointed the Audit Committee, affective from 15 May 2013. The Extraordinary Meeting of Shareholders No. 1/2013 on 31 May 2013 resolved that the Audit Committee should convene at least four meetings per annum and that the minutes of meetings should be made in written and systematically kept for future examination and self-evaluation of the Audit Committee.

The directors support the evaluation of overall directors' performance at least once a year so that all directors can work together to review performance and problems for future improvement.

In 2019 and 2020, the sub-committees convened meetings, the details of which are as follows:

Name	Title	2019	2020
Audit Committee			
1. Mr. Vinai Vitavasgarvej	Chairman of Audit Committee	4/4	4/4
2. Pol. Gen. Pharnu Kerdlarpphon	Member of Audit Committee	4/4	4/4
3. Mr. Weerachai Ngamdeevilaiak	Member of Audit Committee	4/4	4/4



Name	Title	2019	2020
Nomination and Remuneration Committee			
1. Pol.Lt.Gen. Pharnu Kerdlarpphon	Chairman of Nomination and Remuneration Committee	3/3	3/3
2. Mr.Weerachai Ngamdeevilaiak	Member of Nomination and Remuneration Committee	3/3	3/3
3. Mr. Chatchai Kaewbootta	Member of Nomination and Remuneration Committee	3/3	3/3
Risk Management Committee			
1. Mr. Weerachai Ngamdeevilaiak	Chairman of Risk management Committee	3/3	3/3
2. Mr. Sukont Kanjanahuttakit	Member of Risk Management Committee	3/3	3/3
3. Pol. Gen. Pharnu Kerdlarpphon	Member of Risk Management Committee	3/3	3/3
4. Mr. Chatchai Kaewbootta	Member of Risk Management Committee	3/3	3/3
5. Mr. Somyot Ngerndamrong	Member of Risk Management Committee	3/3	3/3
6. Mr.Prayong Saennual	Member of Risk Management Committee	3/3	3/3
Credit Committee			
1. Mr. Chatchai Kaewbootta	Member of Credit Committee	5/5	9/9
2. Mr. Weidt Nuchjalearn	Member of Credit Committee	3/3	-
3. Ms. Doungchai Kaewbootta	Member of Credit Committee	5/5	9/9
4. Mr. Somyot Ngerndamrong	Member of Credit Committee	5/5	9/9
5. Mr. Prayong Saennual	Member of Credit Committee	5/5	9/9

5. Remuneration

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



- (2) The remuneration for the managing director and top management officers is based on the principles and policies determined by the Board of Directors and approved by the shareholders' meetings, maximizing benefits for the Company. The remuneration is offered in forms of salaries, bonuses and other benefits.
- (3) The Nomination and Remuneration Committee evaluates the performance and remuneration for directors, management-based directors and the managing director on an annual basis; the proposed amount of remuneration is subject to the approval of the Board of Directors' meeting and the shareholders' meeting.
- (4) The amounts of remuneration paid to directors are disclosed in the Company's annual report.

6. Development of directors and management

- (1) The Company's Board of Directors has a policy to support and encourage directors, management, and the Company's secretary to attend trainings or seminars to enhance knowledge and apply the knowledge to their work on a continuous basis.
- (2) In case of new directors, the management provides useful documents and information for the new directors to learn about the Company's business characteristics and business guidance.
- (3) Board of Directors provides programs aimed at developing the management; the managing director shall make a report on what have been done during the year on an annual basis.

In 2020, the Company provided director and management to attend the training courses concerning with the new regulations of Bank of Thailand, The Security Exchange Commission, The Stock Exchange of Thailand and Federation of Accounting.

Item	Arranger	Attendance
Guidelines for Bond Representatives	Security Exchange Commission	Deputy Managing Director
Update on IFRS9 and other new standards	Thai Listed Company Association and SEC.	Deputy Managing Director
Preparation for Directors and Executives in Personal Data Protection Act.	Security Exchange Commission	Independent Director Deputy Managing Director Company Secretary



Rules and Regulations of Debt Instruments	Security Commission	Exchange	Company Secretary
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9.2 Control of Internal Information Usage

The Company has a policy to prevent the Company's internal information usage, especially the information about the Company's financial status before disclosure to the public. The number of people being aware of the internal information is limited. The management is given the information about their duties and responsibility regarding the requirement that they report their shareholding as well as the shareholding of their spouses and minority children, including the requirement in the amended law (Securities Act). Any management members who are aware of the Company's internal information shall not violate Article 241 of the Securities Act. The Company's Board of Directors announced the follow rules for internal use of the Company's informational:

- 1) Directors, management, employees, and general workers of the Company shall strictly keep the internal information confidential
 - 2) Directors, management, employees and general workers shall not disclose the Company's secrets/internal information or use such information for their own benefits or other people's benefits, either directly or indirectly, whether or not they receive compensation in return of such action.
 - 3) Directors, management, employees and general workers shall not sell, buy or transfer shares by using the Company's secrets and/or internal information and/or perform any transactions by using the Company's secrets and/or internal information. They shall refrain from any actions that may damage the Company, either directly or indirectly. This rule also is applicable to spouses and minority children of directors, management, employees and general workers. Those violate the rule shall be regarded as serious violation.
- 1) The Company determined guideline for preventing of insider trading: directors, management, employees holding the positions of vice president upwards, and individuals involving in the Company's internal information are prohibited from trading the Company's shares within one month prior to the disclosure of the quarterly financial statement and annual financial statement and 24 hours after the disclosure of such information.
 - 2) Directors, management, and the persons in the management level in the accounting and finance department holding the positions of managers upwards or equivalent are required to report about their holding of shares in the Company. This rule is also application to their spouses and minority children. The report should be made to the Company's secretary within 30 days starting from the date they start work in the position.



- 3) Directors, management, and the persons in the management level in the accounting and finance department holding the positions of managers upwards or equivalent are required to report every stock trading transaction to the Office of Securities and Exchange Commission within three working days, according to the Securities and Exchange Act. In addition, any changes in security holding shall be informed to the Company's secretary.

Movement of directors and managements' share holdings in 2020, details as follows:

Name	Beginning Balance at 1 Jan. 2020	Exercise Warrant	Purchase	Sell	Ending Balance at 31 Dec. 2020
1. Mr. Sukont Kanjanahuttakit	-	-	-	-	-
2. Mr. Vinai Vittavasgarnvej	-	-	-	-	-
3. Pol.Lt.Gen. Pharnu Kerdlarpphon	-	-	-	-	-
4. Mr. Weerachai Ngamdeevilaisak	-	-	-	-	-
5. . Mr. Sumate Maneewattana	-	-	-	-	-
6. Mr. Pinit Puapan	-	-	-	-	-
7. Ms. Thida Kaewbootta	375,707,982	19,146,874	-	-	394,854,856
8. Ms. Doungchai Kaewbootta	96,956,154	3,126,042	500,000	-	100,582,196
9. Mr. Chatchai Kaewbootta	47,307,599	2,968,800	-	-	50,276,399
10. Mr. Somyot Ngerndamrong	-	-	-	-	-
11. Mr. Veera Veerakool	271,447	7,422	-	-	278,869
12. Mr. Tzung-Han Tsai	-	-	-	-	-
13. Mr. Kudun Sukhumananda	-	-	-	-	-
13. Mr. Prayong Saennual	500,000	-	-	-	500,000
14. Mrs. Wanaporn Pornkitipong	1,024,843	24,740	-	-	1,049,583
15. Mrs. Chomchaba Sathapornpong	-	-	-	-	-

9.3 Code of Conduct



The Company's code of conduct is set for all management of the all companies under SAWAD Group and all employees at all levels whether or not they sign the acknowledgement.

According to the business operation principles, a reputation for being honest is extremely valuable to the Company. The issue also has an impact on the business success and earnings growth of the Company. Similarly, a good reputation of executive officers from the department head upwards is also important. The standard of code of conduct has a direct impact on the trustworthiness of the Company as a whole.

1) To comply with laws and regulations

The Company's objective is to run business in compliance with laws and regulations and with respects for the rights of the Company's counter parties and customers.

2) The Company's policies and codes of conduct

2.1 To follow rules, regulations, announcements and orders

This code of conduct is announced in addition to existing rules, regulations, announcements and other orders of the Company. Should there be any statements in existing rules, regulations, announcements or orders that contradict any statements in this code of conduct, the statements in this code of conduct shall be deemed as the final guideline.

All management members or executive officers shall follow the rules, regulations, announcements and orders of the Company and those in superior positions.

- (1) They shall ensure that all employees acknowledge the Company's policies and rules, regulations, orders, agreements, announcements or circular notices.
- (2) They shall perform duties with honesty and fairness and shall inform of any events that may damage the reputation and assets of the Company.
- (3) They shall treat colleagues with polite manners and respects.
- (4) They shall perform duties with determination and diligence, maintaining the Company's traditions and good governance and acting as a good model for all employees, in order to drive the Company's growth in righteous ways.
- (5) They shall retain the benefits and secrecy of the Company, customers or any related parties. Information about the Company's financial data and individuals must be accurately and appropriately disclosed in cautious and effective manners. Throughout the duration for which



the employees work for the Company and after they resign from the Company, they shall keep the aforementioned information strictly confidential. Any employees who disclose the information to outsiders or use the information in other matters apart from work-related matters shall agree to take responsibility for compensations of any damages to the Company, based on the actual degree of damage.

- (6) They shall do their best to protect the Company's assets, prevent damages and loss, either caused by individuals or natural disasters. In addition, they shall not use the Company's equipment or assets for their personal purposes.
- (7) They shall perform their management duties with righteousness and also try to promote ethics, morals and righteousness among employees at all levels. They shall also solve problems in regard to conflicts of interests in the Company.
- (8) They shall treat their subordinates closely and fairly, without bias.
- (9) They shall be willing to work as a team, being opened to team members' ideas and opinions.
- (10) They shall follow the Company's rules and regulations as well as ensuring that their subordinates follow the rules about computer usage, computer information, computer traffic data; this is to ensure that the use of computer in the Company complies with computer laws, copyright laws or other related laws and also to prevent any damages to the Company's reputations and images.

2.2 Prohibition

All employees at the management level shall not act in a way that may damage good images of themselves and the Company:

- (1) They shall not act or perform any actions on personal purposes during office hours
- (2) They shall not run the same business to compete with the Company, either for their own benefits or the benefits of others; they shall not hold stake in a company with controlling power, which may have negative impacts on the Company, either directly or indirectly.
- (3) They shall not behave in a way that that damage good images of their positions and the honor of the Company.
- (4) They shall not disclose false information or conceal important information of the Company.
- (5) They shall not work with carelessness or do something inappropriate to their position.
- (6) They shall not conceal or distort information, which may directly or indirectly damage the Company, for their own benefits or benefits of other people.
- (7) They shall not attempt to obstruct performance of authorized individuals in the Company nor order other employees to perform morally bad things.



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- (8) They shall not violate civil and criminal laws that ruin themselves or others, either directly or indirectly.
 - (9) They shall not disclose wages, salaries or salary increases of themselves or others, either intentionally or unintentionally.
 - (10) They shall not ask for or receive any assets or any other benefits from customers, partners, competitors or any individuals that do business with the Company; they shall not offer inappropriate treats, except for some traditional and seasonal gifts, normal business luncheons, or any expenses that help to promote the Company's business for traditional business exchanges. However, if the value exceeds Baht 3,000, they shall report to their managers or those in superior positions, i.e., vice president upwards.
 - (11) They shall not involve in bribery, either directly or indirectly through the third party and/or inappropriately use influence with state agencies, customers or partners.
 - (12) They shall not make additions, reductions, or revisions in any records or information in order to intentionally alter or distort the Company's performance and account booking regardless of their purposes.
 - (13) They shall not make payment or any business transactions with intention to make other people understand that part of the payment or the business transactions are done for other purposes apart from the purpose indicated in the documents.
 - (14) They shall not hold massive debts or be indicated by law that they are in huge debt.
 - (15) They shall not fail to keep the Company's intellectual information or any information obtained from the employees' performance.
 - (16) They shall not copy performance or intellectual property of other people.
 - (17) They shall not do immorally bad things to seek benefits for themselves or other people.
 - (18) They shall not assign any departments not relating to the purchasing functions to seek supports from traders or partners (in case that it is necessary to seek such support from the Company's benefits, such departments shall consult with the purchasing department so that the purchasing department will proceed with further actions, except for the matters relating to marketing activities for which the marketing and business development department will be in charge).
 - (19) They shall not do anything in favorable to any individuals to seek benefits from the Company or access or do something with the Company's computer system, computer information and computer traffic information without permissions; they shall not intend to support or allow users to violate computer laws, copyright laws or any other related laws.

3) **Disciplinary Actions**



- (1) Minor violation: Any management member who fails to follow the code of conduct but the degree of violation is rather minor, he shall receive a warning in written, indicating nature of the violation and reasons. The management is entitled to defend himself against the allegation with the person holding a superior position. If the problem remains unsolved, the matter will be submitted to the scrutinizing committee appointed by the chief executive office. The ruling from the securitizing committee shall be deemed final. If the management still involves in the second violation or fails to correct the mistakes from the first violation, he shall face disciplinary actions, including employment termination.
- (2) Severe violation: Acts of severe violations include bribery, corruption, disclosure of the Company's confidential information or intellectual property to the third party, actions against the Company's honor and deliberate concealment of information, discussion or important document to the person in the superior position: The Company is entitled to terminate the employment without any compensation or a warning in written.

4) Anti-Corruption Policy

In order to provide clear standards and procedures for the Company's measures to effectively prevent corruption, the roles and responsibilities of the relevant parties are determined as follows:

1.1 The Board of Directors has the following duties:

- 1.1.1 Determine and approve anti-corruption policies.
- 1.1.2 Approve and review guidelines for anti-corruption measures.
- 1.1.3 Supervise to have a system that supports anti-corruption measures that is effective.

1.2 The Audit Committee has the following duties:

- 1.2.1 Review to ensure that the Company has adequate internal controls in place.
- 1.2.2 Review to ensure compliance with the anti-corruption policy.

1.3 The Chairman of the Executive Committee and the President have the following duties:

- 1.3.1 Promote, support, and supervise to ensure that all employees and related parties comply with the anti-corruption policy, anti-corruption measures, and various related regulations by communicating to all employees and related parties.
- 1.3.2 Review the appropriateness of the systems and policies to comply with business changes, regulations, and legal requirements.

1.4 The executive director level and above have the following duties:



1.4.1 Control and direct the implementation of anti-corruption measures to be practical. Able to identify risks, inspect and manage to have adequate measures to solve problems appropriately, quickly and timely.

1.4.2 Support the development of processes and personnel in order to achieve the anti-corruption policy of the organization.

1.5 Employees have the following duties:

1.5.1 Understanding and complying with anti-corruption policy, and any other related measures, and attending training as determined by the company.

1.5.2 Report signs of corruption immediately when discovered, or suspecting whether there will be corruption. Cooperate in investigation of facts related to suspicions of corruption.

1.5.3 Employees must not be involved in corruption either directly or indirectly, and must follow the policy or procedures of the company strictly, especially the employees involved in the work involving crucial processes that are at risk of corruption such as procurement, credit, staffing, and financial reporting.

1.6 Internal Audit Department has the following duties:

1.6.1 Examine and review the operation to ensure compliance with the policy, and regulation to ensure that there is an appropriate and adequate internal control system for potential corruption risks, and report to the Audit Committee.

1.6.2 Develop tools for assessing corruption risks and arrange for the organization to assess corruption risks.

1.6.3 Summarize risk assessment results and present to the Risk Management Committee.

1.6.4 Summarize measures and corruption risk control guidelines that the department has considered, and review corruption risks at least every 3 years.

1.7 Human Resource Department has the following duties:

1.7.1 Manage human resources in accordance with the anti-corruption policy of the company.

1.7.2 Implement hiring process, orientation, training, and penalties that take into account anti-corruption measures.

1.7.3 Promote a culture that fosters anti-corruption practices, including avoiding actions that may be subject to corruption.



1.7.4 Communicate and disseminate policies and measures against corruption and related activities in order to create consciousness in operating with integrity without corruption.

1.8 Accounting and Finance Department has the following duties:

1.8.1 Record and maintain data and documentation pertaining to receipt, payment, and tax transactions.

1.8.2 Carry out financial operations, and accounting procedures in accordance with generally accepted accounting standards.

1.8.3 Oversee reimbursement transactions in accordance with standard policy and procedures for expense reimbursements, as well as Company's anti-corruption measures.

2. Control framework

2.1 Internal control system

The Company has established operational policies and procedures that encompass proper segregation of duties according to the reporting structure and, as well as clearly defined levels of authority for approval. The operational processes include a system of internal controls and oversight in accordance with anti-corruption measures. The processes are independently reviewed by the internal auditors. All employees are expected to operate in accordance with the Company policies and procedures.

2.2 Guidelines for conducting business in accordance with the anti-corruption policy

The company has set up procedures and guidelines to prevent the risk of corruption based on the common forms of corruption as follows:

2.2.1 Giving and receiving bribes

2.2.1.1 Directors, executives and employees are prohibited at all levels from giving or receiving bribes in any form to gain business benefits, including assigning others to give or receive bribes on their behalf.

2.2.1.2 Directors, executives and employees are prohibited at all levels from acting as an intermediary to offer or accept bribes to or from those related with the business of the company.

2.2.2 Giving or accepting prizes, gifts, entertainment, or other benefits

Giving or receiving gifts, entertainment, or other benefits to or from customers, suppliers, business representatives shall be conducted in accordance with Company policy regarding



the provision of or accepting gifts, entertainment, or other benefits. Nonetheless, anti-corruption principles shall be adhered to and the transactions shall be transparent.

2.2.3 Political assistance

The company shall not engage in political activities to help or support political parties, political groups, or politicians whether directly or indirectly, including not using any assets of the company to do so.

2.2.4 Charitable and public donations, and provision of financial support to others

2.2.4.1 Donation of money or property for charity or public interests, and provision of financial support to others must be transparent, legal and moral, including not taking any action that will have a negative effect on the society as a whole.

2.2.4.2 Donation of money or property for charity, and provision of financial support shall not be used as a front to conceal bribery.

2.2.4.3 Disbursement for charity expenses and financial support shall comply with the Company policies and procedures regarding administrative expenditures, as well as the authorization matrix for approving expenses. The disbursement must specify clear objectives, and shall include verifiable evidence to support the transaction.

2.3 Rotation of staff duties

The Company shall promote a rotation of duties of employees responsible for roles that are vulnerable to corruption, such as procurement agencies, branch migration, etc.

5) Guidelines for reporting clues / corruption complaints

5.1 Employees must not disregard or ignore acts that contradicts the company's policies or actions that may be related to corruption involving the Company. Employees must notify their direct supervisor or the supervisor responsible for the department.

If there are any questions or inquiries, the employee may consult their supervisor.

5.2 Those who have witnessed or suspected that there are acts of corruption, or have been affected due to their action against corruption, may file a complaint through any of the company's channels as follows:

- Directly notifying the Company's Chief Executive Officer or Managing Director;



- Directly notifying the Chairman of the Audit Committee through the Secretary of the Audit Committee;
- Notifying their direct supervisors.

For of matters concerning senior management or director level, the employee may directly inform the Chairman of the Audit Committee.

5.3 Employees shall cooperate in verifying and providing facts upon witnessing acts of corruption.

5.4 The company is committed to treat employees who report on or reject acts of corruption with fairness and to provide protection in accordance with the policy on corruption reporting.

6) Anti-Money laundering and counter-terrorism and proliferation of weapon of mass destruction financing (AML/CTPF) policy

The Company is committed to prevent its entity as a source of money laundering and supporting financial to terrorist and proliferation of weapon of mass destruction. The Company has realized the importance of complying with the regulations regarding anti-money laundering, counter terrorism and proliferation of weapon of mass destruction financing, therefore the AML/CTPF Policy, Procedure and Working manual were established to ensure that the Company's business operations comply with regulations which stated:

1) Know Your Customer (KYC) & Customer Due Diligence (CDD) : Before establishing relationship with customer, The Company performs KYC measure by requesting customer to provide information/documents as required by regulations for identification and verification. Customer Due Diligence (CDD) measures are also applied against customer to assess the customer risk level.

Establishing a business relationship with high risk customer, calculated by considering customer profile, countries, business and product usages, the customer would be subject to an approval by senior management level or specially assigned officer, Enhance Due Diligence process and regularly review customer information.

2) Sanction Screening: Prior to establishing a relationship/conducting transaction, the Company screens customer and related person in transaction against sanction lists which include Thailand Designated list, announced by Anti-Money Laundering Office. This also includes the list of known or suspected terrorists issued by competent authorities.

Political Exposed Persons (PEPs) Screening: The Company imposes Political Exposed Persons (PEPs) to be high risk factor. This requires Enhanced Due Diligence process, and regularly monitor on customer



information. Establishing a relationship with PEPs would be subject to an approval by senior management level or specially assigned officer.

3) AML/CTPF Risk Management: The Company sets up process to identify and verify a customer and to assess a customer's ML/TPF risk in order to collect information and evidence of identification in accordance with the customer's ML/TPF risk level. In addition, the Company reviews customer information and conduct proper risk management on a regular basis.

4) Transaction Monitoring: The Company monitors customers' financial movements and review unusual or suspicious transactions until termination of business relationship as required by laws to assess whether transactions conducted by a customer are consistent with objective, occupation and income source of a customer or not.

5) Transaction Reporting: The Company has transaction reporting system to ensure that the Company's transaction reporting i.e. Cash Transaction, Asset Transaction, and Suspicious Transaction complies with the regulations.

6) Record Keeping : the Company maintains information, documents or evidences for 10 years after the end of business relationship as imposed by regulations. All relevant materials must be maintained in a proper way and must be in conditions that can be retrieved for verification or for use as evidences in compliance with the laws.

7) ML/TPF risk assessment: The Company performs annually ML/TPF risk assessment within the organization by assessing an overall ML/TPF risk of the Company, taking into account of money laundering, financing of terrorism and proliferation of weapon of mass destruction risk factors e.g. customer profile, geography, product or service, transaction characteristics, service channel and result of National Risk Assessment. The risk mitigation measures on ML/TPF are established to improve AML/CTPF risk management. In addition, Internal Audit Department regularly performs assessment of monitoring procedures to ensure the procedures are being followed accordingly and the Company is subject to assessment by related regulators.



10. Corporate Social Responsibility

The Company has a policy to operate business based on the principles of ethical business and the code of conduct. The Company is also committed to work for society and communities by organizing various social campaigns. For instance, the Company launched the safe driving and not-drive-drunk campaign in co-operation with the Traffic Police Division. As a part of the campaign, the Company published leaflets promoting safe driving and a handbook aimed at encouraging people to be well conscious and have a habit of safe driving. Moreover, the Company also donated motorcycles and cars to vocational schools and educational institutions in the provinces where the Company's branches are located. The program helped to provide students with equipment used for learning. The Company also donated money to renovate and rebuild the ruined school.

The Company has policies about corporate social responsibility as follows:

1. Operate business with fairness

The Company aims to treat all customers on the basis of fairness, whereby all customers shall be treated equally.

2. Be against corruptions

The Company has already released a mandate of measures to avert corruption for all employees, management, and directors to adhere to. These measures will also be applied to all business partners and vendors going forward as well

3. Respect human rights

The Company is considerate of human rights in providing for an equal opportunity to access funding source. Thus, the Company has opened branches to cover nearly all "Tambons" in the country, enabling customers to more conveniently access a source of funding. In addition, the Company employs staff from the local community as in initiative to provide employment opportunities to qualified individuals who would not need to relocate to another district to find work.

4. Treat labor or employees with fairness

The Company treats all employees fairly and provides for an opportunity to learn a wide range of tasks. The Company has engaged in initiatives to denounce drug use and human trafficking in conjunction with the related government agency and local authorities.

5. Be responsible for consumers



Although the Company is engaged in the consumer lending business, responsibilities to the customers is a key component of the organization's policies and procedures.

6. Preserve environment

The nature of the Company's business practice is service-oriented, which has no direct impact to the environment. Nonetheless, the Company promotes conservation of resources by its employees including electricity, water, and also encourages the use of paperless documentation for instance.

For reduce global warming and greenhouse effect, the Company has policy to use office supplies which made from recycle products and reduced carbon dioxide in production process.

7. Participate in programs about community and social development

The Company has plans to participate in community development efforts starting with the promotion of awareness against drunk-driving through distribution of pamphlets and handouts. The Company recognizes a need to develop labor skills in the automobile maintenance industry, and has donated cars and motorcycles to the related vocational schools and educational institutions to be used as learning tools for the students.

The Company has sponsored efforts to foster education and career opportunities for people with disabilities through the Autism Foundation of Thailand, the Kru Boonchoo Foundation, and the Samarn-Kaewbootta Foundation. In 2017, the Company received a certificate of recognition from the Association for Parents of Person with Intelligence Disability of Thailand for the contributions thus far.

The Company cooperated with National Health Security Office to provide health check for customers who lived nearby the Company's head office.

8. Hold innovations and disclose information about the innovations arising for operation linked to responsibility to society, environment, and stakeholders



11. Internal Control and Risk Management

Placing emphasis on the importance of good internal control, the Company's Board of Director set up the Audit Committee to work on ensuring that the Company and its subsidiaries have appropriate and effective internal control system. The Audit Committee also ensures that the Company operates business in compliance with the securities and stock exchange laws as well as the rules and regulation of the Stock Exchange of Thailand and relevant laws that relate to the Company's business.

The Board of Directors evaluated the Company's internal control system by inquiring the management as well as other concerned officers and by studying the past audit reports. The Company's internal control system can be concluded into five key elements based on the concept of the Committee of Sponsoring Organization of Treadway Commission (COSO). The five key elements are: i) organizational environment; ii) risk assessment; iii) control of operation activities; iv) information & communication and v) monitoring activities. The Board opined that the Company had the internal control system, which was appropriate and sufficient for business operation under the current environment. The results of internal control evaluation approved by the Company's Board of Directors can be summarized below:

1) Organizational environment

SAWAD Group has good organizational environment favorable to support effective internal control system. All people are aware of the necessary of the internal control system. The structure is appropriately designed and duties are clearly identified. Policies and regulations are announced in a written form.

2) Risk Assessment

The Company emphasizes the importance of risk management; hence, it arranges the operating evaluation and assessment of risks that may have an impact on the Company at least one a year. The management analyses possible risks and report them to the Company's Board of Directors as well as suggesting ways to manage or control such risks at acceptable levels. For any risks that may prevent the Company from achieving its business goals, the Company must find measures to manage such risks.

3) Control of operation activities

The Company has a policy to control operation activities, ensuring that the management's guidance well followed by all employees. The approval authority and power are appropriately determines. Duties of each position are clearly separated in order to prevent corruption. Procedures for transactions involved by major shareholders, directors, the management or related persons are



clearly indicated in order to prevent conflicts of interest, in accordance with the regulations of Capital Market Supervisory Board and the Stock Exchange of Thailand.

4) Information & Communication

The Company sufficiently keeps information, which is useful for the Company's business operation. Documents are systematically filed in accordance with the sections, especially for the accounting documents, which are very important for financial reports. Moreover, the Company also has back-up taped information about daily operation. Such back-up information is separately stored out of the Company's offices; this is to ensure that in some emergency cases the Company always has information used for business operation.

5) Monitoring Activities

The Company continued to monitor the performance and compared it to the set targets. In addition, the Company also follows up and monitors the operation by appointing a department to examine the branches' operation on a regular basis. The examination results are reported to the managing director; this is to ensure that all employees strictly follow rules and regulations stated in the Company's operation guideline. Moreover, the Company also hires an external company, P&L Internal Audit Co., Ltd, to be an internal auditor who assesses the internal control system of the Company and reports directly to the Audit Committee on a quarterly basis.

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

In the Board of Directors Meeting No. 2/2021 on 25 February 2021 where the Audit Committee also attended, the Company's Board of Directors assessed the internal control system by having the management explain various systems linked to the internal management and control and also by inquiring the management. In light of this, the Board of Directors opined that the Company's internal control system was adequate and appropriate under the current circumstances. To elaborate, the Company's control system covered all five key elements, namely organizational environment, risk assessment, control of operation activities, information & communication and monitoring activities.

Meanwhile, P&L Internal Audit Co., Ltd., which is an external company, provided sufficient personnel to effectively carry out the internal control operation, including the income and expense cycles. In addition, the external company also controls the use of the Company and subsidiaries' assets and prevents such assets from being wrongly used by employees and management.

11.2 Opinions of the Audit Committee



In the Audit Committee Meeting No. 1/2021 on 25 February 2021, the Audit Committee provided opinions in regard to the internal control system and completed the evaluation form for the adequacy of the internal control system designed by the Office of the Securities Exchange Commission and the Stock Exchange of Thailand. The evaluation covered all five key elements, i.e., i) organizational environment; ii) risk assessment; iii) control of operation activities; iv) information & communication and v) monitoring activities. The Audit Committee opined that the Company's internal control system was sufficient and went in line with the guidance and that there was no significant change from the previous year.

11.3 Head of Internal Control

The Company does not have a head of the internal control department who directly oversees the Company's internal control affairs but the Company hires an external company to carry out the evaluation of the internal control system of the Company and subsidiaries. The hired external company is

P&L Internal Audit Co. Ltd.

73/290-294, The Fifth Avenue Building B, 2nd floor,

Bangkok-Nonthaburi Rd, Bangken,

Muang, Nonthaburi, 11000



12. Connected Transactions

Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2019	2020	
<p>1. Srisamarn Condotel Co., Ltd. ("Srisaman Condotel")</p> <p><u>Type of Business</u> Property for rent</p> <p><u>Relationship with the Company</u></p> <ul style="list-style-type: none"> - Ms. Doungchai Kaewbootta, holding 7.32% shares in the Company and being the Company's director, Managing Director, was a major shareholder of 50% in Srisamarn Condotel. - Ms. Thida Kaewbootta, the Company's major shareholder of 28.76%, was a major shareholder of 50% and a director of Srisamarn Condotel. 	<p><u>Office Lease</u></p> <p>SAWAD Group leased the space of 2,039.57 sq.m. with the rent of Baht 171.80/sq.m./month and the room at Srisaman Condotel, Soi Intamara 41, Suthisanwinichai Rd, Din-dang Sub-district, Dindaeng District, Bangkok. The space was used as office and storage of collateral documents and the room was for employees' stay. The lease contract lasted one year.</p> <ul style="list-style-type: none"> • Rent • Accrued Rental 	7,642,156	7,799,230	<p>SAWAD Group leased space at Srisamarn Condotel for used as an office and storage for collateral documents while waiting for the time to submitting the documents to the commercial bank as well as for an accommodation for employees to come to attend meetings. This was part of the Company's core business operation. The rent and payment conditions were the same as Srisamarn Condotel quoted for outsiders and they were based on the core business operation of Srisamarn Condotel.</p> <p><u>Comment from the Audit Committee</u></p> <p>The transaction supported the Company's core business operation. The rent was</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2019	2020	
				appropriate and comparable to the rents at nearby property and it equated the rent quoted for outside tenants. The payment conditions were set in accordance with the core business operation. Thus, the transaction was deemed necessary and justified.
<p>2. Srisamarn Bangkok Co. Ltd. ("Srisamarn Bangkok")</p> <p><u>Type of Business</u></p> <p>Property for rent</p> <p><u>Relationship with the Company</u></p> <p>- Mr. Chatchai Kaewbootta, holding 3.66% share in the Company and being a director and a Chief Executive Officer of the Company, was a major shareholder with 40%</p>	<p><u>Office Lease</u></p> <p>SAWAD Group leased two commercial buildings for use as its offices, with three-year lease contracts, starting January 2019 and ending December 2021.</p> <p>1. A four-storey floor commercial building with the space of four blocks and 80.3 square wah, located on Rangsit- Pathumthani Rd, Bangprok Sub-district, Mueng</p>			<p>SAWAD Group leased offices from Srisamarn Bangkok for use as two branches to support the Company's core business operation. The rental rate for Pathumthani branch office equated the rental rate appraised by Fast and Fair Valuation Co. Ltd. ("independent appraiser"). The rental rate for the office at Ramkamhaeng was lower than the rental rate appraised by the independent appraiser.</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2019	2020	
<p>holding and a director of Srisaman Bangkok.</p> <ul style="list-style-type: none"> - Ms. Doungchai Kaewbootta, holding 7.32% shares in the Company and being the Company's director, Managing Director, held 11% shares in Srisaman Bangkok. - Mrs. Jariya Kaewbootta - The Company's 5.94% shareholder - Mother of Ms. Doungchai Kaewbootta, holding 7.32% shares and being a director, Managing Director of the Company - Mother of Ms Thida Kaewbootta, holding 28.76% shares of the Company - Wife of Mr. Chatchai Kaewbootta, 	<p>District, Pathumthani</p> <p>2. A four-storey commercial building with the space of two blocks and 36.0 square. Wah, located on Ramkamhaeng Rd, Huamark Sub-district, Bangpaki District, Bangkok</p> <p>3. A four-storey commercial building with the space of two blocks and 31.0 square wah, located on Charansanitwong Rd., Bang Or, Bang Plad, Bangkok</p> <ul style="list-style-type: none"> • Rent 	1,059,640	1,259,640	<p>In addition, the landlord and the tenant agreed to sign a lease addendum indicating that after the lease contract is ended, the landlord is able to hike the rental rate by not more than 12 percent of the existing rate and the contract can be extended for at least three years.</p> <p><u>Comment from the Audit Committee</u></p> <p>The lease of two buildings supported the Company's core business operation. The leased assets were necessary and appropriate, compared with other offices leased from outsider landlords. The current rental rates were comparable to the rates appraised by the independent appraiser who conducted the appraisal for public interest. The lease terms were in accordance with the</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2019	2020	
holding 3.66% shares and being a director and a Chief Executive Officer of the Company Mrs. Jariya Kaewbootta was a major shareholder with 40% shareholding and a director of Srisamarn Bangkok.				Company's core business operation. Therefore, the transaction was necessary and justified.
3. I.D 2007 Co. Ltd. (I.D. 2007") <u>Type of Business</u> Trade and develop land <u>Relationship with the Company</u> - Mr. Chatchai Kaewbootta, holding 3.66% shares in the Company and being a director and a Chief Executive Officer of the Company, was a major shareholder with 60% holding and a director of I.D. 2007.	<u>Lease of land and building</u> SAWAD Group leased the land and building located on Chaengwatana Rd, Thungsonghong Sub-district, Laksi, Bangkok, with three-year lease contracts, starting January 2019 and ending December 2021. 1. A 7-6-61 rai plot of land (2,961 square wah) used as a storage of foreclosed assets 2. The building consisting of an			SAWAD Group leased the land and building from I.D. 2007 for use as storage for vehicles not sold at branch offices. Meanwhile, the building was used as a branch office for the Company's core business operation. The rental rate was lower than the rental rate appraised by the independent appraiser. In addition, the landlord and the tenant agreed to sign a lease addendum indicating that after the lease contract is ended, the



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2019	2020	
<ul style="list-style-type: none"> - Ms. Doungchai Kaewbootta, holding 7.32% shares in the Company and being the Company's director, Managing Director, held 30% shares in I.D. 2007. - Ms. Thida Kaewbootta, the Company's major shareholder of 28.76%, held 1% share in I.D. 2007. - Mrs. Jariya Kaewbootta <ul style="list-style-type: none"> - The Company's 5.94%shareholder - Mother of Ms. Doungchai Kaewbootta, holding 7.32% shares and being a director, Managing Director of the Company - Mother of Ms Thida Kaewbootta, holding 28.76% shares of the Company - Wife of Mr. Chatchai Kaewbootta, 	<p>office and a one-storey warehouse, with combined usable area of 728 square meters, for use as the Company's branch office and warehouse</p> <p>3. Srisawad Building which is the head office of the Company with usable area of 7,000 square meters, the contract began from June 2018</p> <ul style="list-style-type: none"> • Rent <p>Rental Guarantee</p>	<p>48,554,388</p> <p>4,047,314</p>	<p>48,553,938</p> <p>4,047,314</p>	<p>landlord is able to hike the rental rate by not more than 12 percent of the existing rate and the contract can be extended for at least three years.</p> <p><u>Comment from the Audit Committee</u></p> <p>The lease of land and building was necessary for the Company's core business operation. The rental rates were lower than the rates appraised by the impendent appraiser who conducted the appraisal for public interest. The lease terms were in accordance with the Company's core business operation. The assets were necessary and appropriate. Hence, the transaction was necessary and justified.</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2019	2020	
holding 3.66% shares and being a director and a Chief Executive Officer of the Company Mrs. Jariya Kaewbootta held 6% shares in I.D. 2007.				
4. Ms. Doungchai Kaewbootta <u>Relationship with the Company</u> - A shareholder with 7.32 - percent holding and a director for the Company - Daughter of Mr. Chatchai Kaewbootta, a 3.66%-shareholder, a director and Chief Executive Officer of the Company - Older sister of Ms Thida	<u>Guarantee</u> Ms. Doungchai Kaewbootta guaranteed and put her personal assets as collaterals for the loans taken out from a commercial bank for the Company. <ul style="list-style-type: none"> Guarantee - Overdrafts - Short-term loans <u>Interest Expense</u>	- 500,000,000	- 500,000,000 122,,877	SAWAD Group received loans from a commercial bank for use as working capital for core business operation. The loans were guaranteed by Ms. Doungchai Kaewbootta and her personal assets; the guarantee was based on the terms and conditions specified by the commercial bank. No expenses arose from the guarantee. Note that the Company already withdrew the guarantee for full amount.



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2019	2020	
Kaewbootta, a major shareholder of 28.76% of the Company	Ms. Doungchai Kaewbootta invested in the Company's debentures valued Baht 13.00 million			<p>The investment in debenture is the same interest rate as each serie of debenture and underwritten by the Company's underwriters</p> <p><u>Comment from the Audit Committee</u></p> <p>The transaction was intended for the benefit of the Company and the Company did not book any expenses from the transaction.</p>
<p>5. Mr. Chatchai Kaewbootta</p> <p><u>Relationship with the Company</u></p> <ul style="list-style-type: none"> - A 3.66%- shareholder, a director and the Chief Executive Officer of the Company - Father of Ms Thida Kaewbootta, holding 28.76% shares of the Company - Father of Ms. Doungchai Kaewbootta, which was a 	<p><u>Leased land and buildings</u></p> <p>SAWAD Group leased the land and two commercial buildings for the lease contract duration of three years, starting in January 2019 and ending December 2021</p> <p>1. A 519-square-wah plot of land and a two-storey commercial building (a basement and a mezzanine) located on Lomsak-</p>			<p>The Company leased land and buildings from Mr. Chatchai Kaewbootta as the following details:</p> <ul style="list-style-type: none"> • The land and office in Lopburi Province was used as the Company's office and a parking and a place for confiscated vehicles. As most of confiscated vehicles were vehicles for agricultural use and tractors, a large area was needed. • The land and building in Saraburi was used



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2019	2020	
shareholder with 7.32 %, a director, Managing Director of the Company	<p>Petchaboon Rd, Chainarai Sub-district, Chaibadan District, Lopburi</p> <p>2. A 213 –square-wah plot of land and a two-storey commercial offices located on Sudbanthat Rd, Pakpreaw Sub-district, Mueng District, Saraburi</p> <ul style="list-style-type: none"> Rent 	2,017,344	2,017,344	<p>as the Company's branch office, located at a community area by the main road. Part of the space was used as a show room for motorcycles and as a separate place for keeping foreclosed assets. Also, there was a car park on the back to facilitate customers.</p> <p>The current rental rates of both properties were lower than the rate appraised by the independent appraiser who conducted the appraisal for public interest.</p> <p>In addition, the landlord and the tenant agreed to sign a lease addendum indicating that after the lease contract is ended, the landlord is able to hike the rental rate by not more than 12 percent of the current rate and the contract can be extended for at least three years.</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2019	2020	
				<p><u>Comment from the Audit Committee</u></p> <p>The lease of both properties was necessary for business operation, in which the Company not only used them as branch offices but also made the best use of them.</p> <p>The transaction was aimed at supporting the Company's core business operation. The rental rate was lower than the rate appraised by the independent appraiser who conducted the appraisal for public interest. The lease conditions were in accordance with the nature of business and the characteristics of the leased assets were necessary and appropriate. Hence, the transaction was justified.</p>
	<p><u>Guarantee</u></p> <p>Mr. Chatchai Kaewbootta guaranteed and put his personal</p>			<p>SAWAD Group received loans from commercial bank for use as working capital for core business operation. The loans were</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2019	2020	
	assets as collaterals for the loans taken out from a commercial bank for the Company. <ul style="list-style-type: none"> Guarantee - Overdrafts - Short-term loans 	500,000,000	500,000,000	guaranteed by Mr. Chatchai Kaewbootta and his personal assets; the guarantee was based on the terms and conditions specified by the commercial bank. No expenses arose from the guarantee. Note that the Company already withdrew the guarantee for full amount . <u>Comment from the Audit Committee</u> The transaction was intended for the benefit of the Company and the Company did not book any expenses from the transaction.
6. Ms. Thida Kaewbootta <u>Relationship with the Company</u> - The Company's major shareholder with 28.76% holding - Daughter of Mr. Chatchai Kaewbootta, a 3.66%-shareholder, a director and the Chief Executive	<u>Leased building</u> SAWAD Group leased two blocks of a four-storey commercial building with usable space of 55.3 square wah, located on Ramintra Rd, kannayaw, Bangkok, for use as the Company's office, with a lease			SAWAD Group leased the building from Ms. Thida Kaewbootta for use as a branch office for the Company's core business operation. The rental rate was lower than the rental rate appraised by the independent appraiser. The appraisal was conducted for public interest.



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2019	2020	
<p>Officer of the Company and Mrs. Jariya Kaewboota holding 5.94% shares in the Company</p> <p>- Younger sister of Ms DOUNGCHAI Kaewboota, a shareholder of 7.32%, a director, Managing Director of the Company</p>	<p>contract duration of three years, starting in January 2019 and ending December 2021</p> <ul style="list-style-type: none"> Rent 	605,916	605,916	<p>In addition, the landlord and the tenant agreed to sign a lease addendum indicating that after the lease contract is ended, the landlord is able to hike the rental rate by not more than 12 percent of the current rate and the contract can be extended for at least three years.</p> <p><u>Comment from the Audit Committee</u></p> <p>The transaction was aimed at supporting the Company's core business operation. The characteristics of leased assets were necessary and appropriate compared with other offices leased from outside landlords. The rental rate was lower than the rate appraised by the independent appraiser who conducted the appraisal for public interest. The lease conditions were in accordance with the nature of business. Hence, the</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2019	2020	
				transaction was necessary justified.
7. Mrs. Jariya Kaewbootta <u>Relationship with the Company</u> <ul style="list-style-type: none"> - Mother of Ms. Doungchai Kaewbootta, holding 7.32% shares and being a director, Managing Director of the Company - Mother of Ms Thida Kaewbootta, a major shareholder holding 28.76% shares of the Company - Wife of Mr. Chatchai Kaewbootta, holding 3.66% shares and being a director and a Chief Executive Officer of the Company 	<u>Leased building</u> SAWAD Group leased three commercial buildings for the lease contract duration of three years, starting in January 2019 and ending December 2021 1. Two blocks of a four-storey commercial building with usable area of 36.7 square wah. Located on Teparak Road, Teparak Sub-district, Samutprakan 2. Two blocks of a three-storey commercial building with usable space of 64 square wah, located on Rangsit-Pathumthani Rd, Prachathipat Sub-district, Thanyaburi, Pathumthani			SAWAD Group leased the building from Mrs. Jariya Kaewbootta for use as branch offices. The rental rate was lower than the rental rate appraised by the independent appraiser who conducted the appraisal for public interest. In addition, the landlord and the tenant agreed to sign a lease addendum indicating that after the lease contract is ended, the landlord is able to hike the rental rate by not more than 12 percent of the current rate and the contract can be extended for at least three years. The investment in debenture is the same interest rate as each serie of debenture and underwritten by the Company's underwriters



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2019	2020	
	<p>3. Three blocks of a four-storey building with space of 54 square wah, located on Sukhumvit Rd, Nakrue Sub-district, Banglamung District, Chonburi</p> <p>4. Vacant land, space 10 square wah located on Jangwattana Road, Tungsonghong, Bangkok.</p> <ul style="list-style-type: none"> Rent <p><u>Interest Expense</u></p> <p>Mrs. Jariya Kaewbootta invested in the Company's debentures valued Baht 7.1 million</p>	2,960,176	2,960,176 59,472	<p><u>Comment from the Audit Committee</u></p> <p>The transaction was aimed at supporting the Company's core business operation. The characteristics of leased assets were necessary and appropriate compared with other offices leased from outside landlords. The rental rate was lower than the rate appraised by the independent appraiser who conducted the appraisal for public interest. The lease conditions were in accordance with the nature of business. Hence, the transaction was necessary and justified.</p>
<p>8. Mr. Chotipong Surasingsarit</p> <p><u>Relationship with the Company</u></p> <p>Father of Mr. Watchabooraya Surasingsarit, the vice president of</p>	<p><u>Leased building</u></p> <p>SAWAD Group leased one commercial building with one block and two stories, located at No. 353,</p>			<p>SAWAD Group leased the building from Mr. Chotipong Surasingsarit for use as a branch office. The rental rate was appropriate when compared with the rates at nearby properties.</p>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2019	2020	
Marketing Department	Charoenmueng Rd, Vieng Sub-district, Mueng District, Prae. The building came with the area of 32 square meters and lease contract duration of three years, starting May 2018 and ending April 2021. • Rent	74,851	74,851	Then payment condition was set in line with the normal transactions done with other people. The transaction was necessary and justified. <u>Comment from the Audit Committee</u> The transaction was aimed at supporting the Company's core business operation. The characteristics of leased assets were necessary and appropriate. The rental rate and lease conditions were set in accordance with normal business operation. Hence, the transaction was necessary and justified.
9. Freewill Solutions Co., Ltd. <u>Type of Business</u> Software Provider <u>Relationship with the Company</u> - Mr. Veera Veerakool, independent	<u>Software</u> The Company received software service for employee loan program. - Service Fee	170,572	464,555	The Company need software service from Freewill Solutions for employee loans program and the service fee was market rate. <u>Comment from the Audit Committee</u>



Persons/Entities with possible conflicts of interests/ Type of business/Relationship	Transaction Details	Transaction Value (Baht)		Necessity/Justification of Transactions
		2019	2020	
director, is the Chief Executive Officer of Freewill Solutions Co., Ltd.				The transaction was aimed at supporting the Company's core business operation. The rate equated to the rate of transactions the Company dealt with other clients. Hence, the transaction was necessary and justified.



12.2 Necessity and justification of the connected transactions

Reviewing the aforementioned connected transactions, the Audit Committee opined that the connected transactions were necessary, justified and beneficial for the Company (Details of each transaction were disclosed in 12.1).

12.3 Measures and procedure to approve the connected transactions

The Company's Board of Directors Meeting No. 6/2013, held on 14 June 2013, announced the measures and procedure to approve connected transactions. Management members or stakeholders are not allowed to take part in approval of any connected transactions, made between the Company, subsidiaries or related parties, which may cause conflicts of interests. The Audit Committee shall provide comments in regard to the necessity of the transactions as well as the justification and the appropriateness in terms of pricing, considering whether terms of conditions of the transactions were in line with those for normal trade transactions in the market. The Audit Committee shall also compare the prices with transactions done with outsiders. If the Audit Committee has no expertise in considering potential connected transactions that may arise, the Company will seek opinions from independent experts, e.g., an auditor, an independent appraiser, a legal firm, and etc. These people shall independent from the Company and from people with possible conflicts of interests. Such independent opinions from the experts shall be used as part of a decision making process of the Audit Committee and/or the Board of Directors and/or shareholders, whichever the case may be. Note that the Company also discloses the connected transactions in the note to the financial statement which was reviewed by the Company's Authorized Auditor.

Moreover, the Company approved in principles of the trading agreements that include general trading conditions for connected transactions between the Company and its subsidiaries and the directors, the management and related parties. The management is entitled to approve the connected transactions between the Company and its subsidiaries and/or the management or related parties (for both existing and potential transactions), without an approval from the Company's Board of Directors Meetings or the Shareholders Meetings. The management shall complete reports on connected transactions, which come in forms of trade agreements similar to what responsible men agree with general trade partners in similar situations and without power as the management, directors or related parties, to the Audit Committee and the Company's Board of Directors on a quarterly basis. .

12.4 Policies for future connected transactions

The Board of Directors Meeting No. 6/2013, held on 14 June 2013, announced the policies to carry out future connected transactions. The connected transactions shall have characteristic as normal



business transactions supporting the Company's core business. The transactions shall not unfairly transfer benefits to related parties who hold possible conflicts of interests with the Company. The Audit Committee and the Company shall work together to examine whether the potential connected transactions are necessary and justified and whether they will contain fair returns. Approval of potential connected transactions shall comply with the rules, regulations, announcements, and orders imposed by the Capital Market Supervisory Board and Stock Exchange of Thailand, as well as guidelines on information disclosure regarding the connected transactions according to the accounting standards of Accountants Association and Thailand's Certified Accountants Association.

12.5 Potential connected transactions

The connected transactions among the Company, the subsidiaries and related parties with possible conflict of interests will be done for the Company's core business operation to bring maximum benefits to shareholders. Potential connected transactions are as follows:

- The leases of buildings used for the Company's branches are necessary to the Company's core business operation. The rental rates that the Company pays to related parties who hold possible conflicts of interests are comparable to the market rates or the rates appraised by an independent appraiser who carry out the appraisal to calculate the market-based rental rates used for public interest. In addition, the terms and conditions for the leases are in line with the core business operation.
- The guarantees of financial institutions' loans by directors and related parties were done in accordance with terms and conditions specified by the financial institutions. The Company already withdrew the guarantees for full amount and such transactions will not occur in the future.
- The loan management service agreement between Srisawad Finance Plc. and Srisawad Power 2014 Co., Ltd. for business expansion.



Part 3

Financial Information and Performance

13. Key Financial Information

13.1 Financial Statement

13.1.1 Audit Report

Financial statement ending 31 December 2018.

Pricewaterhousecoopers ABAS Co. Ltd with Mr. Boonlert Kamolchanokkul as an authorized auditor No. 5339 carried out the audit in compliance with the accounting standard. The auditor opined that the financial statement the financial statement for the fiscal year ending 31 December 2017 correctly showed financial position, operating results, and cash flow of the Company, in accordance with the accounting standard.

Financial statement ending 31 December 2019.

Pricewaterhousecoopers ABAS Co. Ltd with Mrs. Anothai Leekitwattana as an authorized auditor No. 3442 carried out the audit in compliance with the accounting standard. The auditor opined that the financial statement the financial statement for the fiscal year ending 31 December 2019 correctly showed financial position, operating results, and cash flow of the Company, in accordance with the accounting standard.

Financial statement ending 31 December 2020.

Pricewaterhousecoopers ABAS Co. Ltd with Mrs. Anothai Leekitwattana as an authorized auditor No. 3442 carried out the audit in compliance with the accounting standard. The auditor opined that the financial statement the financial statement for the fiscal year ending 31 December 2020 correctly showed financial position, operating results, and cash flow of the Company, in accordance with the accounting standard.



13.1.2 Financial Summary 2018 –2020

Statement of Financial Position	Audited Financial Statement					
	31 December 2018		31 December 2019		31 December 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Cash and cash equivalent	2,409.50	6.13	1,648.91	3.63	1,837.59	3.53
Temporary Investment	512.17	1.31	0.52	0.00	-	-
Financial assets measured at amortised cost					0.52	0.00
Current portion of loans to customers and accrued interest, net	23,500.96	64.08	29,267.03	64.38	30,587.78	58.81
Short-term loans to financial institutions	600.00	1.53	670.00	1.47	4,350.00	8.36
Other receivables	496.22	1.27	819.99	1.80	823.35	1.58
Foreclosed assets	658.11	1.68	771.14	1.70	664.72	1.28
Other current assets	76.33	0.19	83.09	0.18	20.39	0.04
Total current assets	28,253.29	72.04	33,260.68	73.16	38,284.35	73.61
Financial assets measured at fair value through profit or loss					73.96	0.14
Financial assets measured at fair value through other comprehensive income					120.21	0.23
Available-for-sale investments, net	198.41	0.51	550.58	1.21		
Loans to customers and accrued interest, net	9,256.59	23.61	10,221.94	22.48	10,366.50	19.93
Premises renovation and equipment – net	629.31	1.60	640.26	1.41	641.74	1.23
Right-of-use assets, net					1,497.14	2.88
Intangible assets	568.24	1.45	568.11	1.25	605.14	1.16
Deferred Tax Assets	179.32	0.46	83.23	0.18	245.63	0.47
Other non-current assets	131.97	0.34	136.82	0.30	172.70	0.33
Total non-current assets	10,963.84	27.96	12,200.93	26.84	13,723.02	26.39
Total assets	39,217.14	100.00	45,461.61	100.00	52,007.37	100.00
Liabilities						
Deposits	7,273.97	18.55	6,348.33	13.96	5,234.10	10.06
Debt securities issued	6.00	0.02	6.00	0.01	6.00	0.01
Short-term borrowings from financial institutions	4,050.00	10.33	1,903.52	4.19	200.00	0.38
Long-term borrowings from financial institutions due in 1 year	338.83	0.86	-	-	-	-
Long-term borrowings for investment in receivables due in 1 year	2,703.89	6.90	1,937.41	4.26	1,307.13	2.51
Liabilities on financial leases and hire purchases due in 1 year – net	29.17	0.07	15.07	0.03	544.54	1.05
Other payable	742.47	1.89	662.66	1.46	940.58	1.81



Statement of Financial Position	Audited Financial Statement					
	31 December 2018		31 December 2019		31 December 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Tax payables	481.09	1.23	492.37	1.08	618.64	1.19
Unsecured debenture	1,258.50	3.21	2,391.10	5.26	3,752.18	7.21
Other current liabilities	84.79	0.10	60.19	0.13	55.82	0.11
Total current liabilities	16,968.70	43.27	13,816.66	30.39	12,658.98	24.34
Long-term borrowings from financial institution	741.94	1.89	2,435.12	5.36	2,930.77	5.64
Deferred tax liabilities	139.42	0.36	136.00	0.30	124.22	0.24
Derivative liabilities					15.06	0.03
Liabilities on financial leases and hire purchases – net	19.28	0.05	6.77	0.01	932.99	1.79
Unsecured debenture	7,679.58	19.58	8,829.19	19.42	11,063.46	21.27
Employee benefit obligations	40.01	0.10	46.15	0.10	68.61	0.13
Provision for decommissioning costs	-		-		143.41	0.28
Total non-current liabilities	8,620.24	21.98	11,453.24	25.19	15,278.51	29.38
Total liabilities	25,588.94	65.26	25,269.90	55.59	27,937.49	53.72
Shareholders' Equity						
Registered capital	1,249.71	3.19	1,374.66	3.02	1,428.08	2.75
Paid-up capital	1,147.77	2.93	1,336.25	2.94	1,373.15	2.64
Premium on ordinary shares	1,424.76	3.63	4,455.07	9.80	6,207.18	11.94
Appropriated retained earnings : Legal reserve	124.97	0.32	130.06	0.29	142.81	0.27
Unappropriated retained earnings	9,457.37	24.12	13,080.82	28.77	15,003.84	28.85
Premium on share from share-based payment ³	36.19	0.09	36.19	0.08	36.19	0.07
Discount from changes in the ownership interests in a subsidiary	(321.62)	(0.82)	(648.78)	(1.43)	(665.15)	(1.28)
Other component of equity	(6.59)	(0.02)	(1.24)	(0.00)	(13.15)	(0.03)
Non-controlling interests	1,765.34	4.50	1,803.34	3.97	1,985.01	3.82
Total shareholders' equity	13,628.20	34.75	20,191.71	44.41	24,069.88	46.28
Total liabilities and shareholders' equity	39,217.14	100.00	45,461.61	100.00	52,007.37	100.00



Statement of Financial Position	Audited Financial Statement					
	2018		2019		2020	
	Million Baht	percentage	Million Baht	percentage	Million Baht	Percentage
Revenue						
Interests from hire purchase contracts	954.36	12.11	447.93	4.57	103.04	0.94
Interests from loans	4,842.15	61.44	6,791.33	69.34	8,063.05	73.35
Other revenue	2,084.81	26.45	2,554.00	26.08	2,826.94	25.72
Total revenue	7,881.32	100.00	9,793.26	100.00	10,993.03	100.00
Expenses						
Service expenses	179.45	2.28	176.92	1.81	161.47	1.47
Administrative expenses	2,866.73	36.37	3,354.94	34.26	3,625.26	32.98
Bad debts and doubtful debts	388.35	4.93	552.09	5.64	321.01	2.92
Total expenses	3,434.53	43.58	4,083.95	41.70	4,107.74	37.37
Earnings before funding cost and income tax	4,446.80	56.42	5,709.31	58.30	6,885.29	62.63
Funding cost	(720.93)	(9.15)	(828.30)	(8.46)	(902.61)	(8.21)
Tax expenses	(724.98)	(9.20)	(952.27)	(9.72)	(1,191.84)	(10.84)
Net profit	3,000.89	38.08	3,928.75	40.12	4,790.84	43.58
Primary earnings per share						
Net profit (Baht/share)		2.19		2.85		3.32
Weighted average number of share (000 share)		1,262,546		1,319,026		1,357,523
Par value (Baht)		1.00		1.00		1.00



Statement of Cash flows (Unit : Million Baht)	Audited Financial Statement		
	2018	2019	2020
Cash flows from operating activities			
Before tax gain	3,725.87	4,881.02	5,982.67
<i>Adjusting the Entries:</i>			
Gain on sale of financial assets			(54.81)
Gain from changes in fair value of financial assets			(60.28)
Depreciation and amortization	212.84	229.94	874.18
Gain from investment revaluation	2.87		
Gain from divestment	(9.95)	(3.26)	
Loss (gain) from equipment amortization	4.76	3.49	2.99
Loss on write-off of intangible assets		1.03	
Gain from sale of premises and equipment	(3.87)	(0.84)	(6.47)
Loss (gain) from depreciation of foreclosed assets	(20.11)	10.53	(1.29)
Gain on write-off of lease			(4.51)
Loss (gain) for sale of foreclosed assets	(52.90)	29.50	114.24
Gain on sale investments in subsidiary	-	(35.45)	
Expected credit loss			321.01
Bad debts and doubtful debts	338.35	552.09	
Projected employee benefit obligations	11.35	16.38	18.72
Interest income	(5,802.35)	(7,239.26)	(8,182.55)
Interest expense	720.93	828.30	881.07
Amortization of discount in investment in bonds	0.88	0.77	0.43
Amortization of debt issuance costs	1.79	8.03	17.32
Decommissioning cost	0.37	0.28	4.21
Dividend income	(2.37)	(2.77)	(2.04)
<i>Changes in operating assets and liabilities :</i>			
Loans to customers and accrued interest	(6,676.63)	(7,284.88)	(2,250.88)
Other receivables	(253.63)	(268.29)	29.04
Net foreclosed assets	(249.86)	(153.06)	(6.53)
Other current assets	(64.72)	(8.55)	(3.89)
Other non-current assets	(42.70)	(4.85)	(35.46)
Deposits	1,206.20	(925.64)	(1,114.24)
Short-term loans to financial institutions	750.00	(70.00)	(3,680.00)
Other Payables	153.32	(44.73)	253.45
Other current liabilities	58.43	(24.59)	(4.58)



Statement of Cash flows (Unit : Million Baht)	Audited Financial Statement		
	2018	2019	2020
Other non-current liabilities	(22.31)	-	-
Employee benefit obligations	(0.77)	-	-
Cash received (used) from operating activities	(5,964.20)	(9,504.82)	(6,908.16)
Interest income	5,775.98	7,216.02	7,979.11
Interest expense	(690.70)	(853.49)	(821.71)
Tax expense	(599.73)	(850.03)	(1,063.08)
Net cash received (used) in operating activities	(1,478.66)	(3,992.32)	(813.84)
Cash flows from investment activities			
Cash received from sales of trading securities	6,705.19	-	-
Cash paid for securities for trading	(4,900.00)	-	-
Cash received from sales of financial assets			427.78
Cash paid for purchase of available-for-sale investments	145.98	173.00	
Cash paid for purchase of general investments	-	2.50	
Cash paid for purchase of investments in subsidiaries	(521.36)	-	80.18
Cash received from sale of equipment	7.86	52.77	7.36
Cash paid for purchase of premises, property and equipment	(342.81)	(289.75)	(252.12)
Cash paid for purchase of intangible assets	(8.58)	(4.39)	(13.82)
Cash received from dividend	2.37	2.77	2.04
Net cash received (used) from investment activities	1,088.64	(68.10)	251.41
Cash flows from financing activities			
Increase in short-term loans from financial institutions	7,850.00	21,708.91	2,070.00
Decrease in short-term loans from financial institutions	(6,100.00)	(23,855.38)	(3,773.52)
Cash paid for short term borrowings from financial institutions for purchase of loans	(447.61)	(338.83)	
Cash received from issuance of senior unsecured bonds	3,184.59	3,532.67	5,969.12
Cash paid for issuance of senior unsecured debentures	(2,812.30)	(1,258.50)	(2,391.10)
Repayment of hire purchase loans	(30.07)	(30.56)	
Cash received from long-term borrowings from financial institutions	1,460.00	3,800.00	1,775.00
Cash paid for long-term borrowings from financial institutions	(2,133.61)	(2,873.30)	(1,909.63)
Cash received (paid) for investment in subsidiaries	-	-	18.82
Cash paid for non-controlling interests from increase in investments in subsidiaries		(479.86)	



Statement of Cash flows (Unit : Million Baht)	Audited Financial Statement		
	2018	2019	2020
Cash received for non-controlling interests from increase in investments in subsidiaries	-	17.97	
Dividends paid to non-controlling interest			(222.76)
Cash receive from additional capital		3,098.31	1,789.01
Dividend payment	(21.63)	(14.75)	(1,922.10)
Cash paid for principle of lease liabilities			(652.07)
Net cash received (used) from financing activities	948.37	3,306.67	750.78
Increase (decrease) in cash and cash equivalent – net	558.35	(753.74)	188.36
Exchange (loss) gains on cash and cash equivalent	(1.93)	(6.85)	0.32
Beginning cash and cash equivalent	1,853.07	2,409.50	1,648.91
Ending cash and cash equivalent	2,409.50	1,648.91	1,837.59



13.2 Financial Ratios

Important Financial Ratios		2018	2019	2020
Profitability Ratio				
Interest Income Ratio (%) ^{/1}	%	22.87	21.86	21.19
Interest Expense Ratio (%) ^{/2}	%	3.19	3.57	3.62
Net Interest Margin (%)	%	19.68	18.29	17.57
Net Profit Margin (%)	%	38.08	40.12	43.58
Return on Equity (%)	%	24.20	23.23	21.65
Efficiency Ratio				
Return on Assets (%)	%	8.27	9.28	9.83
Total Asset Turnover (times)	times	0.22	0.23	0.23
Financial Ratio				
Debt to Equity Ratio (times)	times	1.88	1.25	1.16
Interest bearing debts to equity ratio	times	1.77	1.18	1.08
Net debt to EBITDA ratio	times	4.65	3.74	3.11
Interest coverage ratio : ICR ^{/3}	times	-0.27	-2.68	1.30
Debt service coverage ratio : DSCR ^{/4}	times	0.30	0.47	0.70
Deposits to interest bearing debts ratio	times	0.30	0.27	0.20
Short term interest bearing debts to interest bearing debts ratio	times	0.65	0.53	0.43
Loans from financial institutions to total debts	times	0.28	0.21	0.15
B/E size to interest bearing debt ratio	times	0.03	0.04	0.01
Current ratio	times	1.67	2.41	3.02
Total Loans to Total Borrowing (times)	times	1.38	1.68	1.74
Dividend Payout Ratio(%) ^{/8}	%	39.72	1,889.35	240.72

Note ^{/1} Interest income ratio means interest and fee income/ average hire purchase receivables and loan receivables

^{/2} Interest expense ratio means funding cost/loans from financial institutions plus loans from related parties

^{/3} Interest coverage ratio means earnings before interest, tax expense/ interest expense

^{/4} Debt service coverage ratio means earnings before interest, tax expense, depreciation and amortization (EBITDA)/ current portion of long term debt (CPLTD) and interest expense

^{/5} Dividend payout ratio is calculated from the net profit as shown in the separated financial statement.



14. Analysis and Management Discussion

14.1 Discussion and Analysis of Financial position and Operational Performance

14.1.1 Impact from Coronavirus-19 outbreak

From the situation of the COVID-19 virus outbreak which started in the year 2020, causing the Company activated the business continuity plan between March to May 2020 and another outbreak in December to be able to continuously operate the Company's business, for example allowing employees to work from home, or working at branches closed to their home to reduce travel by public transport. Use online marketing channels instead of off line marketing. And the Company has set up measures such as debt restructuring clinic, measures to help customers by extending the period of installments or a break from payment of principal and interest for debtors who are within the criteria specified by the company.

As a result of the government's lockdown announcement, some customers could not access the Company's service as well as the risk minimize in quality of receivables, causing the Company to be more careful to release loans to customers. This made the lending volume did not meet the target of the Group. In addition, the Group has measures to assist customers such as debt moratorium, prolong the installment period and no penalty fee for customers who has been affected from COVID-19 pandemic, this made penalty fee income and collection fee income had dropped.

However, the Group had 1% loans volume growth from the year 2019, as a result, interest income grew 9.5% compared to the previous year. For the penalty fee income and collection fee income which had decreased, the Group also supplementary earned from commission income from life and non-life insurance brokerage services, therefore, this is not impact the Group's performance. In 2020, the Company had net profit amounted Baht 4,791 million.

In term of liquidity, the Company has good relationship with financial institutions, and most of customers can repay loans, this is why the Company has no liquidity impact from COVID-19 outbreak.

14.1.2 Overview of the past operational performance

During the early stage, SAWAD Group was engaged in loans collateralized by vehicle registration documents, ("auto title loan"), including home-backed loans. Since its first operation, the Company continued to expand its branch office network as well as customer base to cover all regions across the country. Seeing risk and competition for hire purchase loans for new motorcycles (hire purchase loans), the Company had freeze this business and non-secured personal loan ("personal loan") in May 2015 the Company began to launch nano finance. The services include two types of legal transactions, i.e., i) hire purchase contracts and ii) loan agreements for auto-backed loans, personal loans and nano finance loans.

In addition, SAWAD group operate debt collection service and mange non-performing loans. The group operates debt collection service under group's network and experience, which including by telephone call collection and



collateral confiscation. In addition, SAWAD expanded our financial service advisory and agricultural credit sales to neighboring country and insurance brokerage service.

The core revenue is generated by interest income from hire purchase contracts and loan agreements. The Company realizes interest income on the installment basis, with the income amount being calculated by the exact interest approach. During 2018-20, SAWAD's revenue increased from Baht 7,881.33 million to Baht 10,993.03 million, equivalent to a CAGR of 18.10 percent on the back of the expansion of branch office network from 2,870 branches in 2018 to 4,080 branches in 2019 and 4,750 branches as of the end of 2020. As a result, the Group's loan portfolio grew by 15.79 percent per annum from Baht 29,433 million in 2018 to Baht 36,341 million in 2019 and to Baht 39,459 million in 2020.

In 2017, the Company had acquired 36.35% of paid-up capital of Srisawad Finance Plc. (former Bangkok First Investment & Trust Plc.), that made gain on reclassification on investments amounted Baht 102.06 million, and also gain from business acquisition amounted Baht 186 million which compared acquisition price with fair value. In 2018, the Company had additional acquired Srisawad Finance shares that made the Company held 45.34% of registered capital of Srisawad Finance.

In 2019, Srisawad Finance increased registered capital and offer to existing shareholders and allowed shareholders oversubscribed. The Company acquired BFIT's shares via subscription and oversubscription including tender offer then the proportion of BFIT's holding rose to 82.04%

In 2019, Srisawad Power 2014 Co., Ltd. has launched insurance service to the Company's customers and public, as a result, this gained additional insurance brokerage income.

The before-tax earnings increased from Baht 3,725.87 million in 2018 to Baht 4,881.02 million in 2019 and Baht 5,982.67 million in 2020, translating to a CAGR of 26.72 percent. The strong earnings can be attributable to the Company's ability to expand its loan growth, cost control and smaller bad debts. Meanwhile, the net profit rose from Baht 3,000.89 million in 2018 to Baht 3,928.75 million in 2019, and to Baht 4,790.83 in 2020, implying a CAGR of 26.35 percent.

14.1.2 Analysis of Operational Performance

1) Revenue

Core revenue

Revenue	Audited financial statement					
	2018		2019		2020	
	million	percentage	Million	percentage	million	percentage
Interest income from hire purchase contracts	954.36	12.11	447.93	4.57	103.04	0.94
Interest income from loans	4,842.15	61.44	6,791.33	69.35	7,823.81	71.17



Interest income from asset management					239.23	2.18
Insurance brokerage fee income					666.71	6.06
Other revenue	2,084.81	26.45	2,554.00	26.08	2,158.19	19.65
Total revenue	7,881.32	100.00	9,793.26	100.00	10,993.03	100.00

During 2018 and 2020, the Company's core revenue came from interest income, including interests from auto loans backed including all kinds of vehicles as well as home and land deeds. This income accounted for around 61-71 percent of the Company's total revenue. Meanwhile, the revenue from interests from auto-backed loans with hire purchase contracts accounted for about 1-12 percent of the total revenue. Other revenue included fee income, finance charges and revenue from sales of fixed assets and foreclosed assets, accounting for 20-26 percent of the total revenue.

In 2018-2019 The Company realizes interest income based on the installment basis, with the income amount being calculated by the exact interest approach. For auto title loans including home-backed loans, for which the loan repayment is based on the monthly installment basis, the revenue realization is discontinued when customers default on loan repayment longer than 120 consecutive days or four installment periods, starting from the specified due date, or when it is clearly indicated that the customers are unable to repay loans. Similar to the loans with quarterly installment basis, the revenue realization is discontinued when the customers default on loan repayment longer than consecutive 120 days. As for loans serviced by Srisawad Finance, personal loans and nano finance loans, the Company stops realizing revenue when customers default on loan repayment longer than 90 days or three monthly installment periods onwards. Since 2020, the Company realizes interest income based on effective rate.

(Unit: Million)	2018	2019	2020	CAGR (2018-2020) %
Hire purchase and loan receivables	29,433.00	36,341.00	39,459.00	15.79
Revenue from hire purchasing and lending	5,796.51	7,239.26	7,926.85	16.94

The Group's total interest income growth achieved a CAGR of 16.94 percent in 2018 -2020. The growth drivers included growth in receivables portfolio, following the expansion of the branch office network that expanded at an average of 15.79 percent per annum. Approximately 40 percent of such receivables portfolios were loans secured by home and land deeds, followed by loans collateralized by four-wheel vehicles, commercial cars and motorcycles. The loans contained interest rates of around 21.86-25.21 percent per annum. FM offered personal loans and nano finance loans, under control by Bank of Thailand which this business segment could add a total of Baht 207.29 million to the Company's total loan portfolio.

The total interest income grew from Baht 5,796.51 million in 2018 to Baht 7,239.26 million in 2019, equivalent to a growth rate of 24.89 percent. The growth was driven by the Company's aggressive expansion to add its branch



network from 2,870 branches in 2018 to 4,080 branches in 2019. With the enlarged branch office network, the Company managed to serve a wider customer base, covering larger service areas and expanding the loan portfolio from Baht 29,433 million in 2018 to Baht 36,341 million in 2019.

In 2020, the interest income grew by 9.50 percent to Baht 7,926.85 million from the level seen in 2019. The growth was underpinned by the rolling out of 670 new branches to make a total of 4,750 branches. As a result, the portfolios of hire purchase receivables, loan receivables, and personal loan receivables increased significantly.

Other Revenue

Other revenue by types	Audited financial statement					
	2018		2019		2020	
	million	percentage	million	percentage	million	percentage
Fee income	902.04	43.32	1,309.50	51.33	675.26	23.90
Penalty fee income	602.51	28.93	466.42	18.28	344.00	12.18
Collection fee income	247.63	11.89	159.96	6.27	283.37	10.03
Interest income from banks/related businesses	5.84	0.28	21.71	0.85	0.08	0.00
Bad debt recoveries	88.45	4.25	393.50	15.42	418.27	14.81
Fee income from insurance brokerage	-	-	-	-	666.71	23.60
Gain (loss) from sale of foreclosed assets	52.90	2.54	-	-	-	-
Revenue from services	0.99	0.05	3.30	0.13	3.30	0.12
Others	182.08	8.74	196.85	7.72	433.91	15.36
Total other revenue	2,082.44	100.00	2,551.24	100.00	2,824.90	100.00

The growth in other revenue had a core relation with the growth in core revenue. In 2018, the other revenue increased from Baht 2,082.44 million to Baht 2,825 million in 2020, implying a CAGR of 16.45 percent. The figure also rose, driven mainly by the increase in higher contributions from the increases in number of contracts and/or loan values, including the loan application fee, the penalty fee income for late repayment at MRR+10% per annum of the outstanding balance, (MRR is Minimum Retail Rate of Krungthai Bank Public Company Limited) and the collection fee income at around Baht 200-3,000 per one collection case, depending on types of collaterals. These revenue items accounted for approximately 46-84 percent of total other revenue. Meanwhile, SAWAD Group saw insurance brokerage revenue, was results from the Company's new business since 2019 which calculated to 24% of other revenue and gain on selling foreclose assets which proceeded from asset management business.

2) Operating Expenses

Operating Expenses	Audited financial statement					
	2018		2019		2020	
	Million	percentage	Million	percentage	Million	percentage
	Baht		Baht		Baht	



Service expenses	179.45	5.22	176.92	4.33	161.47	3.93
Administration expense	2,866.73	83.47	3,354.94	82.15	3,625.26	88.25
Bad debts and doubtful debts	388.35	11.31	552.09	13.52	--	-
Expected credit loss					321.01	7.81
Total expenses	3,434.53	100.00	4,083.95	100.00	4,107.75	100.00
<i>Percentage to total revenue</i>		43.58		41.70		37.37

The operating expenses consisted of service expenses, administration expenses, and bad debts and doubtful debts. The service expenses include expenses related to the marketing equipment, e.g., branches' signs, promotional expenses, advertising expenses etc. The Company's service expenses continued to increase during 2018- 2020 in line with the expansions of branch office network as well as growing receivable portfolios. Meanwhile, the administration expenses included personnel expenses, rental expenses, management fees, and etc.

In 2018 – 2020 the Group booked operating expenses amounting to approximately Baht 3,435-4,108 million. The uptrend was caused mainly by the continued increase in operating expenses in line with larger branch office network. Meanwhile, the Company managed to control its cost as well as systematically offering loans. In addition, the Company also managed loans and collect debts more effectively. Given these favorable factors, the service expenses, the management fees and bad debt expenses continued to grow at slower paces than revenue growth.

Administration Expenses

Administration Expenses	2018		2019		2020	
	Million	percentage	Million	percentage	Million	Percentage
Advisory fee and professional fee	29.31	1.02	39.31	1.17	26.23	0.72
Expenses	1,531.46	53.42	1,784.86	53.20	1,868.87	51.55
Rental Expenses	424.35	14.80	528.33	15.75	5.80	0.16
Depreciation and amortization expenses	213.58	7.45	230.41	6.87	874.20	24.11
Utilities expenses	125.87	4.39	139.16	4.15	156.44	4.32
Fuel expenses	41.83	1.46	36.85	1.10	25.20	0.70
Specific business tax	199.16	6.95	262.94	7.84	297.90	8.22
Loss from sale of foreclosed assets	8.89	0.31	10.53	0.31	(1.29)	(0.04)
Foreclosing expenses	12.13	0.42	13.25	0.39	7.44	0.21
Others	280.16	9.77	309.29	9.22	364.47	10.05
Total administration expenses	2,866.73	100.00	3,354.94	100.00	3,625.26	100.00
<i>Percentage vs. total revenue</i>		39.80		35.36		32.98

The administration expenses included personnel expenses, i. e. , employees' salaries, advisory fees and professional fee, e.g., auto fees, legal advisory fees, financial advisory fee, and etc. These expenses accounted for 52-54 percent of the total administration expenses. Other expenses included rental expenses for offices and branches, depreciation and amortization expenses, utilities expenses, fuel expenses and management fees, accounting for 26 -27 percent of the total administration expenses. The remaining expenses included other



management expenses including specific business tax, loss from sale of foreclosed assets and other items, e.g., bank fees, transportation expenses, postal service fees, training expenses, meeting allowance, and etc.

In 2018 – 2020, the Group booked total administration expenses at approximately Baht 2,867 – 3,625 millions. The expenses continued on an uptrend owing mainly to higher personnel expenses and rental expenses in line with the business expansion, adding the number of branch offices from 2,870 branches as of the end of 2018 to 4,080 branches at the end of 2019 and 4,750 branches as of end 2020. The increase in number of employees helped to support the business expansion. The number rose from 7,016 employees in 2018 to 8,907 employees in 2019 and 7,580 employees in 2020. Moreover, the Group also saw other expenses increase. For example, the specific tax rose in line with the interests from loan agreements. The loss from sale of foreclosed assets has been trending downward because of the better manage in foreclosed asset.

Regarding the total administration expenses to revenue ratio, the ratio did not change much in the past three years, staying at around 33-35 percent. The year-on-year ratio are almost at the same ratio that the group maintain to control the expense at this ratio. Regarding the administration expenses mainly causes from the expansion of office branch network in order to rose the group's revenue.

Cost of funding

The cost of funding is the interest expense arising from short-term loans taken out from financial institutions, bills of exchanges, payables from the related party, short-term loans from the related party, liabilities under financial leases and hire purchase contracts, debentures and long-term loans. The major objective for borrowing is to take short-term loans to fund the Group's financing services, with market rate. Further details can be obtained from the issue on interest bearing debts

3) Profitability

	Audited financial statement					
	2018		2019		2020	
	Million	percentage	Million	percentage	Million	percentage
Interest income	5,796.51	73.55	7,239.26	73.92	8,166.09	74.28
Financial cost	(720.93)	(9.15)	(828.30)	(8.46)	(902.61)	(8.21)
Net interest margin	5,075.58	64.40	6,410.96	65.46	7,263.48	66.07
Other revenue	2,084.81	26.45	2,554.00	26.08	2,826.94	25.72
Operating expenses	(3,434.52)	(43.58)	(4,083.95)	(41.70)	(4,107.75)	(37.37)
Operating profit	3,725.87	47.27	4,881.01	49.84	5,982.67	54.42
Net profit	3,000.89	38.08	3,928.75	40.12	4,790.83	43.58
No. of diluted shares (million)		1,262		1,319		1,357
Diluted earnings per share (Baht)		2.19		2.85		3.32

Note 1) Percentage means percentage vs. total revenue

**Operating profit**

In 2018 – 2020, the Company's profitability held up well and continued to increase, evidenced by the operating profit and the operating profit to total revenue that continued to increase significantly. The operating profit improved from Baht 3,725.87 million in 2018 to Baht 4,881.01 million and Baht 5,982.67 million in 2019 and 2020, respectively, equivalent to a CAGR of 26.72 percent. Meanwhile, the operating profit margin to total revenue rose respectively. The improvement in operating profit was a result of the significant increases in interest income from hire purchase contracts and lending services following the huge expansion in receivable portfolios. As a result, the Company also booked higher fee income and penalty fee for late payment accordingly. In addition, the Company managed to better control expenses, with bad debt and doubtful debt expenses falling due to better loan management.

Net profit

The net profit and net profit margin accounted approximately 38.08-43.58 percent during 2018 – 2020. The net profit rose from Baht 3,000.89 million in 2018 to Baht 3,928.75 million, and Baht 4,790.93 million in 2019 and 2020, respectively, implying a CAGR of 26.35 percent. The net profit margin reflected that its operating expenses to revenue decline continuously. The corporate income tax rate is still at the same rate of 20%.

Profitability ratio

Ratio (%)	2018	2019	2020
Interest income ^{/1} vs. average loans	22.87	21.86	21.19
Interest expense vs. average loans	3.19	3.57	3.62
Net interest margin	19.68	18.29	17.57
Net profit margin to total revenue	38.08	40.12	43.58

Note ^{/1} Interest income and fee

In 2018, SAWAD Group continued to see its profitability improve, with wider net interest margins at around 20 percent. The interest income and fee income ratio stood at around 23 percent. However the Company's interest expense slightly dropped as a result of repayment the loans from financial institutions which higher interest expenses. The Company made borrowing from bills of exchange, debentures and funding from stock market that contained lower cost than banks' loans. Thus, the interest expense rate dropped to 3.19 percent.

In 2019-2020, SAWAD group had adjusted interest rate in line with market situations, and in the year 2020, the Company had followed the guidelines of Bank of Thailand and set up measures to assist customers by reducing interest rate that made net interest margin dropped to 17.57. However SAWAD group also seek for lower sources of funding such as public deposits but in 2020, from the situation of COVID-19 outbreak, that made the interest



in the market volatiled and headed up. As a result, interest expense rate rose to 3.57 percent and 3.62 percent in 2019 and 2020 respectively.

However, in terms of the Group's profitability, the net profit margin accounted approximately 38.08-43.58 percent in 2018- 2020. The key drivers included a continued increase in revenue as well as better cost control, resulting in declines in service expenses, bad debt expenses.

Dividend and Dividend Payment Policy

(Unit: million baht)	2018	2019	2020
Dividend payment	134.93	1,922.41	2,471.67
After-tax net profit (Separated financial statement) ¹	339.68	101.75	1,025.90
<i>Dividend Payout (%)</i>	<i>39.72</i>	<i>1,889.35</i>	<i>240.72</i>
After-tax net profit (Consolidated financial statement) ¹	3,000.89	3,928.75	4,790.84
<i>Dividend Payout (%)</i>	<i>4.50</i>	<i>48.93</i>	<i>51.62</i>

Note ¹ Data from the audited financial statement

The Company paid stock and cash dividend worth Baht 134.93 million from performance of 2018 to shareholders in May 2019.

The Company paid cash dividend worth Baht 1,922.41 million from retain earning and performance of 2019 to shareholders in August 2020.

The Company announced to pay cash dividend worth Baht 2,471.67 million to shareholders in May 2021.

The Company and its subsidiaries have a dividend payout policy at not less than 40 percent of the net profit after tax according to the Company financial statements and after legal reserves. The dividend payment may be changed, depending on the Company's needs of cash

12.1.3 Analysis of Financial Position

1) Assets

From the end of 2018 to 2020, the Company's core assets consisted of hire purchase receivables, loan receivables and personal loan receivables, accounting for approximately 64 – 79 percent of the total assets. These were followed by investment in receivables, other assets including premises and foreclosed asset. The Company's total assets continued to increase from Baht 39,217 million as of the end of 2018 to Baht 52,007 million at the end of 2020. The increase was attributable mainly to the expansions of loan portfolios, which will be discussed under the item hire purchase receivables, loan receivables and personal loan receivables.

Hire purchase receivables, Loan receivables and Personal Loan receivables



The purchase receivables, loan receivables and personal loan receivables existed from the Company's four financing services, namely auto title loans and home-backed loans, hire purchase loans for new motorcycles, non-secured personal loans and nano finance loans.

The net receivables were calculated by the amount of loans under contracts, deducted by the interests not yet booked as income and allowance for doubtful accounts. The structure of net receivable classified by types of contracts is as follows:

Receivables from lending services	Audited financial statement			
	31 December 2018		31 December 2019	
	Million Baht	percentage	Million Baht	percentage
Hire purchase receivables- net	2,661	9.24	819	2.28
Loan and Personal Loan Receivables - net	26,148	90.76	35,089	97.72
Total receivables – net	28,809	100.00	35,908	100.00
Total assets	39,217		45,462	

In 2018 to the end of 2019, the Company saw net loan receivables continue to increase. The increase was due largely to the continued expansion of branch office network from 2,870 branches in 2018 to 4,080 branches as of the end of 2019. As a result, the Company's loan portfolio continued to grow steadily.

the Company have adopted the accounting policies, the reclassifications from the changes in accounting policies were therefore recognised in the statement of financial position as of 1 January 2020 which will be discuss under the next item.

Loans to customers and accrued interest

In the year 2020, from the reclassifications of asset which related to the effective of new accounting standard, loans to customers and accrued interest included secured loans, personal loans, Nano finance loans and purchased or originated credit impaired financial assets.

Loans to customers has shown by net book value, presented contractual loans less unearned interest and allowance for bad debt, the details of loans to customers shown as follows:

Loans to customers and accrued interest	Audit Financial Statement	
	31 December 2020	
	Million Baht	%
Loans to customers	38,080	92.98
Hire Purchase receivables	191	0.47
Purchased or originated credit impaired financial assets	2,683	6.55
Total Loans to customers and accrued interest – net	40,954	100.00
Total assets	52,007	



Quality of Receivables

SAWAD Group sets aside allowance for doubtful accounts according to the duration of outstanding balance deducted by interests not yet booked as income and the collateral. The collateral is equivalent to 0-75 percent of the outstanding financial lease receivables deducted by interests not yet booked as income. The Company takes into account the possibility to receive the repayment from the receivables and the sale of collaterals. The criteria for setting aside allowance for doubtful accounts are as follows:

Overdue Duration	Hire purchase contracts and loans collateralized by motorcycles		Hire purchase contracts and loans collateralized by other items		Personal loans
	Percentage of allowance for doubtful accounts	Value of collaterals (%)	Percentage of allowance for doubtful accounts	Value of collaterals (%)	Percentage of allowance for doubtful accounts
Not overdue	1	75	1	75	1
Overdue up to 1 month	2	75	2	75	1
Overdue 1 to 3 months	2	55-65	2	55-65	2
Overdue 3 to 6 months	100	0	20	25-45	100
Overdue 6 to 12 months	100	0	100	15	100
Overdue longer than 12 months	100	0	100	0	100

Note Allowance for doubtful accounts= Percentage of allowance for doubtful accounts X (outstanding finance lease receivables-interests not yet booked as income- the value of collaterals as calculated in the above table).

The analysis details of hire purchase receivables and loan receivables are as follows:

Balance due	31 December 2018		31 December 2019	
	Million Baht	percentage	Million Baht	percentage
Hire purchase receivables – the balance due not exceeding 1 year	2,160.25	63.61	779.11	75.53
<u>deducted by</u> the interests not yet booked as income	(453.29)	(13.35)	(123.52)	(11.97)
Total hire purchase receivables	1,706.96	50.26	655.59	63.56
Allowance for doubtful accounts	(78.95)	(2.32)	(56.08)	(5.44)
Hire purchase receivables – the balance due not exceeding 1 year – net	1,628.00	47.94	599.51	58.12
Hire purchase receivables – the balance due 1 – 5 years	1,235.93	36.39	252.39	24.47
<u>deducted by</u> the interests not yet booked as income	(188.92)	(5.56)	(27.82)	(2.70)
Total hire purchase receivables	1,047.01	30.83	224.57	21.77
<u>deducted by</u> allowance for doubtful accounts	(13.72)	(0.40)	(4.81)	(0.47)
Hire purchase receivables – the balance due 1 – 5 years – net	1,033.28	30.42	219.76	21.31



Balance due	31 December 2018		31 December 2019	
	Million Baht	percentage	Million Baht	percentage
Total hire purchase receivables	3,396.18	100.00	1,031.51	100.00
<u>deducted by</u> the interests not yet booked as income	(642.22)	(18.91)	(151.34)	(14.67)
Total hire purchase receivables	2,753.96	81.09	880.17	85.33
<u>deducted by</u> allowance for doubtful accounts	(92.68)	(2.73)	(60.90)	(5.90)
Total hire purchase receivables – net	2,661.28	78.36	819.27	79.42

According to the hire purchase receivables classified by the durations of balance due, 62-75 percent of the receivables saw the balance due of up to one year because the Company provided hire purchase services for used cars and new motorcycles, with the hire purchase durations ranging from 12 to 36 months or one to three years.

Hire Purchase Receivables	31 December 2018		31 December 2019	
	Million Baht	percentage	Million Baht	percentage
Not overdue or overdue up to 1 month	1,495.11	54.29	351.23	39.90
Overdue 1-3 months	1,027.06	37.29	419.00	47.60
Overdue 3-6 months	144.67	5.25	46.11	5.24
Overdue 6-12 months	53.88	1.96	27.12	3.08
Overdue more than 12 months	33.24	1.21	36.71	4.17
Total	2,753.96	100.00	880.17	100.00
<u>deducted by</u> allowance for doubtful accounts	(92.68)	(3.37)	(60.90)	(6.92)
Hire Purchase Receivables - net	2,661.28	96.63	819.27	93.08

According to hire purchase receivables classified by the durations of overdue balance, most receivables were of high quality; in other words, they did not leave the balance overdue or the overdue outstanding balances lasted not more than one month; this accounted for 40 – 57 percent of the total receivables. Meanwhile, the overdue outstanding balance of one to three months accounted for 34-47 percent of the total hire purchase receivables. In regard to the adequacy of the allowances for doubtful accounts, at the end of 2018 the Company set aside the allowances for doubtful accounts amounting to Baht 92.68 million declining from the decrease of portfolio. At the end of 2019, the Company set aside the allowances for doubtful accounts amounting Baht 60.90 million, accounting for 6.92 percent of total hire purchase receivables which slightly difference from the prior years.

Amount due – Loan receivables	31 December 2018		31 December 2019	
	Million Baht	percentage	Million Baht	Percentage
Loan receivables – due not more than 1 year	25,026.61	81.63	33,110.37	80.16
<u>Deducted by</u> interests not yet booked as income	(3,067.41)	(10.01)	(4,460.03)	(10.80)
Total loan receivables	21,959.20	71.62	28,650.34	69.37
<u>Deducted by</u> allowance for doubtful debts	(497.78)	(1.62)	(341.82)	(0.83)
Loan receivables overdue not more than 1 year - net	21,461.42	70.00	28,308.52	68.54



Amount due – Loan receivables	31 December 2018		31 December 2019	
	Million Baht	percentage	Million Baht	Percentage
Loan receivables overdue 1-5 years	5,632.09	18.37	8,192.48	19.84
<u>deducted by</u> interest not yet booked as income	(912.25)	(2.98)	(1,381.99)	(3.35)
Total loan receivables	4,719.84	15.39	6,810.49	16.49
<u>deducted by</u> allowance for doubtful debts	(33.21)	(0.11)	(30.17)	(0.07)
Loan receivables overdue 1 – 5 years – net	4,686.63	15.29	6,780.32	16.42
Total loan receivables	30,658.70	100.00	41,302.85	100.00
<u>deducted by</u> interest not yet booked as income	(3,979.66)	(12.98)	(5,842.02)	(14.14)
Total loan receivables	26,679.04	87.02	35,460.83	85.86
<u>deducted by</u> allowance for doubtful debts	(530.99)	(1.73)	(372.00)	(0.90)
Total loan receivables – net	26,148.05	85.29	35,088.84	84.95

Regarding the loan receivables classified by the balance due, most receivables were due not more than one year, accounting for 80 percent of the total loan receivables. This was because the largest proportion of the Company's loans were loans collateralized by general cars, motorcycles and house or land deeds; most of which were allowed the repayment periods of not more than 24 months.

Loan receivables	31 December 2018		31 December 2019	
	Million Baht	percentage	Million Baht	percentage
Not overdue or overdue not more than 1 month	22,133.30	82.96	26,928.61	75.94
Overdue 1-3 months	3,878.64	14.54	7,439.33	20.98
Overdue 3-6 months	500.75	1.88	761.27	2.15
Overdue 6-12 months	110.28	0.41	225.58	0.64
Overdue more than 12 months	56.06	0.21	106.04	0.30
Total	26,679.04	100.00	35,460.83	100.00
<u>deducted by</u> allowance for doubtful accounts	(530.99)	(1.99)	(372.00)	(1.05)
Loan receivables - net	26,148.05	98.01	35,088.84	98.95

In regard to loan receivables classified by overdue outstanding balance, most receivables were deemed as high quality, with overdue balance of not more than one month, representing 75-83 percent of the total. Meanwhile, the balance overdue from one to three months accounted for 14-21 percent while those overdue three to twelve months represented only two percent. There was only one percent for receivables overdue more than 12 months. The Company set aside allowance for doubtful accounts according to the aforementioned overdue durations. As of ends of 2019, and 2018, the Company set aside allowance for doubtful accounts amounting to Baht 372.00 million, and 530.99 million, representing 1.05, and 1.99 percent of total receivables, which the lower allowances shown the better quality of account receivables.

The analysis details of loans to customers and accrued interest are as follows:



Loans to customers and accrued interest	31 December 2020	
	Million Baht	%
Current portion of Loan receivables	35,396.82	74.93
Current portion of Hire-purchase receivables	207.12	0.44
<u>Less</u> Unearned interest income	(3,943.40)	(8.35)
Total loan to customers net unearned interest income	31,660.54	67.02
<u>Add</u> Accrued interest	8.86	0.02
Total loan to customers net accrued interest	31,669.40	67.04
<u>Less</u> Expected credit loss	(1,081.61)	(2.29)
Current portion of Loans to customers and accrued interest – net	30,587.78	64.75
Loan receivables	9,003.50	19.06
Hire-purchase receivables	20.46	0.04
Purchased or originated credit impaired financial assets	2,610.08	5.53
<u>Less</u> Unearned interest income	(1,234.79)	(2.61)
Total loan to customers net unearned interest income	10,399.26	22.01
<u>Add</u> Accrued interest	197.59	0.42
Total loan to customers net accrued interest	10,596.84	22.43
<u>Less</u> Expected credit loss	(230.34)	(0.49)
Loans to customers and accrued interest – net	10,366.50	21.94
Loan receivables	44,400.32	93.99
Hire-purchase receivables	227.58	0.48
Purchased or originated credit impaired financial assets	2,610.08	5.53
<u>Less</u> Unearned interest income	(5,178.19)	(10.96)
Total loan to customers net unearned interest income	42,059.79	89.04
<u>Add</u> Accrued interest	206.45	0.44
Total loan to customers net accrued interest	42,266.24	89.48
<u>Less</u> Expected credit loss	(1,311.96)	(2.78)
Total Loans to customers and accrued interest – net	40,954.28	86.70

Loans to customers and accrued interest	31 December 2020	
	Million Baht	%
Performing financial assets	26,914.35	63.68
Under-performing financial assets	11,064.30	26.18
Non-performing financial assets	1,479.91	3.50
Purchased or originated credit impaired financial assets	2,807.67	6.64
Total	42,266.24	100.00
<u>Less</u> Expected credit loss	(1,311.96)	(3.10)
Loans to customers and accrued interest – net	40,954.28	96.90



According to the effective of new accounting standards, the receivables has reclassified to performing financial assets represented 63.68 percent, under-performing financial assets represented 26.18 percent, and non-performing financial assets represented 3.50 percent. The Company set aside expected credit loss represented 3.10 percent which could sustain the impairment of financial assets.

Loans to Customers and Accrued Interest Receivable

Loans to customers are commercial loans and project loans which the Company provides project loans to fill the need for expansion or new business development. Project loans can be provided as a short-term, medium-term, or long-term loan to match with the necessity and suitability of each project.

Outstanding of loans to customers and accrued interest receivable as at the end of 2019 shown as follows:

Loans to Customers (unit :Million Baht)	31 Dec 2018	31 Dec 2019
Loans to customers	1,133.97	952.78
Accrued Interest	3.62	3.49
Loans to customers and accrued interest	1,137.59	956.27
Less Allowance for doubtful accounts	(373.29)	(376.29)
Less Allowance for troubled debt restructuring	(0.46)	(0.04)
Loans to customers and Accrued Interest - net	763.85	579.93

Quality of Receivable

SAWAD Group had classified loans to customers and accrued interest and provision as at 31 December 2019 according to Bank of Thailand guideline shown as follows:

Loans to Customers	31 Dec 2018		31 Dec 2019		Percentage used for allowance
	Million	%	Million	%	%
Normal	882.22	77.55	704.25	73.65	1
Special mention	26.75	2.35	26.31	2.75	2
Sub-standard	0.80	0.07	17.31	1.81	100
Doubtful	9.28	0.82	-	-	100
Doubtful of loss	218.54	19.21	208.40	21.79	100
Total	1,137.59	100.00	956.27	100.00	
Less Allowance for doubtful accounts	(373.75)	(32.85)	(376.29)	(39.35)	
Loans to customers and accrued interest - net	763.85	67.15	579.93	60.65	



In regard to loan to customer classified by qualification outstanding balance, most receivables were deemed as high quality, with normal quality, representing 73 percent of the total. Meanwhile, the balance amount from special mention accounted for 2.75 percent while those sub-standard amount represented 1.81 percent. There was 21.79 percent for doubtful receivables. The Company set aside allowance for doubtful accounts according to the aforementioned quality. As of ends of 2019, the Company set aside allowance for doubtful accounts amounting to Baht 376.29 million, representing 39.35 percent of total receivables, which covered the doubtful of loss account receivables.

Loan Receivables from Purchase of Loan

The loan receivables from purchase of loan came from the purchase of non-performing loans from financial institutions. The movement and outstanding of loan receivables from purchase of loan shown as follows:

Loan Receivables from Purchase of Loan (unit: million)	2018	2019
Loan receivables from purchase of loan- beginning	2,742.05	3,188.78
Additions	1,048.58	21.00
Amortization from collection	(601.85)	(205.35)
Loan receivables from purchase of loan - ending	3,188.78	3,004.43
Less Allowance for impairment	(4.41)	(3.51)
Loan receivables from purchase of loan-net	3,184.76	3,000.93

In 2018, the Company purchased distress assets at cost totaled Baht 1,048.58 million, and collection received during the year amounted Baht 601.85 million, and set aside of allowance for impairment amounted Baht 4.41 million that made the end of 2018 the outstanding loan receivables from purchase of loan amounted Baht 3,184.76 million, calculated to 8.12 percent of total assets.

In 2019, the Company purchased distress assets at cost totaled Baht 21 million, and collection received during the year amounted Baht 205.35 million, and set aside of additional allowance for impairment amounted Baht 3.51 million that made the end of 2019 the outstanding loan receivables from purchase of loan amounted Baht 3,000.93 million, calculated to 6.60 percent of total assets.

Available for Sales Investments

During 2018-2019, the Company had realized BFIT's investments as at the end of 2018 and 2019, amounted Baht 198.41 million, and Baht 550.58 million respectively.



According to the effective of new accounting standards, the available for sales investment has reclassified to financial assets measured at fair value through profit or loss amounted Baht 73.96 million, and financial assets measured at fair value through other comprehensive income amounted Baht 120.21 million.

Premise Renovation Part and equipment - net

The Company rents office buildings for its head office and branch offices. Hence, the firm does not own land and buildings as its own operating assets. The Company owns the renovation parts and office deco items, office supplies, computers, and vehicles. Most assets at around 56 percent of the total fixed assets as of the end of 2020 were office deco items amounted Baht 344.23 million, followed by the office deco items, vehicles used for branch offices and management, and office supplies including computers, that accounted for 17, 11 and 7 percent, respectively. The net value of the offices and equipment totaled approximately Baht 642 million, accounting for 1.23 percent of total assets.

Intangible Assets-net

After the Company acquired Srisawad Finance Plc. (prior Bangkok First Investment & Trust Plc.), the Company engaged the expert to evaluate the identifiable net assets acquired which consisted of loans to customers, intangible assets, other assets and liabilities, and deferred tax liabilities. The fair value of net assets from valuation worth more than purchase value amounted Baht 554.00 million. In 2020, the Company has over subscribed newly issued shares of Srisawad Capital Co., Ltd., this made the Company held 65% of Srisawad Capital Co., Ltd., and has to realized goodwill from this acquisition amounted Baht 23.58 million.

Liabilities

As of the ends of 2018 – 2020, the Company's major liabilities consisted of long-term loans, short-term loans from financial institutions, and debentures. The Company's liabilities continued to increase from Baht 25,589 million as of the end of 2018 to Baht 27,937 million as of the end of 2020, representing a CAGR of 4.49% per annum. The main reason behind the increase was the Company's borrowing in order to fund its financing services based on hire purchases, loan agreements and personal loans.

Interest bearing debts

Interest bearing debt structure	Audited financial statement					
	31 December 2017		31 December 2018		31 December 2019	
	Million	percentage	Million	Percentage	Million	percentage
	Baht		Baht		Baht	
Deposits	7,273.97	30.18	6,348.33	26.59	5,234.10	20.15
Debt securities issued	6.00	0.02	6.00	0.03	6.00	0.02
Short-term loan from financial institutions	3,400.00	14.11	923.52	3.87	-	-
Bills of exchanges	650.00	2.70	980.00	4.11	200.00	0.77



Liabilities from finance leases	48.45	0.20	21.84	0.09	1,477.53	5.69
Short term loan for investment in receivables	338.83	1.41	-	-	-	-
Senior debenture and unsecured bonds	8,938.08	37.08	11,220.29	47.00	14,815.64	57.05
Long term loan from financial institutions	3,445.83	14.30	4,372.53	18.32	4,237.90	16.32
Total interest bearing debts	24,101.16	100.00	23,872.51	100.00	25,971.17	100.00

The Company's interest bearing debts consisted of short-term loans from financial institutions, bills of exchange, long-term loans from investment in receivables, debts from finance leases and hire purchase contracts, senior debenture and long term loan from financial institutions, deposits and debt securities issued.

The Company's interest bearing debts continued to increase from Baht 24,101.16 million as of the end of 2018 to Baht 25,971.17 million as of the end of 2020, accounting for a CAGR of 3.81 percent. The increase was attributable mainly to the borrowing to support the Group's expansion of its lending business. However, as of the end of 2020, the ratio from senior debenture and unsecured bond had widely increases regarding to reduce short-term borrowings to relate to the installment periods and lower cost of funding.

In 2013 the Company was allowed to sell short-term bills of exchange to institutional investors or high net worth investors, at the total value of Baht 2,000 million. The bills of exchange had life of not exceeding 270 days. The Company then raised the value for the short-term bills of exchange to Baht 3,000 million and raised the value for the short term bills of exchange to Baht 4,000 million in 2016. As of the end of 2020, the sold bills of exchange amounted to Baht 200 million. The Company issued senior, unsecured bond offered to institution investors and high net worth investors amounted Baht 6,000 million with interest rate around 2.80-3.75 percent per annum and tenor of bond is around two years and six months to three years and six months. The Company also received Soft Loan credit line for non-bank who has measures to assist customers affected from COVID-19 amounted Baht 4,775 million.

After the Company acquired Srisawad Finance Plc. which can raise fund from deposits, that accounting deposits amounted Baht 7,273.97 million at the end of 2018, amounted 6,348.33 million at the end of 2019 and amounted 5,234.10 million at the end of 2020

As of 31 December 2020, the debt to equity ratio and interest bearing debt to equity ratio stood at 1.16 times and 1.08 times, respectively.

Shareholders' equity

	Unit	As of end- 2018	As of end-2019	As of end- 2020
Shareholders' equity	million	11,862.86	18,388.38	22,084.87
Weighted average number of share	Million share	1,147.77	1,336.25	1,357.52
Book value per weighted average share	Baht/share	10.33	13.76	16.27
Number of fully-diluted shares	Million share	1,147.77	1,336.25	1,357.52
Fully-diluted Book Value per share	Baht / share	10.33	13.76	16.27



Return of Equity	%	24.20	25.97	21.65
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As of the end of 2018, the Company had shareholders' equity amounting to Baht 11,862.86 million, increasing Baht 2,436.03 million from the end of 2017 as a result of increasing from net profit from operating. During 2018 the Company paid cash and stock dividend amounted Baht 68.50 million and the Company had increased proportion of holding in Srisawad Finance from 36.35 percent to 45.34 percent that caused discount from changes in the ownership interests in a subsidiary amounted Baht 321.62 million.

As of the end of 2019, the Company had shareholders' equity amounting to Baht 18,388.37 million, increasing Baht 6,525.52 million from the end of 2018 as a result of increasing from net profit from operating. During 2019 the Company paid cash and stock dividend amounted Baht 134.9 million, the increase paid-up capital to offer to private placement amounted Baht 2,565 million, and the exercise Warrant No. 1 from warrant holders amounted Baht 11 million. The Company had increased proportion of holding in Srisawad Finance from 45.34 percent to 82.04 percent that caused discount from changes in the ownership interests in a subsidiary amounted Baht 648.78 million.

As of the end of 2020, the Company had shareholders' equity amounting to Baht 22,084.87 million, increasing Baht 3,696.49 million from the end of 2019 as a result of increasing from net profit from operating. During 2020 the Company paid cash dividend amounted Baht 1,922.4 million, and the last exercise Warrant No. 1 from warrant holders amounted 29,834,500 units converted to 36,905,142 ordinary shares.

2) Liquidity

The objectives for liquidity management were: i) to prepare capital for the Company to be able to run business in compliance with both existing and potential financial obligations; and ii) to seek appropriate marketing opportunities. The Company's financial obligations occurred when the debts were due or when the Company needed funding for working capital purposes.

(Unit: Million Baht)	Audited financial statement		
	2018	2019	2020
Net cash flow received (used) from operating activities	(1,478.66)	(3,992.32)	(813.84)
Net cash flow received (used) from operating activities --adjusted ^{/1}	5,539.83	3,473.43	1,437.04
Net cash flow received (used) from investing activities	1,088.64	(68.10)	251.41
Net cash flow received (used) from financing activities	948.37	3,306.67	750.78
Cash and cash equivalent increase (decrease) – net	558.35	(753.74)	188.36

Note: ^{/1} The operating cash flow was adjusted, excluding hire purchase receivables, loan receivables, loans receivable from the purchase of loans



Operating cash flow

In 2018 – 2020 the Company used operating cash flow worth Baht 1,478.66 million, Baht 3,992.32 million, and Baht 813.84 million, respectively. This pattern was quite normal for the lending business operated by non-financial institutions, which expanded their investment in loan receivables. The Group's loan growth achieved a 16 percent CAGR, raising its loan portfolio from Baht 29,433 million in 2018 to Baht 39,459 million at the end of 2020, as discussed in the item about the hire purchase and loan receivables. In addition, during 2020 the Company received cash flow from last exercise warrant amounted Baht 1,789 million.

Excluding the increase in receivables from both hire purchase and lending as well as receivables for related parties, which may have deemed as asset investment, the Company's operating cash flow held up fairly well with annual improvements, however the Company has slow down deposits which may decrease the receive cash flow.

Operating cash flow from investment

During 2018, the Company also increased investments in fixed asset and increased the investment in Srisawad Finance amounted Baht 592 million, in this regard, the Company held 45.34 percent of Srisawad Finance's registered capital. In 2019, the Company used operating cash flow amount Baht 68 million given that the Company increased the asset investment by around Baht 290 million and increased the investment in Srisawad Finance amounted Baht 6,341 million, in this regard, the Company held 82.04 percent of Srisawad Finance's registered capital. In 2020, the Company increased the investment in Srisawad Capital Co., Ltd. amounted Baht 192.5 million, in this regard, the Company held 65 percent of Srisawad Capital.

Cash flow from financing activities

From 2018 to 2020, the Company's cash flow from financing activities ranged from Baht 751 – 3,307 million. The major funding source, a part from the operating cash flow, was short-term and long-term loans from financial institutions, bills of exchanges and debentures. In 2019 and in 2020 the Company raised fund from exercise of warrant and received capital fund from private placement. The Group increased the borrowing as well as increasing capital in order to fund its expansion of branch office network, enlarging hire purchase loans, auto-backed and home-backed loans and personal loans going forward.

3) Funding Sources

The funding came from loans from financial institutions mainly in forms of overdrafts and promissory notes, short-term and long-term borrowings from financial institutions followed by debentures, deposits and bill of exchange. Over 40 percent of the funding consisted of interest bearing debts with repayment durations of 1-4 years. As of 31 December 2020, the company's interest bearing debts totaled Baht 25,971.17 million. Apart from this, the funding also came from the equity: as of 31 December 2020 the Company's paid-up capital amounted to Baht 1,373.15 million.

**Capital Structure**

As of the ends of 2018 and 2019 and 2020, the Company's debt to equity ratios stood at 1.88 times, 1.25 times, and 1.36 times, respectively. The figure continued on a downtrend given that the Company launched capital increase programs to support the growth in lending services and that the Company's retained earnings continued to grow significantly, resulting in gradual increases in shareholders' equity. In 2019 and 2020, the Company's debt to equity ratio dropped regarding to the Company increased paid-up capital from private placement and exercise of warrant.

The relationship of sources and use of funding

Sources and use of funds classified by the due durations	Audited financial statement					
	2018		2019		2020	
	Million	%	Million	%	Million	%
<u>Sources of funds</u>						
Short-term loans	15,660.35	43.16	12,601.43	29.37	11,043.95	22.61
Long-term loans	8,440.81	23.26	11,271.08	26.27	15,051.44	30.81
Shareholders' equities						
-Paid-up capital	1,147.77	3.16	1,336.25	3.11	1,373.15	2.81
-Retained earnings	9,575.76	26.39	13,209.64	30.78	15,133.50	30.98
- Premiums on common shares	1,424.76	3.93	4,455.07	10.38	6,207.18	12.71
-Premium on shares from share-based payment	36.19	0.10	36.19	0.08	36.19	0.07
Sources of funding- total	36,285.64	100.00	42,909.66	100.00	42,909.66	100.00
<u>Use of funds</u>						
Up to 1 year	23,500.96	71.74	29,267.03	74.11	30,587.78	74.69
1 year onwards	9,256.59	28.26	10,221.94	25.89	10,366.50	25.31
Use of funds- total	32,757.55	100.00	39,488.97	100.00	40,954.28	100.00

In regard to the relation between the sources of funds and use of funds, the two items showed relation at a certain degree. In 2018-2020, the Company still considered the balance of short-term and long-term sources of fund to the used of fund. And there will be some series of debenture will be mature in next year, this shown short-term borrowing increased.

As for the liquidity based on the loan to debt ratios, from 2018 to 2020, the Company managed to maintain comfortable levels of loan to debt ratios at around 1.38 – 1.74 times because the Company used most of the loans for lending.



	Audited financial statement		
	2018	2019	2020
Loan to debt ratio (time))	1.38	1.68	1.74

4) Off Balance Sheet Obligations

Potential obligations and liabilities	End-2018	End-2019
Within 1 year	352.92	485.07
From 1 to 5 years	338.67	469.14
Total	691.59	954.21

As of 31 December 2018 and 31 December 2019, the off balance sheet obligations amounted to Baht 691.59 million and Baht 954.21 million, respectively. The obligations from the lease for the Group's offices accounted for 5.83 percent and 5.19 percent, respectively versus the Company's shareholders' equity. Since the beginning of the year 2020, the Company had reclassified this item to right of use asset according to the new TFRS 16: Leases.

14.2 Audit Fee

In the fiscal year 2018, the Company paid the audit fee to Pricewaterhousecoopers ABAS Co., Ltd for a total amount of Baht 5,860,000 and Baht 6,082,500 in the year 2019. The 2020 Annual General Meeting approved the payment of Baht 6,673,500 for the audit fee and the review fee for the interim separated and consolidated financial statements. Apart from such fee, the Company did not have other fees to pay to the auditor or the auditor's company.



Statement of the Board of Directors' Responsibility for Financial Statements

The Board of Directors is responsible for the Company's financial statements including all accuracy, adequate financial information. The financial statements have been prepared in accordance with generally accepted accounting standards applicable in Thailand, which are based on appropriate accounting policies, consistently applied and practiced, prudent judgment and accounting estimates. All material information was sufficiently disclosed in the notes to financial statements and audited and expressed with unqualified by an independent auditor.

The Board of Directors has set up an appropriated internal control system to ensure the accuracy of financial information.

In this regard, The Board of Directors has appointed the Audit Committee which comprised independent directors, to oversee the quality of financial reports and internal control system. The Audit Committee opined that the Company's internal control system are satisfactory and assure the reliability of the Company's financial statements as of December 31, 2020.

Mr. Sukhont Kanjanahuttakij

Chairman

Mr. Chatchai Kaewbootta

Chief Executive Officer



Audit Committee Report

The Company's Board of Directors appointed the Audit Committee. As of 31 December 2020, the Audit Committee consisted of three independent directors, two of whom possess accounting and financial background. All directors did not involve the Company's management. The list of independent directors is as follows:

Mr. Vinai Vittavasgarnvej	Chairman of Audit Committee
Pol. Gen. Pharnu Kerdlarpphon	Member of Audit Committee
Mr. Weerachai Ngamdeevilaisak	Member of Audit Committee

The members of the Audit Committee carried out their duties under the scope and responsibility as assigned by the Boards of Director. The Committee placed emphasis on working with ethics, transparency, balance of power, and ability to be scrutinized. In addition, the Committee also assessed the adequacy of the internal control system covering various areas, including the organization and environment, the control over performance of the management, the reviews of connected transactions or conflicts of interests, the compliance of the Company's rules and regulations, the information and communication, and the monitoring activities. The Audit Committee opined that the Company's internal control was adequate.

During the year 2020, the Audit Committee convened a total of four meetings, where the authorized auditor, the internal auditor, and independent financial advisor attended, with appropriate agenda being proposed to the Company's Boards of Directors and the Company's management for acknowledgement and further procedure on a quarterly basis. The details of agendas can be summarized below.

1. To review the quarterly financial statement; review and approve the proposal of the annual financial statement to the Company's Board of Directors.
2. To acknowledge and provide opinions in regard to the Audit Committee report
3. To consider the audit results and suggestions from the internal auditor in regard to the operation system and the internal control system; such results and suggestions shall be proposed to the management for improvement or adjustment as appropriate, with the results of the improvement and adjustment being monitored regularly



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4. To ensure regular evaluations of the internal control system
 5. To consider reasons and comment on connected transactions between the Company, subsidiaries, and related parties. Most of these connected transactions were aimed to support the Company's core business operation which necessary and justified. To consider and ensure the adequate and concise conflict of interest policy.
 6. To select and propose Mr.Paiboon Tankoon, the certified public accountant No. 4298 and/or Ms Sinsiri Thangsombat, the certified public accountant No. 7352 and/or Mr. Boonrueng Lerdwiseswit, the certified public accountant No. 6552 of PricewaterhouseCoopers ABAS Co., Ltd. as the Company's auditor for the fiscal year 2021; to propose the audit fee for the Board of Directors' approval; and to propose the appointment of the Company's auditor as well as the audit fee to the 2021 Annual General Meeting of Shareholders for approval.
 7. To select the P & L Internal Audit Co., Ltd as an internal auditor; and to review and ensure that the internal control plans cover all operation systems.

In 2019 the Audit Committee received full co-operation from all relevant parties. Hence, the Audit Committee would like to express our gratitude for such a good co-operation.

Mr. Vinai Vittavasgarnvej

Chairman of the Audit Committee

SRISAWAD CORPORATION PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2020

Independent Auditor's Report

To the Shareholders of Srisawad Corporation Public Company Limited

My opinion

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

What I have audited

The consolidated financial statements and the separate financial statements comprise:

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

Basis for opinion

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

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p>Allowance for expected credit losses on loans to customers and accrued interest</p> <p>Refer to Notes to the financial statements which are Note 9 Critical accounting estimates and judgements of this matter, and Note 12 for loans to customers and accrued interest.</p> <p>Of the Group's total assets, loans to customers and accrued interest contributed 79%. The Group estimated allowance for expected credit losses for loans to customers and accrued interest by applying both a quantitative approach and qualitative factors.</p> <p>I focused on this matter because the allowance for expected credit loss model under Thai Financial Reporting Standard 9 – Financial Instruments requires the use of complex models and significant assumptions about future economic conditions and customer's ability to pay.</p> <p>In addition, the significant management judgements in estimating allowance for expected credit losses include the followings:</p> <ul style="list-style-type: none"> • Building collective assessment models to calculate allowance for expected credit losses and applying judgement in determining the appropriate construct of the model. • Management assumptions used in set up management overlay. • Data and assumptions which significantly impact the expected credit losses for individually significant loans to customers; purchased or originated credit-impaired financial assets, such as expected future cash flows and the appraisal value of collaterals. <p>Furthermore, from the COVID-19 outbreak, the Group has adopted the accounting treatment guidance on the temporary relief measures for entities supporting their debtors who are affected from the situations that affected Thailand's economy. The adoption of these relief measures impacts the accounting treatment for staging.</p>	<p>I evaluated management's judgement in determining the allowance for expected credit losses on loans to customers and accrued interest by enquiring with management about the method used and the assumptions made. I obtained an understanding of management's process and policy in setting up the allowance for expected credit losses.</p> <p>I evaluated the appropriateness of collective assessment model calculation of the expected credit losses on loans to customers and accrued interest whether it is in accordance with Thai Financial Reporting Standard.</p> <p>I evaluated the design of controls and tested the operating effectiveness of those controls over the allowance for expected credit losses as follows:</p> <ul style="list-style-type: none"> • The control over completeness and accuracy of significant input data for the model calculation. • The control over recording of allowance for expected credit losses from models to general ledger • IT controls for loan data and aging. <p>I assessed and evaluated the reasonableness of forward-looking by using statistical methods and testing input with reliable external data.</p> <p>I assessed and evaluated the reasonableness of management overlays by obtaining understanding of procedures applied and testing calculation.</p> <p>I tested accuracy of staging for customers under COVID-19 relief programmes according to the application of the temporary exemption guidance by the Federation of Accounting Professions.</p> <p>I tested the calculation of the allowance for expected credit losses and agreed the balance with the entries in the general ledger.</p> <p>Overall, the model and assumptions used for estimating the allowance for expected credit losses on loans to customers and accrued interest were properly set up based on the supporting evidence.</p>

Key audit matter	How my audit addressed the key audit matter
<p>Impairment assessment of the finance license from the business combination</p> <p>Refer to Note 9 to the financial statements 'Critical accounting estimates and judgements related to the impairment assessment of a finance license from business combination'.</p> <p>The Group has a finance license from a business combination of Baht 554 million as at 31 December 2020. The Group is required to perform an impairment test on the finance license at least annually in accordance with Thai Financial Reporting Standard.</p> <p>I focussed on this impairment test area as the assessment of the recoverable amount from the cash flow projection involves management's judgement, which is based on assumptions affected by forecasts of the following future market and economic conditions:</p> <ul style="list-style-type: none"> the growth rate of the loan portfolio interest cost rate fee income rate the discount rate calculated from the cost of equity. <p>Based on the annual impairment assessment, the management concluded that there was no impairment of the finance license as at 31 December 2020.</p>	<p>I assessed the consideration of the financial licence impairment using the following methods:</p> <ul style="list-style-type: none"> I enquired with management to understand the basis and information they used to assess this impairment. I compared the current year's actual results with the projected figures to consider whether any projection was based on optimistic assumptions exceeding actual results. I assessed management's key assumptions such as the estimated revenue from loans to customers by comparing them to actual performance figures. I also assessed the appropriateness of the shareholders' cost of equity, which is used as the discount rate applied to calculate the finance license's value by comparing the discount rate to a reliable source of market data. <p>Based on the above work performed, I considered the key assumptions used by management to assess the impairment of the finance license to be appropriate.</p>

Emphasis of matter

I draw attention to note 6 of the consolidated and separate financial statements, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19. My opinion is not modified in respect to this matter.

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Anothai Leekitwattana

Certified Public Accountant (Thailand) No. 3442

Bangkok

25 February 2021

Srisawad Corporation Public Company Limited

Statement of Financial Position

As at 31 December 2020

		Consolidated financial statements		Separate financial statements	
		2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Notes					
Assets					
Current assets					
Cash and cash equivalents	11	1,837,586	1,648,912	276,581	90,401
Short-term investments		-	520	-	-
Financial assets measured at amortised cost		525	-	-	-
Current portion of loans to customers and accrued interest, net	12, 13	30,587,781	29,267,029	-	-
Current portion of receivable from related parties from sales of loans receivable and accrued interest receivable	40 f)	-	-	1,517,512	2,729,935
Accrued interest receivable from long-term loans to related parties	40 h)	-	-	-	7,216
Short-term loans to related parties and accrued interest receivable	40 g)	-	-	17,675,664	12,761,955
Short-term loans to financial institutions		4,350,000	670,000	-	-
Other receivables	14	823,349	819,989	5,732	100,197
Properties foreclosed, net	15	664,720	771,138	-	-
Other current assets		20,393	83,092	7,271	5,183
Total current assets		38,284,354	33,260,680	19,482,760	15,694,887
Non-current assets					
Financial assets measured at fair value through profit or loss	16.1	73,963	-	5,828	-
Financial assets measured at fair value through other comprehensive income	16.2	120,209	-	-	-
Long-term investments, net	17	-	550,577	-	358,211
Investments in subsidiaries	19	-	-	10,512,880	10,277,880
Loans to customers and accrued interest, net	12, 13	10,366,498	10,221,938	-	-
Receivable from related parties from sales of loans receivable	40 f)	-	-	-	84,986
Long-term loans to related parties	40 h)	-	-	-	2,000,000
Property, plant and equipment, net	20	641,741	640,260	15,547	16,987
Right-of-use assets, net	21	1,497,140	-	37,056	-
Intangible assets, net	22	605,144	568,105	520	749
Deferred tax assets	23	245,627	83,229	5,623	1,989
Other non-current assets	24	172,696	136,820	3,287	3,287
Total non-current assets		13,723,018	12,200,929	10,580,741	12,744,089
Total assets		52,007,372	45,461,609	30,063,501	28,438,976

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

Srisawad Corporation Public Company Limited

Statement of Financial Position (Cont'd)

As at 31 December 2020

		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity					
Current liabilities					
Deposits	25.1	5,234,096	6,348,333	-	-
Debt securities issued	25.2	6,000	6,000	-	-
Short-term borrowings from financial institutions	26	200,000	1,903,523	200,000	1,903,523
Current portion of long-term borrowings					
from financial institutions	26	1,307,129	1,937,407	1,163,796	1,247,129
Current portion of lease liabilities	27	544,540	15,071	1,826	-
Other payables	28	940,577	662,661	121,508	89,434
Current portion of senior debentures	29	3,752,176	2,391,100	3,752,176	2,391,100
Income tax payable		618,644	492,374	-	-
Other current liabilities		55,818	60,192	4,186	5,572
Total current liabilities		12,658,980	13,816,661	5,243,492	5,636,758
Non-current liabilities					
Long-term borrowings from financial institutions	26	2,930,773	2,435,124	1,155,773	2,305,680
Deferred tax liabilities	23	124,216	136,000	-	-
Derivative liabilities	5.1 f)	15,064	-	15,064	-
Lease liabilities	27	932,987	6,766	36,686	-
Senior debentures	29	11,063,460	8,829,191	11,063,460	8,829,191
Employee benefit obligations	30	68,609	46,154	11,292	9,982
Provision for decommissioning costs		143,405	-	428	-
Total non-current liabilities		15,278,514	11,453,235	12,282,703	11,144,853
Total liabilities		27,937,494	25,269,896	17,526,195	16,781,611

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

Srisawad Corporation Public Company Limited

Statement of Financial Position (Cont'd)

As at 31 December 2020

		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
1,428,078,488 ordinary shares					
at par value of Baht 1 each					
(2019: 1,374,661,443 ordinary shares)	31	1,428,078	1,374,661	1,428,078	1,374,661
Issued and paid-up share capital					
1,373,152,393 ordinary shares					
at par value of Baht 1 each					
(2019: 1,336,247,251 ordinary shares)	31	1,373,152	1,336,247	1,373,152	1,336,247
Share premium	31	6,207,179	4,455,070	6,207,179	4,455,070
Share premium from share-based payment	31	36,190	36,190	36,190	36,190
Retained earnings					
Appropriated - Legal reserve	33	142,807	130,058	142,807	130,058
Unappropriated		15,003,839	13,080,823	4,790,028	5,699,732
Discount from changes in the ownership					
interests in a subsidiary		(665,152)	(648,776)	-	-
Other components of equity		(13,148)	(1,242)	(12,050)	68
Equity attributable to owners of the parent		22,084,867	18,388,370	12,537,306	11,657,365
Non-controlling interests		1,985,011	1,803,343	-	-
Total equity		24,069,878	20,191,713	12,537,306	11,657,365
Total liabilities and equity		52,007,372	45,461,609	30,063,501	28,438,976

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

Srisawad Corporation Public Company Limited

Statement of Comprehensive Income

For the year ended 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht'000	Baht'000	Baht'000	Baht'000
Revenues					
Interest income		8,166,091	7,239,255	735,476	699,205
Dividend income		2,036	2,769	1,017,547	-
Other income	34	2,824,901	2,551,236	16,100	8,296
Total revenues		10,993,028	9,793,260	1,769,123	707,501
Expenses					
Service expenses	36	161,472	176,920	119	451
Administrative expenses	36	3,625,262	3,354,938	75,581	75,902
Expected credit loss		321,013	-	-	-
Bad and doubtful debts expense		-	552,088	-	-
Total expenses		4,107,747	4,083,946	75,700	76,353
Profit before finance costs and income tax expense		6,885,281	5,709,314	1,693,423	631,148
Finance costs	35	(902,612)	(828,296)	(665,428)	(503,972)
Profit before income tax expense		5,982,669	4,881,018	1,027,995	127,176
Income tax expense	37	(1,191,838)	(952,271)	(2,092)	(25,427)
Net profit for the year		4,790,831	3,928,747	1,025,903	101,749
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurements of post-employment benefit obligations	30	(3,736)	10,232	509	1,240
Income tax relating to items that will not be reclassified subsequently to profit or loss	23	747	(2,046)	(102)	(248)
Total items that will not be reclassified subsequently to profit or loss		(2,989)	8,186	407	992
<i>Items that will be reclassified subsequently to profit or loss</i>					
Change in value of available-for-sales investments		-	1,584	-	2,475
Change in fair value of investment in debt instruments at fair value through other comprehensive income		(411)	-	-	-
Gain on cash flow hedges		572	-	572	-
Other comprehensive income transferred to profit or loss		-	(3,254)	-	(2,390)
Currency translation differences		309	(6,974)	-	-
Income tax relating to items that will be reclassified subsequently to profit or loss	23	(32)	334	(114)	(17)
Total items that will be reclassified subsequently to profit or loss		438	(8,310)	458	68
Total comprehensive income for the year		4,788,280	3,928,623	1,026,768	102,809

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

Srisawad Corporation Public Company Limited

Statement of Comprehensive Income (Cont'd)

For the year ended 31 December 2020

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht'000	Baht'000	Baht'000	Baht'000
Profit attributable to:					
Owners of the parent		4,508,329	3,756,487	1,025,903	101,749
Non-controlling interests		282,502	172,260	-	-
		<u>4,790,831</u>	<u>3,928,747</u>	<u>1,025,903</u>	<u>101,749</u>
Total comprehensive income attributable to:					
Owners of the parent		4,506,502	3,755,798	1,026,768	102,809
Non-controlling interests		281,778	172,825	-	-
		<u>4,788,280</u>	<u>3,928,623</u>	<u>1,026,768</u>	<u>102,809</u>
Earnings per share					
Basic earnings per share (Baht per share)	38	<u>3.32</u>	<u>2.85</u>	<u>0.76</u>	<u>0.08</u>

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

Consolidated financial statements													
	Notes	Other components of equity											
		Other comprehensive income											
		Issued and share capital	Share Premium	Share share-based payment	Legal reserve	Retained earnings - Unappropriated	Discount from changes in the ownership interests in a subsidiary	Currency translation differences	Cash flow hedges	Total other components of equity	Total owners of the parent	Non- controlling interests	Total equity
		Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance as at 1 January 2019		1,147,772	1,424,760	36,190	124,971	9,457,375	(321,618)	785	(7,375)	-	(6,590)	11,862,860	13,628,198
Issuance of ordinary shares	31	68,001	3,030,310	-	-	-	-	-	-	-	3,098,311	-	3,098,311
Stock dividend	32	120,474	-	-	-	(120,474)	-	-	-	-	-	-	-
Dividend	32	-	-	-	-	(14,460)	-	-	-	-	(14,460)	-	(14,460)
Total comprehensive income for the year		-	-	-	-	3,763,469	-	(879)	(6,792)	-	(7,671)	3,755,798	3,928,623
Currency translation differences from reclassification of investment		-	-	-	-	-	-	13,019	-	13,019	13,019	-	13,019
Change in proportion of investment in subsidiaries		-	-	-	-	-	(327,158)	-	-	-	(327,158)	(134,820)	(461,978)
Appropriated - Legal reserve	33	-	-	-	5,087	(5,087)	-	-	-	-	-	-	-
Closing balance as at 31 December 2019		<u>1,336,247</u>	<u>4,455,070</u>	<u>36,190</u>	<u>130,058</u>	<u>13,080,823</u>	<u>(648,776)</u>	<u>(94)</u>	<u>(1,148)</u>	<u>-</u>	<u>(1,242)</u>	<u>18,388,370</u>	<u>20,191,713</u>
Opening balance as at 1 January 2020 - previously reported		1,336,247	4,455,070	36,190	130,058	13,080,823	(648,776)	(94)	(1,148)	-	(1,242)	18,388,370	20,191,713
Retrospective adjustments from changes in accounting policy	5	-	-	-	-	(647,868)	-	138	-	(12,508)	(12,370)	(660,238)	(665,093)
Balance after adjustment as at 1 January 2020 - restated		<u>1,336,247</u>	<u>4,455,070</u>	<u>36,190</u>	<u>130,058</u>	<u>12,432,955</u>	<u>(648,776)</u>	<u>44</u>	<u>(1,148)</u>	<u>(12,508)</u>	<u>(13,612)</u>	<u>17,728,132</u>	<u>19,526,620</u>
Transactions with owners during the year													
Issuance of ordinary shares	31	36,905	1,752,109	-	-	-	-	-	-	-	1,789,014	-	1,789,014
Dividend paid	32	-	-	-	-	(1,922,405)	-	-	-	-	(1,922,405)	(222,759)	(2,145,164)
Total comprehensive income for the year		-	-	-	-	4,506,038	-	(270)	276	458	464	4,506,502	4,788,280
Increase in non-controlling interests from investments in subsidiaries		-	-	-	-	-	-	-	-	-	-	92,305	92,305
Change in proportion of investment in subsidiaries		-	-	-	-	-	(16,376)	-	-	-	(16,376)	35,199	18,823
Appropriated - Legal reserve	33	-	-	-	12,749	(12,749)	-	-	-	-	-	-	-
Closing balance as at 31 December 2020		<u>1,373,152</u>	<u>6,207,179</u>	<u>36,190</u>	<u>142,807</u>	<u>15,003,839</u>	<u>(665,152)</u>	<u>(226)</u>	<u>(872)</u>	<u>(12,050)</u>	<u>(13,148)</u>	<u>22,084,867</u>	<u>24,069,878</u>

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

Srisawad Corporation Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2020

Separate financial statements									
						Other components of equity			
						Other comprehensive income			
	Issued and paid-up share capital	Share Premium	Share Premium from share-based payment	Legal reserve	Retained earnings - Unappropriated	Financial assets	Cash flow hedges	Total other components of equity	Total equity
Notes	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance as at 1 January 2019	1,147,772	1,424,760	36,190	124,971	5,737,012	-	-	-	8,470,705
Issuance of ordinary shares	31 68,001	3,030,310	-	-	-	-	-	-	3,098,311
Stock dividend	32 120,474	-	-	-	(120,474)	-	-	-	-
Dividend	32 -	-	-	-	(14,460)	-	-	-	(14,460)
Total comprehensive income for the year	-	-	-	-	102,741	68	-	68	102,809
Appropriated - Legal reserve	33 -	-	-	5,087	(5,087)	-	-	-	-
Closing balance as at 31 December 2019	1,336,247	4,455,070	36,190	130,058	5,699,732	68	-	68	11,657,365
Opening balance as at 1 January 2020									
- previously reported	1,336,247	4,455,070	36,190	130,058	5,699,732	68	-	68	11,657,365
Retrospective adjustments from changes in accounting policy	5 -	-	-	-	(860)	(68)	(12,508)	(12,576)	(13,436)
Opening balance as at 1 January 2020 - restated	1,336,247	4,455,070	36,190	130,058	5,698,872	-	(12,508)	(12,508)	11,643,929
Transactions with owners during the year									
Issuance of ordinary share	31 36,905	1,752,109	-	-	-	-	-	-	1,789,014
Dividend paid	32 -	-	-	-	(1,922,405)	-	-	-	(1,922,405)
Total comprehensive income for the year	-	-	-	-	1,026,310	-	458	458	1,026,768
Appropriated - Legal reserve	33 -	-	-	12,749	(12,749)	-	-	-	-
Closing balance as at 31 December 2020	1,373,152	6,207,179	36,190	142,807	4,790,028	-	(12,050)	(12,050)	12,537,306

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

Srisawad Corporation Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from operating activities					
Profit before income tax expense		5,982,669	4,881,018	1,027,995	127,176
Adjustments:					
Gain on sale of financial assets		(54,810)	-	(77)	-
Gain on sale of available-for-sale securities		-	(3,256)	-	(2,390)
Gain from changes in fair value of financial assets	16	(60,277)	-	(39)	-
Depreciation and amortisation	20, 21, 22	874,177	229,943	3,687	1,175
Amortisation of debt issuance costs		17,325	8,035	17,325	8,035
Amortisation of premium in investment in bonds	16, 17	432	768	-	-
Loss on write-off of equipments		2,991	3,491	-	-
Gain on sale of equipments		(6,469)	(845)	-	-
Gain on write-off of lease		(4,508)	-	-	-
Loss on write-off of intangible assets		-	1,031	-	-
(Reversal) Loss from impairment of properties foreclosed		(1,288)	10,530	-	-
Loss on disposal of properties foreclosed		114,238	29,501	-	-
Gain on sale of investments in subsidiary		-	(35,451)	(8,823)	-
Expected credit loss		321,013	-	-	-
Bad debts and doubtful accounts		-	552,088	-	-
Employee benefit obligations	30	18,719	16,377	1,819	1,957
Decommissioning cost		4,215	278	17	19
Dividend income		(2,036)	(2,769)	(1,017,547)	-
Interest income		(8,182,548)	(7,252,088)	(742,647)	(705,112)
Interest expense		881,072	820,261	648,086	495,937
Changes in working capital					
Loans to customers and accrued interest		(2,250,876)	(7,284,878)	-	-
Receivable from related party from sales of loans receivable		-	-	1,389,991	300,000
Other receivables		29,039	(268,288)	91,118	(82,257)
Short-term loans to financial institutions		(3,680,000)	(70,000)	-	-
Properties foreclosed, net		(6,532)	(153,061)	-	-
Other current assets		(3,886)	(8,552)	(2,088)	(2,068)
Other non-current assets		(35,459)	(4,851)	-	-
Deposits		(1,114,237)	(925,640)	-	-
Other current liabilities		(4,578)	(24,594)	(1,386)	3,396
Other payables		253,451	(44,732)	17,254	(6,786)
Cash flows (used in) generated from operating activities		(6,908,163)	(9,525,684)	1,424,685	139,082
Interest received		7,979,111	7,228,853	389,916	551,998
Interest paid		(821,709)	(845,457)	(628,281)	(493,358)
Income tax paid		(1,063,077)	(850,029)	(2,583)	(43,790)
Net cash (used in) generated from operating activities		(813,838)	(3,992,317)	1,183,737	153,932

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

Srisawad Corporation Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities					
Cash paid for increase in fixed deposit		-	(6)	-	-
Cash received from the increase in financial assets measured at amortised cost		(5)	-	-	-
Cash received from sales of financial assets	16	427,780	-	350,000	-
Cash received from sales of available-for-sale securities		-	4,373,002	-	3,253,000
Cash paid for purchase of available-for-sale securities	17	-	(4,200,000)	-	(3,300,000)
Cash paid for purchase of general investment	17	-	(2,500)	-	(2,500)
Cash received from loans to related parties	40 g), 40 h)	-	-	3,072,821	8,087,967
Cash paid for loans to related parties	40 g)	-	-	(5,719,000)	(9,290,000)
Cash received from sales of equipments		7,358	52,774	-	-
Cash paid for purchase of property, plant and equipment	20	(252,121)	(289,746)	-	(17,409)
Cash paid for purchase intangible assets	22	(13,821)	(4,392)	(54)	-
Cash received from disposal of interest in subsidiary	19	-	-	18,823	-
Cash received (paid) for investment in subsidiaries	19, 39	80,184	-	(242,500)	(6,356,383)
Cash received from dividend		2,036	2,769	1,017,547	-
Net cash from (used in) investing activities		251,411	(68,099)	(1,502,363)	(7,625,325)
Cash flows from financing activities					
Cash received from short-term borrowings from financial institutions	26.1	2,070,000	21,708,905	2,070,000	15,708,905
Cash paid for short-term borrowings from financial institutions	26.1	(3,773,523)	(23,855,382)	(3,773,523)	(16,855,382)
Cash received from long-term borrowings from financial institutions	26.3	1,775,000	3,800,000	-	3,500,000
Cash paid for long-term borrowings from financial institutions	26.3	(1,909,629)	(2,873,302)	(1,233,240)	(527,747)
Cash paid for short-term borrowings from financial institutions for purchase of loans	26.2	-	(338,826)	-	-
Cash paid for obligation under lease contracts		-	(30,558)	-	-
Cash received from issuance of senior debentures	29	5,969,120	3,532,673	5,969,120	3,532,673
Cash paid for senior debentures	29	(2,391,100)	(1,258,500)	(2,391,100)	(1,258,500)
Cash received from disposal of interest in subsidiary		18,823	-	-	-
Cash paid for change in proportion of investment in subsidiaries		-	(479,864)	-	-
Cash received from additional investment in subsidiary for non-controlling interests		-	17,970	-	-
Cash received from ordinary shares issued		1,789,014	3,098,311	1,789,014	3,098,311
Cash received from exercised warrants		-	-	-	-
Dividends paid to non-controlling interest		(222,759)	-	-	-
Dividends paid to group shareholders		(1,922,095)	(14,753)	(1,922,095)	(14,753)
Cash paid for principle of lease liabilities		(652,067)	-	(3,370)	-
Net cash from financing activities		750,784	3,306,674	504,806	7,183,507

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

Srisawad Corporation Public Company Limited

Statement of Cash Flows (Cont'd)

For the year ended 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht'000	Baht'000	Baht'000	Baht'000
Net increase (decrease) in cash and cash equivalents		188,357	(753,742)	186,180	(287,886)
Cash and cash equivalents at beginning of the year		1,648,912	2,409,501	90,401	378,287
Exchange (loss) on cash and cash equivalents		317	(6,847)	-	-
Cash and cash equivalents at the end of the year	11	1,837,586	1,648,912	276,581	90,401
Additional information - Non-cash transactions					
Purchase equipment under finance lease		-	3,949	-	-
Reclassify investment in trading securities to investment in available-for-sale securities		-	511,660	-	306,236
Change in value of available-for-sale investments		-	(1,670)	-	85
Changes in fair value of financial assets measured at fair value through other comprehensive income		(411)	-	-	-
Stock dividend	31	-	120,474	-	120,474
Acquisition of right-of-use assets		612,771	-	-	-
Reclassification from equipment to right-of-use assets		52,042	-	445	-

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

1 General information

Srisawad Corporation Public Company Limited (“the Company”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

99/392 Srisawad Building, 4, 6 floor, Chaeng Watthana 10 Alley, 3 Sub Alley, Chaeng Watthana Road, Thungsonghong, Laksi, Bangkok, 10210.

The Company is held 45.68% of shares by Kaewboota family who is the majority shareholder. The rest 54.32% of shares is held by individuals.

For reporting purposes, the Company and its subsidiaries are referred to as ‘the Group’.

The main operation of the Group is financial service specifically hire-purchase, loan, non-performing assets management, investments in other companies, management and consulting services for retail credit systems in local and foreign countries and credit sales in foreign countries.

The consolidated and separate financial statements were authorised by the Board of Directors on 25 February 2021.

2 Significant events during the current year

Coronavirus Disease 2019 outbreak

The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 has become severe and pervasive to the business sector, the Group’s customers and people. The Bank of Thailand has issued guidelines on how to assist debtors affected by the situation impacting the Thai economy and additional aid measures for debtors during the COVID-19 pandemic to financial institutions, specialised financial institutions and others financial services. In addition, the Government has declared the State of Emergency to combat the COVID-19 outbreak.

From the aforementioned situation, the Group has developed guidelines for financial aids following the Bank of Thailand measures. The Group expects to have debtors to apply financial aid measures and granted moratorium to debtors for financial aids following the Bank of Thailand measures in April 2020 by allowing a loan payment holiday or extending repayment term for a period of at least 3 months or 3 installments.

3 Basis of preparation

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

The consolidated and separate financial statements have been prepared under the historical cost convention except certain financial assets and liabilities (including derivative instruments), and employee benefit obligations.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 9.

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

4 New and amended financial reporting standards

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

a) Financial instruments

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

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

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

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

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

b) TFRS 16, Leases

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

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

c) Amendment to TAS 12, Income tax clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

d) Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

e) Amendment to TFRS 3, Business combinations clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

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

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

4.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 and have significant impacts to the Group

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

- a) **Revised Conceptual Framework for Financial Reporting** added the following key principals and guidance:
- Measurement basis, including factors in considering difference measurement basis
 - Presentation and disclosure, including classification of income and expenses in other comprehensive income
 - Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
 - Derecognition of assets and liabilities
- The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.
- b) **Amendment to TFRS 3, Business combinations** amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.
- c) **Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBORs. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.
- d) **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidances in TAS 1 about immaterial information.
- e) **Amendment to TFRS 16, Leases** amended to provide a practical expedient where lessees are exempted from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. It applies to rent concessions that reduce lease payments due from 1 June 2020 to 30 June 2021. The amendment is effective for the annual accounting period beginning on or after 1 June 2020 where early application is permitted.

The Group and the Company have chosen not to early apply the exemption for the current reporting period.

4.3 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and have significant impacts to the Group

The Group assessed the impact of the amended financial reporting standard that are not mandatory for current reporting period is as follows:

Amendment to TFRS 16, Leases amended to include a practical expedient for leases that are modified as a direct consequence of IBOR reform (e.g. replacement of THBFIX as a benchmark interest rate due to the cancellation of LIBOR) for lessee to remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate. An early application of the amendment is permitted.

The Group and the Company has chosen not to early apply the exemption for the current reporting period.

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

This note explains the impact of the adoption of TAS 32 Financial Instruments: Presentation, TFRS 7 Financial Instruments: Disclosure, TFRS 9 Financial Instruments and TFRS 16 Leases on the Group's consolidated financial statements and the Company's separate financial statements. The new accounting policies applied from 1 January 2020 were disclosed in Note 6.

The Group and the Company have adopted those accounting policies from 1 January 2020 by applying the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies were therefore recognised in the statement of financial position as of 1 January 2020.

Srisawad Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

The impact of first-time adoption of new financial reporting standards on the consolidated and separate statements of financial position are as follows:

	Consolidated financial statements					Thai Financial Reporting Standard 16	As at 1 January 2020 Restated Baht'000
	As at 31 December 2019 Previously reported Baht'000	Thai Accounting Standard 32 and Thai Financial Reporting Standard 9 Adjustments from reclassification of financial instrument Baht'000	Allowance for expected credit losses Baht'000	Cash flow hedges Baht'000	Total adjustments of financial instruments Baht'000	Adjustments from remeasurement Baht'000	
Assets							
Current assets							
Short-term investments	520	(520)	-	-	(520)	-	-
Financial assets measured at amortised cost	-	520	-	-	520	-	520
Current portion of loans to customers and accrued interest, net	29,267,029	-	(719,773)	-	(719,773)	-	28,547,256
Other current assets	83,092	-	(66,585)	-	(66,585)	-	16,507
Total current assets	29,350,641	-	(786,358)	-	(786,358)	-	28,564,283
Non-current assets							
Financial assets measured at fair value through profit or loss	-	386,656	-	-	386,656	-	386,656
Financial assets measured at fair value through other comprehensive income	-	163,921	-	-	163,921	-	163,921
Long-term investments, net	550,577	(550,577)	-	-	(550,577)	-	-
Loans to customers and accrued interest, net	10,221,938	-	41,726	-	41,726	-	10,263,664
Deferred tax assets	83,229	-	128,378	3,127	131,505	15,635	230,369
Property, plant and equipment, net	640,260	-	-	-	-	(52,042)	588,218
Right-of-use assets, net	-	-	-	-	-	1,564,068	1,564,068
Total non-current assets	11,496,004	-	170,104	3,127	173,231	1,527,661	13,196,896
Total assets	40,846,645	-	(616,254)	3,127	(613,127)	1,527,661	41,761,179

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Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

	Consolidated financial statements					Thai Financial Reporting Standard 16	As at 1 January 2020 Restated Baht'000
	As at 31 December 2019 Previously reported Baht'000	Thai Accounting Standard 32 and Thai Financial Reporting Standard 9 Adjustments from reclassification of financial instrument Baht'000	Allowance for expected credit losses Baht'000	Cash flow hedges Baht'000	Total adjustments of financial instruments Baht'000	Adjustments from remeasurement Baht'000	
Liabilities							
Current liabilities							
Current portion of lease liabilities	15,071	-	-	-	-	468,622	483,693
Other payables	662,661	-	-	-	-	(6,982)	655,679
Total current liabilities	677,732	-	-	-	-	461,640	1,139,372
Non-current liabilities							
Lease liabilities	6,766	-	-	-	-	997,607	1,004,373
Deferred tax liabilities	-	-	(25,600)	-	(25,600)	-	(25,600)
Derivatives liabilities	-	-	-	15,635	15,635	-	15,635
Provision for decommissioning costs	-	-	-	-	-	130,345	130,345
Total non-current liabilities	6,766	-	(25,600)	15,635	(9,965)	1,127,952	1,124,753
Total liabilities	684,498	-	(25,600)	15,635	(9,965)	1,589,592	2,264,125
Equity							
Other components of equity	(1,242)	138	-	(12,508)	(12,370)	-	(13,612)
Retained earnings - Unappropriated	13,080,823	(138)	(587,354)	-	(587,492)	(60,376)	12,432,955
Non-controlling interests	1,803,343	-	(3,300)	-	(3,300)	(1,555)	1,798,488
Total equity	14,882,924	-	(590,654)	(12,508)	(603,162)	(61,931)	14,217,831
Total liabilities and equity	15,567,422	-	(616,254)	3,127	(613,127)	1,527,661	16,481,956

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Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

	Separate financial statements					As at 1 January 2020 Restated Baht'000
	As at 31 December 2019 Previously reported Baht'000	Thai Accounting Standard 32 and Thai Financial Reporting Standard 9 Adjustments from reclassification of financial instrument Baht'000	Cash flow hedges Baht'000	Total adjustments of financial instruments Baht'000	Thai Financial Reporting Standard 16 Adjustments from remeasurement Baht'000	
Assets						
Non-current assets						
Financial assets measured at fair value through profit or loss	-	358,211	-	358,211	-	358,211
Long-term investments, net	358,211	(358,211)	-	(358,211)	-	-
Property, plant and equipment, net	16,987	-	-	-	(445)	16,542
Right-of-use assets, net	-	-	-	-	39,465	39,465
Deferred tax assets	1,989	-	3,127	3,127	232	5,348
Total non-current assets	377,187	-	3,127	3,127	39,252	419,566
Total assets	377,187	-	3,127	3,127	39,252	419,566
Liabilities						
Current liabilities						
Current portion of lease liabilities	-	-	-	-	1,748	1,748
Other payables	89,434	-	-	-	(491)	88,943
Total current liabilities	89,434	-	-	-	1,257	90,691
Non-current liabilities						
Derivatives liabilities	-	-	15,635	15,635	-	15,635
Lease liabilities	-	-	-	-	38,512	38,512
Provision for decommissioning costs	-	-	-	-	411	411
Total non-current liabilities	-	-	15,635	15,635	38,923	54,558
Total liabilities	89,434	-	15,635	15,635	40,180	145,249

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Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

	Separate financial statements					As at 1 January 2020 Restated Baht'000
	As at 31 December 2019 Previously reported Baht'000	Thai Accounting Standard 32 and Thai Financial Reporting Standard 9 Adjustments from reclassification of financial instrument Baht'000	Cash flow hedges Baht'000	Total adjustments of financial instruments Baht'000	Thai Financial Reporting Standard 16 Adjustments from remeasurement Baht'000	
Equity						
Other components of equity	68	(68)	(12,508)	(12,576)	-	(12,508)
Retained earnings - Unappropriated	5,699,732	68	-	68	(928)	5,698,872
Total equity	5,699,800	-	(12,508)	(12,508)	(928)	5,686,364
Total liabilities and equity	5,789,234	-	3,127	3,127	39,252	5,831,613

5.1 Financial instruments

The total impact on the Group's and the Company's unappropriated retained earnings as of 1 January 2020 are as follows:

	Consolidated financial statements Baht'000	Separate financial statements Baht'000
Unappropriated retained earnings as of 31 December 2019 (as previously reported)	13,080,823	5,699,732
(Decrease) increase from reclassification of financial instrument	(233)	85
Decrease from allowance for expected credit losses on loans to customers and other current assets	(744,632)	-
Increase from elimination for consolidated financial statements	3,349	-
Increase (decrease) in deferred tax	154,024	(17)
Total adjustments to opening unappropriated from adoption of TFRS 9	(587,492)	68
Unappropriated retained earnings as at 1 January 2020 after reflecting TFRS 9 adoption	12,493,331	5,699,800

On 1 January 2020 (the date of initial application), the management has assessed which business models apply to the financial assets and financial liabilities and has classified its financial instruments into the appropriate TFRS 9 categories as follows:

	Consolidated financial statements				
	Available- for-sale investments Baht'000	General investments Baht'000	FVPL Baht'000	FVOCI Baht'000	Amortised cost Baht'000
Financial assets					
Balance as at 31 December 2019 (Previously reported)	521,104	29,473	-	-	520
Reclassification of debt securities from available-for-sale to FVPL	(357,183)	-	357,183	-	-
Reclassification of debt securities from available-for-sale to FVOCI	(163,921)	-	-	163,921	-
Reclassification of general investments to FVPL	-	(29,473)	29,473	-	-
Opening balance 1 January 2020 - TFRS 9 adoption	-	-	386,656	163,921	520
	Separate financial statements				
	Available- for-sale investments Baht'000	General investments Baht'000	FVPL Baht'000	FVOCI Baht'000	Amortised cost Baht'000
Financial assets					
Balance as at 31 December 2019 (Previously reported)	355,711	2,500	-	-	-
Reclassify debt securities from available-for-sale to FVPL	(355,711)	-	355,711	-	-
Reclassify general investments to FVPL	-	(2,500)	2,500	-	-
Opening balance 1 January 2020 - TFRS 9 adoption	-	-	358,211	-	-

(a) **Reclassification of debt securities from available-for-sale to financial assets at fair value through profit or loss**

As of 1 January 2020, the Group and the Company reclassified certain investments from available-for-sale to financial assets at FVPL of Baht 357.18 million and Baht 355.71 million, respectively. They did not meet the TFRS 9 criteria for classification at amortised cost, because their cash flows did not represent solely payments of principal and interest (SPPI). Related fair value (losses) gains of Baht (0.23) million and Baht 0.08 million were transferred from the available-for-sale (AFS) reserve to retained earnings on 1 January 2020.

(b) **Reclassification of debt securities from available-for-sale to financial assets at fair value through other comprehensive income**

As of 1 January 2020, listed bonds were reclassified from available-for-sale to FVOCI, as the Group's business model is achieved both by collecting contractual cash flows and selling of these assets. The contractual cash flows of these investments are solely principal and interest (SPPI). As a result, the Group's listed bonds with a fair value of Baht 163.92 million was reclassified from available-for-sale financial assets to financial assets at FVOCI and fair value gains of Baht 1.50 million was reclassified from the available-for-sale (AFS) reserve to the FVOCI reserve.

(c) **Reclassification of general investments to financial assets at fair value through profit or loss**

As of 1 January 2020, the Group and the Company reclassified general investments in equity instruments that previously measured at cost less impairment of Baht 29.47 million and Baht 2.50 million, respectively to FVPL as they are held as long-term strategic investments.

(d) **Reclassifications of financial instruments on adoption of TFRS 9**

On 1 January 2020, the date of initial application of TFRS 9, the measurement categories and carrying amounts of financial assets and financial liabilities were as follows:

Consolidated financial statements					
Measurement categories			Book value		
	Previously reported (TAS 105 and other TAS)	New (TFRS 9)	Previously reported Baht'000	New Baht'000	Difference Baht'000
Current financial assets					
Cash and cash equivalents	Amortised cost	Amortised cost	1,648,912	1,648,912	-
Short-term investments	Amortised cost	Amortised cost	520	520	-
Current portion of loans to customers and accrued interest	Amortised cost	Amortised cost	29,267,029	28,547,256	(719,773)
Short-term borrowings to financial institutions	Amortised cost	Amortised cost	670,000	670,000	-
Other receivables	Amortised cost	Amortised cost	765,261	765,261	-
Non-current financial assets					
Available-for-sale investments	Fair value	FVPL/FVOCI	521,104	521,104	-
Other long-term investments	Amortised cost	FVPL	29,473	29,473	-
Loans to customers and accrued interest	Amortised cost	Amortised cost	10,221,938	10,263,664	41,726
Current financial liabilities					
Deposits	Amortised cost	Amortised cost	6,348,333	6,348,333	-
Debt securities issued	Amortised cost	Amortised cost	6,000	6,000	-
Bank overdrafts	Amortised cost	Amortised cost	23,523	23,523	-
Short-term loans and current portion of long-term borrowings from financial institutions	Amortised cost	Amortised cost	3,817,407	3,817,407	-
Other payables	Amortised cost	Amortised cost	474,720	474,720	-
Current portion of senior debentures	Amortised cost	Amortised cost	2,391,100	2,391,100	-
Non-current financial liabilities					
Long-term borrowings from financial institutions	Amortised cost	Amortised cost	2,435,124	2,435,124	-
Derivative liabilities	Unrecognised	FVOCI	-	15,635	15,635
Senior debentures	Amortised cost	Amortised cost	8,829,191	8,829,191	-

Srisawad Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

	Separate financial statements				
	Measurement categories		Book value		
	Previously reported (TAS 105 and other TAS)	New (TFRS 9)	Previously reported Baht'000	New Baht'000	Difference Baht'000
Current financial assets					
Cash and cash equivalents	Amortised cost	Amortised cost	90,401	90,401	-
Current portion of receivable from related parties from sales of loans receivable and accrued interest receivable	Amortised cost	Amortised cost	2,729,935	2,729,935	-
Short-term loans and current portion of long-term loans to related parties and accrued interest receivable	Amortised cost	Amortised cost	12,769,171	12,769,171	-
Other receivables	Amortised cost	Amortised cost	92,026	92,026	-
Non-current financial assets					
Available-for-sale investments	Fair value	FVPL	355,711	355,711	-
Other long-term investments	Amortised cost	FVPL	2,500	2,500	-
Receivable from related parties from sales of loans receivable and accrued interest receivable	Amortised cost	Amortised cost	84,986	84,986	-
Long-term loans to related parties	Amortised cost	Amortised cost	2,000,000	2,000,000	-
Current financial liabilities					
Bank overdrafts	Amortised cost	Amortised cost	23,523	23,523	-
Short-term loans and current portion of long-term borrowings from financial institutions	Amortised cost	Amortised cost	3,127,129	3,127,129	-
Other payables	Amortised cost	Amortised cost	80,818	80,818	-
Current portion of senior debentures	Amortised cost	Amortised cost	2,391,100	2,391,100	-
Non-current financial liabilities					
Long-term borrowings	Amortised cost	Amortised cost	2,305,680	2,305,680	-
Derivative liabilities	Unrecognised	FVOCI	-	15,635	15,635
Senior debentures	Amortised cost	Amortised cost	8,829,191	8,829,191	-

(e) Impairment of financial assets

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

- cash and cash equivalents
- loans to customers and accrued interest
- loans to related parties
- debt investments carried at amortised cost; and
- debt investments carried at FVOCI.

The Group was required to revise its impairment methodology under TFRS 9. The impact of the change in impairment methodology on the Group's retained earnings at 1 January 2020 were Baht 587.35 million.

While cash and cash equivalents and debt investments at amortised cost and long-term loans to related parties are subject to the new impairment requirement, the identified impact was immaterial.

(f) Derivatives and hedging activities

Before 1 January 2020 the Group and the Company did not recognise derivatives as assets or liabilities in the financial statements. The derivative contracts and related fair values were disclosed in the note.

On 1 January 2020, the Group and the Company recognised derivative liabilities of Baht 15.64 million with the corresponding adjustment to retained earnings in the consolidated financial statements and separate financial statements. The Group and the Company applies hedge accounting for the first time. The interest rate swaps qualified as cash flow hedges as disclosed in note 7.1.1

The Group and the Company recognises adjustments of the fair value of the derivatives in cash flow hedges reserve and retained earnings as follows.

	Consolidated and Separate financial statements	
	Cash flow hedges reserve Baht'000	Retained earnings Baht'000
As of 1 January 2020		
Non-current liabilities		
Interest rate swaps - cash flow hedges	15,635	-
Total derivative liabilities - non-current	15,635	-
As of 31 December 2020		
Non-current liabilities		
Interest rate swaps - cash flow hedges	15,064	-
Total derivative liabilities - non-current	15,064	-

5.2 Leases

On an adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases for leases of land, buildings and vehicles with lease terms more than 12 months. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 3.50% - 4.12% per annum.

The associated right-of-use assets for property leases and other assets were measured on a retrospective basis as if the new rules had always been applied in which the incremental borrowing rate for the whole lease term is applied and adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

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

	Consolidated financial statements Baht'000	Separate financial statements Baht'000
Operating lease commitments disclosed as at 31 December 2019	954,212	4,923
Add: Finance lease liabilities recognised as at 31 December 2019	21,837	-
Less: Adjustments relating to changes in the index or rate affecting variable payments	(243,793)	(15,058)
Add: Adjustments as a result of a different treatment of extension and termination options	755,810	50,395
Lease liability recognised as at 1 January 2020	1,488,066	40,260
Current lease liabilities	483,693	1,748
Non-current lease liabilities	1,004,373	38,512

As at 1 January 2020, the recognised right-of-use assets relate to the following types of assets:

	Consolidated financial statements Baht'000	Separate financial statements Baht'000
Properties	1,514,105	39,465
Motor vehicles	49,963	-
Total right-of-use assets	1,564,068	39,465

Practical expedients applied

In applying TFRS 16 for the first time for the lease contracts that the group has before 1 January 2020, the group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases

6 Accounting policies

6.1 Principles of consolidation and equity accounting

a) Subsidiaries

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

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

b) Changes in ownership interests

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

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

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

c) Intercompany transactions on consolidation

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

6.2 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises:

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree,
- equity interests issued by the Group

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost

Acquisition-related cost are recognised as expenses in consolidated financial statements.

Step-up acquisition

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Changes in fair value of contingent consideration paid/received

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

6.3 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Group's and the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

c) Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

6.4 Cash and cash equivalents

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

In the statements of financial position, bank overdrafts are shown in current liabilities.

6.5 Financial asset

For the year ended 31 December 2020

a) Classification

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

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

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

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

b) Recognition and derecognition

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

c) Measurement

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

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

d) Debt instruments

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

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

e) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as dividend income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other income in the statement of comprehensive income.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

Classification and measurement of financial assets for the year ended 31 December 2019 is as follow;

For the year ended 31 December 2019

Investments in debt and equity securities

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

Trading and available-for-sale investments

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains

and losses of available-for-sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

Held-to-maturity investments

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment.

General investments

General investments are carried at cost less impairment.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted method.

6.6 Loans to customers

Hire-purchase receivables, loans receivable and personal loans receivable

Hire-purchase receivables, loans receivable and personal loans receivable would initially be recognised at an amount equal to the net investment in the contract. Subsequently, they are stated at net realisable value from the contract value net of unearned interest income and allowance for expected credit loss.

Loans receivable from purchase of loans

Loans receivable from purchase of loans that are purchased from financial institutions are valued at acquisition cost and subsequently amortised based on effective interest rate less allowance for expected credit loss of purchased or originated financial assets (if any).

6.7 Allowance for expected credit loss

For the year ended 31 December 2020

a) General approach

The Company applies general approach to measure expected credit losses on debt instruments measured at amortised cost and debt instruments measured at fair value through other comprehensive income. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

Under the three-stage expected credit loss impairment model except for significant exposures in loans to customer, the impairment will be assessed by using collective approach model with forward-looking information adjustment. The impairment of some significant exposures in loans to customer will be assessed by using individual assessment approach.

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

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

The Group applied the temporary exemption guidance for entities assisting debtors affected by the situation impacting the Thai economy announced by the Federation of Accounting Professions (TFAC) in accordance with the relief measures issued by Bank of Thailand on Thor Por Tor. For Nor Sor. (23) Wor. 276/2563 guidelines to assist debtors affected by the situation impacting the Thai economy, dated 28 February 2020 and on Thor Por Tor. For Nor Sor. (01) Wor. 380/2563 additional measures to assist debtors affected by COVID-19, dated 26 March 2020 for the reporting periods ending between 1 January 2020 and 31 December 2021 as follows:

- in the event that the debt restructuring causes an original effective interest rate to no longer reflect the estimated cash flow to be received from the loans, the Group uses a new effective interest rate for the calculation of the current value of the restructured loans under the Bank of Thailand's circular assistance guidelines.
- the Group has maintained the staging of debtors as before entering the relief measures under the Bank of Thailand's circular assistance guidelines.

b) Purchased or originated credit-impaired financial asset

The Group measures expected credit losses from the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive discounted at credit adjusted effective interest rate. The Group shall recognise in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss. The Group shall recognise favourable changes in lifetime expected credit losses as an impairment gain, even if the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

6.8 Allowance for doubtful accounts

For the year ended 31 December 2019

The Group sets up allowance for doubtful accounts from the aging period of outstanding receivables, after netting unearned interest income and collateral value (if any). The collateral value is ranged from 0% - 75% of the contract value, depending on the chance of debt collectability and the sales of collateral. The basis of allowance for doubtful is as follows:

Aging months	Percentage of allowance for doubtful accounts		
	Hire-purchase receivables and loans receivable - Motor cycles	Hire-purchase receivables and loans receivable - Others	Personal loans receivable
Current or overdue not over than 1 month	1	1	1
Overdue more than 1 month to 3 months	2	2	2
Overdue more than 3 months to 6 months	100	20	100
Overdue more than 6 months to than 12 months	100	100	100
More than 12 months	100	100	100

The Group also sets aside an allowance for doubtful accounts and an allowance for revaluation of debt restructuring based on the guidelines laid down in the Bank of Thailand's Notification ("BOT") No. Sor Nor Sor.5/2559 on determining rule of classified by loan classification and allowance for doubtful accounts of financial institutions, and by analysing and evaluating debtors' status based on the collateral valuation and risk assessment.

The Group has implemented a policy not to reverse the excess allowance for doubtful accounts that are able to settle their debt under debt restructuring agreement signed with the Group.

6.9 Properties foreclosed

Properties foreclosed consisting of immovable and movable assets are stated at the lower of cost or net realisable value less estimated selling expenses of the acquisition assets. Where the carrying value of properties foreclosed incurred impairment, the Group will recognise the provision for impairment of properties foreclosed in total.

The Group will recognise gain (loss) on sales of properties foreclosed and impairment loss (if any) as income or expenses in the whole amount in the Statement of Comprehensive Income.

6.10 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items, including an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has the obligation to do so.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

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

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

Land	Not depreciated
Building	20 years
Building improvement	3 years
Furniture and fixture	5 years
Equipment	5 years
Vehicles	5, 10 years
Decoration	18 years

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

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

6.11 Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. It is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

6.12 Intangible assets

Computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives not over than 5 years.

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

Research and development/Internally generated intangible asset

Research expenditure is recognised as an expense as incurred.

Development expenditure is recognised as an asset when the Group can demonstrate that the expenditure attributable to its development can be measured reliably. The Group can demonstrate that it is technically, financially, commercially, resourcefully feasible, and intends to and has the ability to complete the development for the purpose of using or selling.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are amortised when the asset is ready to use or sell by applying a straight-line method over the period of its expected benefit, not exceeding 5 years.

Finance license

Finance license acquired from business combination are recognised at fair value at the acquisition date. The license has an indefinite useful life and are not revalued in the accounts as they are not traded in an active market. Finance license will not subject to amortisation and are tested annually for impairment.

6.13 Impairment of assets

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

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

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding information related to COVID-19 as an indication of the impairment of assets.

In addition, for goodwill and finance license with indefinite useful life that the Group has to test for impairment annually, the Group has chosen not to include information related to COVID-19 that potentially affect financial projections to consider for the assets' impairment testing.

The management is currently considering the impact on the financial statements after ceasing the application of the relief measurements on 31 December 2020.

6.14 Leases

For the year ended 31 December 2020

Leases - where the Group is the lessee

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

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

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

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

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

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

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

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

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

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

The Group received discounts in the lease payments from lessors due to the COVID-19 situation. The Group has chosen not to account for discounts in the lease payments under the lease modification in accordance with TFRS 16. Instead, the Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC by reducing lease liabilities in the proportion of the reduction to the lease payments throughout the period that the Group has received the reduction. The Group also reversed depreciation charges on the right-of-use assets and interest expenses on the lease liabilities in the same proportion of discounts in the lease payments. The differences between the reduction of the lease liabilities and the reversal of the expenses are recognised in other gains (losses) instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification.

The management considered the effect from terminating the temporary relief measures to reduce the COVID-19 pandemic's impact on the 2021 financial statements as immaterial.

Leases - where the Group is the lessor

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

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include Consumer Price Index (CPI) increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease.

For the year ended 31 December 2019

Leases - where the Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

Leases - where the Group is the lessor

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

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

6.15 Financial liabilities

For the year ended 31 December 2020

Classification

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

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

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

Measurement

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

Derecognition and modification

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

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

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated/modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains (losses) in statement of other comprehensive income.

For the year ended 31 December 2019

Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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

6.16 Current and deferred income taxes

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

Current tax

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

Deferred income tax

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

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

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

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

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

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding information related to COVID-19 which causes uncertainty when considering the sufficiency of future taxable profit for the purpose of assessing the utilisation of deductible temporary differences. Instead, the Group writes down the carrying amount of the deferred tax assets when it's not probable that the future taxable profit will be available for utilising the deductible temporary differences.

The management is currently considering the impact on the financial statements after ceasing the application of the relief measurements on 31 December 2020.

6.17 Employee benefits

Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, profit-sharing and bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

Defined contribution plan

The Group pays contributions to a separate fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity/presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

6.18 Share-based payment

Management options

The Group receives services from as consideration for equity instruments (options) of the Group companies. The fair value of the options is recognised as an expense over the vesting period, with a corresponding increase in equity. The fair value of the options is determined by:

- including any market performance conditions (e.g. the entity's share price);
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time); and
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining as managements of the entity over a specified time period).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest.

At the end of each reporting period, the Group reviews the number of options that are expected to vest. It recognises the impact of the revision, if any, in profit or loss with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

The option granted by the Company to the employees of subsidiary(ies) is treated as a capital contribution.

6.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

6.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

6.21 Revenues and expenses recognition

Revenue includes all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities are also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into individual distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

a) Interest income from loans to customers

The Group recognises interest income from loans to customers by using the effective interest rate method.

b) Other income

The Group recognises fees and services income when diverse range of services have been rendered to its customers.

Fee and services income is generally recognised on the completion of a transaction. Such fees include insurance brokerage income, collateral assessment fees, collection fees, and penalty fees.

For a service that is provided over a period of time, services income is recognised over the period during which the related service is provided. Such fees include the income from management fees and rental incomes.

c) Gain (loss) on sales of properties foreclosed

Gain (loss) on sale of properties foreclosed (net from output tax) for is recognised as income or expenses in statements of comprehensive income when control of the properties foreclosed have been transferred to the buyer, being when the ownership transferred, and there is no unfulfilled obligation that could affect the buyer acceptance of the properties foreclosed.

d) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

e) Other income and expense

Other income and expense are recognised on an accrual basis.

6.22 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

6.23 Derivatives and hedging activities

Hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Group designates certain derivatives as either:

- hedges of the fair value of i) recognised assets or liabilities or ii) unrecognised firm commitments (fair value hedges),
- hedges of a particular risk associated with the cash flows of i) recognised assets and liabilities and ii) highly probable forecast transactions (cash flow hedges); or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents i) the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items and ii) its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a current or non-current asset or liability following the maturity of related hedged item.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains (losses).

The gain or loss relating to the effective portion of the interest rate swaps hedging variable rates borrowings is recognised in profit or loss within finance costs at the same time as the interest expense on the hedged borrowings.

6.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

7 Financial risk management

7.1 Financial risk

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Financial risk management is carried out by the Group Treasury Committee. The Group's policy includes areas such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and uses as the key communication and control tools for Treasury team globally.

The Group's risk management is controlled by a central treasury department under policies approved by the board of directors. The Group treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and other financial instruments as well as investment of excess liquidity

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans and inventory at the fixed foreign currency rate for the hedged purchases.

7.1.1 Market risk

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency risk arises from Lao kip. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operation.

The Group invest in subsidiary in the Lao People's Democratic Republic in which the there is a risk related to currency risk. However, the currency risk from Lao kip from trading trasactions is low.

b) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from financial liabilities with variable rates, which expose the Group to cash flow risk. The Group policy is using floating-to-fixed interest rate swaps to achieve this. During 2020 and 2019, the Group's financial liabilities at variable rate were mainly denominated in Baht.

	Consolidated financial statements	
	2020 Baht'000	2019 Baht'000
Financial liabilities with floating interest rate	1,430,722	2,600,311
Financial liabilities with fixed interest rate	17,828,816	14,902,034
	19,259,538	17,502,345
	Separate financial statements	
	2020 Baht'000	2019 Baht'000
Financial liabilities with floating interest rate	1,347,389	2,080,589
Financial liabilities with fixed interest rate	15,987,816	14,596,034
	17,335,205	16,676,623

An analysis by maturities is provided in Note 7.1.3

Instruments used by the Group

The Group and the Company entered into interest rate swaps covering approximately 40.46% and 41.91% respectively (2019: 36.15% and 41.44%) of the variable financial liabilities principal outstanding.

As at 31 December 2020, the Company has entered into the interest rate swap contracts with decreasing notional feature from Baht 1,500 million. These contracts have floating interest rate converting to fixed interest rate which will be expired in 2022.

The swap contracts require settlement of net interest receivable or payable every 30 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

7.1.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss as well as credit exposures to loans to customers.

a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of investment grade are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on tips assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

The Group and the Company's investments in debt instruments are considered to be low risk investments. The Group regularly monitors the credit ratings of the investments for credit deterioration.

b) Credit rating

The risk rating for the Group's financial assets is classified as the following table:

Loan to customers

Rating classification	Internal rating
Good	Past due less than 30 days
Fair	Past due between 31 days - 90 days and qualitative consideration
Impaired	Past due over 90 days and qualitative consideration

Other financial assets

Rating classification	External rating
Investment Grade	AAA to BBB-
Non-Investment Grade	BB+ or below
No rating	No rating

c) Maximum exposure to credit risk

The maximum credit risk exposure of the Group in the event of other parties failing to perform their obligation is detailed below. No account taken of any collateral held and the maximum exposure to loss is considered to be the statement of financial position carrying amount or, for non-derivative off-statement of financial position transaction and financial guarantee, their contractual nominal amounts. The exposure to credit risk of the Group equals their carrying amount in the statement of financial position as at reporting date, except for the followings:

Credit risk exposures of on-statement of financial position assets:
Financial assets measured at fair value through other comprehensive income

Consolidated financial statements	Separate financial statements
2020	2020
Maximum exposure Baht'000	Maximum exposure Baht'000
162,000	-
162,000	-

d) Credit quality

The table below presents the financial assets measured at fair value through other comprehensive income and loans to customers and accrued interest classified by rating:

Consolidated financial statements					
31 December 2020					
	12-month ECL Baht'000	Lifetime ECL not credit- impaired Baht'000	Lifetime ECL credit- impaired Baht'000	Purchased or originated credit- impaired financial assets Baht'000	Total Baht'000
Financial assets measured at fair value through other comprehensive income					
Investment grade	83,078	-	-	-	83,078
Non-investment grade	-	-	80,000	-	80,000
<u>Less</u> Allowance for expected credit losses	-	-	(42,869)	-	(42,869)
Net carrying amount	83,078	-	37,131	-	120,209
Financial assets measured at amortised cost					
Good	26,914,353	-	-	-	26,914,353
Fair	-	11,064,302	-	-	11,064,302
Impaired	-	-	1,479,914	2,807,668	4,287,582
<u>Less</u> Allowance for expected credit losses	(248,709)	(784,749)	(154,197)	(124,303)	(1,311,958)
Net carrying amount	26,665,644	10,279,553	1,325,717	2,683,365	40,954,279

e) Security

The Group employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Group has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Group prepares a valuation of the collateral obtained as part of the loan origination process. The main collateral type accepted and given value by the Company are:

- Real estate
- Vehicles

The Group has revaluated the loan to value ratio to cover the credit risk for the entire contract. The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior period.

The Group closely examines collateral used for credit-impaired financial assets. If the Group is certain that the financial assets are credit-impaired, the Group will consider the foreclosure of collateral in order to mitigate probable credit risk.

f) Impairment of financial assets

The Group and the Company have 3 types of financial assets that are subject to the expected credit loss model:

- Loan to customers and accrued interest
- Loan to related parties
- Investment in debt instruments measured at amortised cost and FVOCI

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

7.1.3 Liquidity risk

The Group manages sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

a) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal to their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end other reporting period:

Maturity of financial liabilities	Consolidated financial statements					Book value of liabilities Baht'000
	At present Baht'000	Within 1 year Baht'000	1 - 5 years Baht'000	More than 5 years Baht'000	Total Baht'000	
As at 31 December 2020						
Deposits	199,190	4,679,769	355,137	-	5,234,096	5,234,096
Debt securities issued and short-term loans from financial institutions	6,000	200,000	-	-	206,000	206,000
Other payables	-	813,112	-	-	813,112	813,112
Long-term loans from financial institutions	-	1,397,288	2,969,864	-	4,367,152	4,237,902
Senior debentures	-	4,230,106	11,531,335	-	15,761,441	14,815,636
Total financial liabilities	205,190	11,320,275	14,856,336	-	26,381,801	25,306,746
As at 31 December 2019						
Deposits	94,698	5,441,939	811,696	-	6,348,333	6,348,333
Debt securities issued and short-term loans from financial institutions	6,000	1,903,523	-	-	1,909,523	1,909,523
Other payables	-	474,720	-	-	474,720	474,720
Long-term loans from financial institutions	-	2,066,287	2,521,246	-	4,587,533	4,372,531
Senior debentures	-	2,797,525	9,237,937	-	12,035,462	11,220,291
Total financial liabilities	100,698	12,683,994	12,570,879	-	25,355,571	24,325,398
Maturity of financial liabilities	Separate financial statements					Book value of liabilities Baht'000
	At present Baht'000	Within 1 year Baht'000	1 - 5 years Baht'000	More than 5 years Baht'000	Total Baht'000	
As at 31 December 2020						
Debt securities issued and short-term loans from financial institutions	-	200,000	-	-	200,000	200,000
Other payables	-	114,626	-	-	114,626	114,626
Long-term loans from financial institutions	-	1,217,592	1,174,656	-	2,392,248	2,319,569
Senior debentures	-	4,230,106	11,531,335	-	15,761,441	14,815,636
Total financial liabilities	-	5,762,324	12,705,991	-	18,468,315	17,449,831
As at 31 December 2019						
Debt securities issued and short-term loans from financial institutions	-	1,903,523	-	-	1,903,523	1,903,523
Other payables	-	80,818	-	-	80,818	80,818
Long-term loans from financial institutions	-	1,358,898	2,390,816	-	3,749,714	3,552,809
Senior debentures	-	2,797,525	9,237,937	-	12,035,462	11,220,291
Total financial liabilities	-	6,140,764	11,628,753	-	17,769,517	16,757,441

7.2 Capital management

7.2.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital based on gearing ratio which is determined by dividing net debt with equity.

8 Fair value

The following table shows fair values and carrying amounts of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value.

Consolidated financial statements					
	Fair value through profit or loss Baht'000	Fair value through other comprehensive income Baht'000	Amortised cost Baht'000	Total carrying amount Baht'000	Fair value Baht'000
As at 31 December 2020					
<i>Financial liabilities not measured at fair value</i>					
Long-term loans from financial institutions	-	-	4,237,902	4,237,902	4,048,770
Senior debentures	-	-	14,815,636	14,815,636	15,003,877
	-	-	19,053,538	19,053,538	19,052,647
As at 1 January 2020					
<i>Financial liabilities not measured at fair value</i>					
Long-term loans from financial institutions	-	-	4,372,531	4,372,531	4,583,406
Senior debentures	-	-	11,220,291	11,220,291	11,442,669
	-	-	15,592,822	15,592,822	16,026,075
Separate financial statements					
	Fair value through profit or loss Baht'000	Fair value through other comprehensive income Baht'000	Amortised cost Baht'000	Total carrying amount Baht'000	Fair value Baht'000
As at 31 December 2020					
<i>Financial liabilities not measured at fair value</i>					
Long-term loans from financial institutions	-	-	2,319,569	2,319,569	2,244,741
Senior debentures	-	-	14,815,636	14,815,636	15,003,877
	-	-	17,135,205	17,135,205	17,248,618
As at 1 January 2020					
<i>Financial assets not measured at fair value</i>					
Long-term loans to related parties	-	-	2,084,986	2,084,986	2,219,848
Receivable from related party from sales of loans receivable	-	-	2,729,935	2,729,935	2,743,894
	-	-	4,814,921	4,814,921	4,963,742
<i>Financial liabilities not measured at fair value</i>					
Long-term loans from financial institutions	-	-	3,552,809	3,552,809	3,745,931
Senior debentures	-	-	11,220,291	11,220,291	11,442,669
	-	-	14,773,100	14,773,100	15,188,600

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Notes to the Consolidated and Separate Financial Statements
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The following table presents fair value of financial assets and liabilities recognised or disclosed by their fair value hierarchy as at 31 December 2020 and 2019.

Consolidated financial statements										
	Level 1		Level 2		Level 3		Total		Carrying amount	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Assets										
Financial assets at fair value through profit or loss										
Investment in Unit Trust	-	-	7,293	-	-	-	7,293	-	7,293	-
Non-marketable securities	-	-	-	-	66,670	-	66,670	-	66,670	-
Financial assets at fair value through other comprehensive income										
Private sector debt securities	-	-	120,209	-	-	-	120,209	-	120,209	-
Available-for-sale investments										
Debt securities	-	-	-	521,104	-	-	-	521,104	-	521,104
Short-term investments	-	-	-	520	-	-	-	520	-	520
Total assets	-	-	127,502	521,624	66,670	-	194,172	521,624	194,172	521,624
Liabilities										
Hedging derivatives										
Interest rate swap	-	-	15,064	-	-	-	15,064	-	15,064	-
Total liabilities	-	-	15,064	-	-	-	15,064	-	15,064	-
Separate financial statements										
	Level 1		Level 2		Level 3		Total		Carrying amount	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Assets										
Financial assets at fair value through profit or loss										
Investment in Unit Trust	-	-	5,828	-	-	-	5,828	-	5,828	-
Available-for-sale investments										
Debt securities	-	-	-	355,711	-	-	-	355,711	-	355,711
Total assets	-	-	5,828	355,711	-	-	5,828	355,711	5,828	355,711
Liabilities										
Hedging derivatives										
Interest rate swap	-	-	15,064	-	-	-	15,064	-	15,064	-
Total liabilities	-	-	15,064	-	-	-	15,064	-	15,064	-

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the current bid price/closing price by reference to the Stock Exchange of Thailand and Thai Bond Market Association.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

The fair value of financial assets and financial liabilities are measured according to the accounting policies as disclosed in Note 6.5 and 6.15.

Changes in level 3 financial instruments for the period ended 31 December 2020 and 2019 is as follows:

	Non-marketable securities	
	Consolidated financial statements Baht'000	Separate financial statements Baht'000
Opening balance as at 1 January 2019	16,781	-
Acquisition of securities	2,500	2,500
Reclassification of investments	10,192	-
Closing balance as at 31 December 2019	29,473	2,500
Disposals	(23,047)	-
Increase from business combination (Note 39)	2,500	-
Reclassification of investments (Note 19)	(2,500)	(2,500)
Gain recognised in profit or loss	60,244	-
Closing balance as at 31 December 2020	66,670	-

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

	Fair value			Range of inputs	
	2020 Baht'000	2019 Baht'000		2020 %	2019 %
			Unobservable inputs		
Non-marketable securities	66,670	-	Risk-adjusted discount rate	41.13 - 50.00	-

Relationship of unobservable inputs to fair value are shown as follows:

			Change in fair value	
			Increase in assumptions 2020	Decrease in assumptions 2020
	Unobservable inputs	Movement		
Unlisted equity securities	Risk-adjusted discount rate	1.00%	Decrease by 2.44%	Increase by 2.47%

The Group's valuation processes

Chief Financial Officer and valuation team discuss valuation processes and results at least every quarter.

Level 3 equity securities are fair valued by using pricing from public companies that, are in opinion of the Group, in comparable financial position with the counterparty in the contract, discounted with the appropriate liquidity and the companies' growth which do not have the significant unobservable data.

9 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

9.1 Impairment of financial assets

The Group assesses expected credit loss on a forward-looking basis for its financial assets classified as debt instrument carried at FVOCI and financial assets at amortised cost.

Expected credit losses are a probability-weighted estimate of credit losses over the expected life of the financial instrument. A cash shortfall is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Group expects to receive discounted at the original effective interest rate for the financial assets that are not purchased or originated credit-impaired financial assets or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets. The Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The cash flows that are considered shall include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. There is a presumption that the expected life of a financial instrument can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the expected life of a financial instrument, the Group uses the remaining contractual term of the financial instrument.

For a financial asset that is credit-impaired at the reporting date, but that is not a purchased or originated credit impaired financial asset, the Group measures the expected credit losses as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group measures expected credit losses of a financial instrument by using general approach to measure expected credit losses on financial assets including loans to customers and accrued interest, debt instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income, receivables from related party from sales of loans receivable, short-term loans to related parties, and long-term loans to related parties. The Group always accounts for expected credit losses which involves a three-stage expected credit loss impairment model.

9.2 Valuation of properties foreclosed

The Group assesses allowance for impairment of properties foreclosed by taking into consideration the type and nature of assets based on historical losses on sale of properties foreclosed.

Fair value of properties for sale-immovable assets is calculated from the appraisal value, appraised by an internal or external independent appraiser, less estimated selling expenses.

9.3 Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group and the Company determine the appropriate discount rate at the end of each year. Which is the interest rate used to determine the present value of the expected cash outflow from retirement benefit. The Group and the company take into considers of the government bond yield that with the same currency used for the payment of retirement benefit and having close maturity date as the payment date of retirement benefit.

Other key assumptions for employee benefit obligations are disclosed in Note 30 to the financial statements.

9.4 Deferred tax asset

The Group and the Company recognize deferred tax assets only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Management estimates the amount of deferred tax assets to be recognized by considering the expected taxable profit of each upcoming period.

9.5 Determination of lease terms

Critical judgement in determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

9.6 Determination of discount rate applied to leases

The Group and the Company determine the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

9.7 Assessment of impairment on finance license

The Group tests annually whether finance license has suffered any impairment, in accordance with the accounting policy stated in Note 6.13. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates based on management assumption.

10 Segment information

The Group presents segment information by presenting business segment as the primary reporting format based on the type of business in determining business segment.

The main operation of the Group is financial service specifically hire-purchase, loan, non-performing assets management, investments in other companies, management and consulting services for retail credit systems in local and foreign country and credit sale in foreign country.

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The Group did not have income from investments in other companies for the years ended 31 December 2020 and 2019. Income from business segment operation is from domestic customers which comprises of retailed customers.

The consolidated financial statement by segments for the years ended 31 December 2020 and 2019 are as follows:

	2020			
	Hire- purchase segment Baht'000	Personal loan segment Baht'000	Asset management segment Baht'000	Total Baht'000
Interest income	103,045	7,823,812	239,234	8,166,091
Dividend income				2,036
Other income				2,824,901
Total revenue				10,993,028
Servicing expenses				(161,472)
Administrative expenses				(3,625,262)
Expected credit loss	56,841	(300,346)	(77,508)	(321,013)
Profit before finance costs and income tax expense				6,885,281
Finance costs				(902,612)
Profit before income tax expense				5,982,669
Income tax expenses				(1,191,838)
Net profit for the year				4,790,831
Timing of other income recognition under TFRS 15				
At a point in time				2,069,082
Over time				-
As at 31 December 2020				
Loans to customers and accrued interest, net	191,232	38,079,682	2,683,365	40,954,279
Unallocated assets				11,053,093
Total consolidated assets				52,007,372
Deposits and securities issued				5,240,096
Borrowings from financial institutions				4,437,902
Senior debentures				14,815,636
Unallocated liabilities				3,443,860
Total consolidated liabilities				27,937,494

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	2019			
	Hire- purchase segment Baht'000	Personal loan segment Baht'000	Asset management segment Baht'000	Total Baht'000
Interest income	447,929	6,657,544	133,782	7,239,255
Dividend income				2,769
Other income				2,551,236
Total revenue				9,793,260
Servicing expenses				(176,920)
Administrative expenses				(3,354,938)
Bad and doubtful debts expense	(16,336)	(536,656)	904	(552,088)
Profit before finance costs and income tax expense				5,709,314
Finance costs				(828,296)
Profit before income tax expense				4,881,018
Income tax expenses				(952,271)
Net profit for the year				3,928,747
Timing of other income recognition under TFRS 15				
At a point in time				2,076,732
Over time				1,760
As at 31 December 2019				
Loans to customers and accrued interest, net	819,270	35,668,770	3,000,927	39,488,967
Unallocated assets				5,972,642
Total consolidated assets				45,461,609
Deposits and securities issued				6,354,333
Borrowings from financial institutions				6,276,054
Senior debentures				11,220,291
Unallocated liabilities				1,419,218
Total consolidated liabilities				25,269,896

In 2020, the group has revised reportable segment of its business. As a result, the group has also revised reportable segments for the year ended 31 December 2019 for the comparison purpose.

11 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Cash	30	1,316	3	3
Saving deposits	729,035	586,510	196,401	39,088
Deposits held at call with banks	1,107,370	1,059,941	80,177	51,310
Short-term fixed deposits	1,151	1,145	-	-
Total cash and cash equivalents	1,837,586	1,648,912	276,581	90,401

As at 31 December 2020, saving deposits carry interest rate of 0.13% - 0.25% per annum (2019: 0.22% - 0.75% per annum).

12 Loans to customers and accrued interest, net

12.1 Classified by product

As at 31 December 2020 and 2019, the Group's loans to customers were classified by product as follows:

Consolidated financial statements			
2020			
	Current portion Baht'000	Non-current portion Baht'000	Total Baht'000
Loan receivables	35,396,819	9,003,504	44,400,323
Hire-purchase receivables	207,116	20,463	227,579
Purchased or originated credit-impaired financial asset	-	2,610,082	2,610,082
<u>Less</u> Unearned interest income	(3,943,400)	(1,234,793)	(5,178,193)
Total loan to customers net unearned interest income	31,660,535	10,399,256	42,059,791
<u>Add</u> Accrued interest	8,860	197,586	206,446
Total loan to customers net accrued interest	31,669,395	10,596,842	42,266,237
<u>Less</u> Expected credit loss	(1,081,614)	(230,344)	(1,311,958)
Total loans to customers and accrued interest, net	30,587,781	10,366,498	40,954,279
Consolidated financial statements			
2019			
	Current portion Baht'000	Non-current portion Baht'000	Total Baht'000
Loan receivables	33,663,411	8,592,222	42,255,633
Hire-purchase receivables	779,114	252,392	1,031,506
Loans receivable from purchase of loans	-	3,004,433	3,004,433
<u>Less</u> Unearned interest income	(4,583,549)	(1,409,811)	(5,993,360)
Total loan to customers net unearned interest income	29,858,976	10,439,236	40,298,212
<u>Add</u> Accrued interest	3,485	-	3,485
Total loan to customers net accrued interest	29,862,461	10,439,236	40,301,697
<u>Less</u> Allowance for doubtful account	(595,392)	(66,684)	(662,076)
Allowance for restructuring	(40)	-	(40)
Surplus reserve	29,267,029	10,372,552	39,639,581
Total loans to customers and accrued interest, net			(150,614)
			39,488,967

12.2 Classified by staging

As at 31 December 2020, the Group's loans to customers were classified by staging as follows:

Consolidated financial statements			
	Loans to customers and accrued interest Baht'000	Expected credit loss Baht'000	Net book value Baht'000
Performing financial assets	26,914,353	(248,709)	26,665,644
Under-performing financial assets	11,064,302	(784,749)	10,279,553
Non-performing financial assets	1,479,914	(154,197)	1,325,717
Purchased or originated credit impaired financial assets	2,807,668	(124,303)	2,683,365
Total	42,266,237	(1,311,958)	40,954,279

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As at 31 December 2019, the Group's loans to customers and accrued interest were classified by aging as follows:

	Consolidated financial statements		
	Loans to customers and accrued interest Baht'000	Allowance for doubtful account Baht'000	Net book value Baht'000
Current or overdue not over than 1 month	28,243,438	(93,173)	28,150,265
Overdue more than 1 month to 3 months	7,948,312	(71,321)	7,876,991
Overdue more than 3 months to 6 months	846,748	(154,288)	692,460
Overdue more than 6 months to 12 months	311,060	(68,814)	242,246
Overdue more than 12 months	2,952,139	(274,480)	2,677,659
Total loan to customers and accrued interest	40,301,697	(662,076)	39,639,621
<u>Less</u> Allowance for restructuring			(40)
Surplus reserve			(150,614)
Total			39,488,967

For the year ended 31 December 2020, the management have decided to record additional expected credit losses that resulted from the addition of management overlay after considering various factors and the effect from the outbreak of COVID-19 that could affect the credit quality in the following period, as well as the temporary measures to relieve loan payments that results in debt restructuring that may not fully reflect the credit quality and expected credit loss.

13 Allowance for expected credit loss

	Consolidated financial statements				
	2020				
	Allowance for expected credit loss				
	12-month ECL Baht'000	Lifetime ECL not credit- impaired Baht'000	Lifetime ECL credit-impaired Baht'000	Purchased or originated credit-impaired financial assets Baht'000	Total Baht'000
Financial assets measured at fair value through other comprehensive income					
As at 1 January 2020	-	-	-	-	-
Change in value of allowance for expected credit loss / remeasurement	-	-	42,869	-	42,869
As at 31 December 2020	-	-	42,869	-	42,869
Loans to customers and accrued interest, net					
As at 1 January 2020	222,050	906,181	323,935	38,611	1,490,777
Reclassification	32,711	(33,125)	414	-	-
Change in value of allowance for expected credit loss / remeasurement	29,043	39,663	75,975	83,685	228,366
Purchase or origination of financial assets	151,515	504,858	58,103	2,007	716,483
Derecognition of financial assets	(186,610)	(632,828)	(70,900)	-	(890,338)
Write-off of financial assets	-	-	(233,330)	-	(233,330)
As at 31 December 2020	248,709	784,749	154,197	124,303	1,311,958

14 Other receivables

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Other receivables - properties foreclosed	46,823	63,223	-	-
Amount due from related parties (Note 40 d)	4	41	5	368
Interest receivable	2,446	1,970	-	165
Prepaid expenses	71,474	32,953	3,300	6,746
Deposits	19,413	19,735	994	994
Receivable from legal execution department	192,017	240,025	-	-
Advance	174,888	88,645	8	-
Others	316,284	373,397	1,425	91,924
Total	823,349	819,989	5,732	100,197

15 Properties foreclosed, net

	Consolidated financial statements	
	2020	2019
	Baht'000	Baht'000
Cost	697,061	804,767
<u>Less</u> Allowance for impairment	(32,341)	(33,629)
Properties foreclosed, net	664,720	771,138

16 Financial assets measured at fair value

The movement of Financial assets measured at fair value during the years ended 31 December 2020 is as follows:

	Consolidated financial statements	
	Financial assets measured at fair value through profit or loss Baht'000	Financial assets measured at fair value through other comprehensive income Baht'000
Opening net book balance	386,656	163,921
Disposal	(372,970)	-
Increase from business combination (Note 39)	2,500	-
Change in fair value	60,277	(411)
Amortisation of premium on investment	-	(432)
Change in classification of investment (Note 19)	(2,500)	-
<u>Less</u> Allowance for expected credit loss	-	(42,869)
Closing book net balance	73,963	120,209

	Separate financial statements
	Financial assets measured at fair value through profit or loss Baht'000
Opening net book balance	358,211
Disposal	(349,922)
Change in classification of investment (Note 19)	(2,500)
Change in fair value	39
Closing book net balance	5,828

16.1 Financial assets measured at fair value through profit or loss

	2020	
	Consolidated financial statements	Separate financial statements
	Fair value Baht'000	Fair value Baht'000
Investment in debt - unit trusts	7,293	5,828
Investment in equity - non-marketable securities	66,670	-
Total	73,963	5,828

16.2 Financial assets measured at fair value through other comprehensive income

	2020
	Consolidated financial statements
	Fair value Baht'000
Investment in debt - private sector debt securities	163,078
<u>Less</u> Allowance for expected credit loss	(42,869)
Total	120,209

17 Long-term investments, net

	2019			
	Consolidated financial statements		Separate financial statements	
	Cost Baht'000	Fair value Baht'000	Cost Baht'000	Fair value Baht'000
Available-for-sale investments	519,837	521,104	355,626	355,711
<u>Add</u> Revaluation adjustments	1,267	-	85	-
Available-for-sale investments, net	521,104	521,104	355,711	355,711
General investments	83,225	29,473	2,500	2,500
<u>Less</u> Allowance for impairment	(53,752)	-	-	-
General investments, net	29,473	29,473	2,500	2,500
Total long-term investments, net	550,577	550,577	358,211	358,211

The movement of long-term investments during the year ended 31 December 2019 is as follows:

	Consolidated financial statements		Separate financial statements	
	Available- for-sale investment Baht'000	General investment Baht'000	Available- for-sale investment Baht'000	General investment Baht'000
Opening net book balance	181,628	16,781	-	-
Additions	4,200,000	2,500	3,300,000	2,500
Reclassify from trading securities	511,660	-	306,236	-
Reclassify from investment in subsidiary	-	10,192	-	-
Disposal	(4,369,746)	-	(3,250,610)	-
Amortisations of premium on investment	(768)	-	-	-
Change in fair value of available-for-sale securities	(1,670)	-	85	-
Closing net book balance	521,104	29,473	355,711	2,500

18 Financial assets and liabilities

As at 31 December 2020, classification of the Group's financial assets and financial liabilities are as follows:

	Consolidated financial statements			
	FVPL Baht'000	FVOCI Baht'000	Amortised cost Baht'000	Total Baht'000
Financial assets				
Cash and cash equivalents	-	-	1,837,586	1,837,586
Financial assets measured at amortised costs	-	-	525	525
Financial assets measured at fair value through profit or loss	73,963	-	-	73,963
Financial assets measured at fair value through other comprehensive income	-	120,209	-	120,209
Loans to customers and accrued interest, net	-	-	40,954,279	40,954,279
Short-term loans to financial institutions	-	-	4,350,000	4,350,000
Other receivable	-	-	722,533	722,533
	73,963	120,209	47,864,923	48,059,095
Financial liabilities				
Deposits	-	-	5,234,096	5,234,096
Debt securities issued	-	-	6,000	6,000
Short-term borrowings from financial institutions	-	-	200,000	200,000
Long-term borrowings from financial institutions	-	-	4,237,902	4,237,902
Other payable	-	-	813,112	813,112
Derivative liabilities	-	15,064	-	15,064
Senior debentures	-	-	14,815,636	14,815,636
	-	15,064	25,306,746	25,321,810

Separate financial statements				
	FVPL Baht'000	FVOCI Baht'000	Amortised cost Baht'000	Total Baht'000
Financial assets				
Cash and cash equivalents	-	-	276,581	276,581
Receivable from related party from sales of loans receivable and accrued interest receivable	-	-	1,517,512	1,517,512
Short-term loan to related parties and accrued interest receivable	-	-	17,675,664	17,675,664
Financial assets measured at fair value through profit or loss	5,828	-	-	5,828
Other receivables	-	-	1,007	1,007
	5,828	-	19,470,764	19,476,592
Financial liabilities				
Short-term loans from financial institutions	-	-	200,000	200,000
Long-term loans from financial institutions	-	-	2,319,569	2,319,569
Other payables	-	-	114,626	114,626
Derivative liabilities	-	15,064	-	15,064
Senior debentures	-	-	14,815,636	14,815,636
	-	15,064	17,449,831	17,464,895

18.1 Other financial assets at amortised cost

a) Classification of financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criterias are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost include the following:

Consolidated financial statements			
31 December 2020			
	Current Baht'000	Non-current Baht'000	Total Baht'000
Cash and cash equivalent	1,837,586	-	1,837,586
Financial assets measured at amortised cost	525	-	525
Loans to customers and accrued interest	31,669,395	10,596,842	42,266,237
Short-term loans to financial institutions	4,350,000	-	4,350,000
Other receivables	722,533	-	722,533
	38,580,039	10,596,842	49,176,881
<u>Less</u> Expected credit loss	(1,081,614)	(230,344)	(1,311,958)
Total	37,498,425	10,366,498	47,864,923

	Separate financial statements		
	31 December 2020		
	Current Baht'000	Non-current Baht'000	Total Baht'000
Cash and cash equivalent	276,581	-	276,581
Receivable from related party from sales of loans receivable and accrued interest	1,517,512	-	1,517,512
Short-term loans to related parties and accrued interest receivable	17,675,664	-	17,675,664
Other receivables	1,007	-	1,007
	19,470,764	-	19,470,764
<u>Less</u> Allowance for expected credit loss	-	-	-
Total	19,470,764	-	19,470,764

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment are exceeded. Collateral is not normally obtained. The non-current other receivables are due and payable within 3 years from the end of the reporting period.

b) Fair value of other financial assets at amortised cost

Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

As at 31 December 2020 loans to related parties at a carrying amount of Baht 19,193.18 million have a fair value of Baht 19,193.18 million. The fair values were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

c) Allowance for expected credit loss

Information about the impairment of financial assets at amortised cost and the Group's exposure to credit risk is disclosed in Note 7 and 13.

18.2 Financial assets at fair value through other comprehensive income

a) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise:

- debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets at FVOCI comprise the following investments:

	Consolidated financial statements	Separate financial statements
	2020 Fair value Baht'000	2020 Fair value Baht'000
Non-current assets		
Listed bonds	120,209	-
Total	120,209	-

b) Amounts recognised in profit or loss and other comprehensive income

The following losses were recognised in profit or loss and other comprehensive income during the year as follows:

	Consolidated financial statements	Separate financial statements
	2020 Baht'000	2020 Baht'000
Losses recognised in other comprehensive income	(411)	-
Expected credit losses for debt investments at FVOCI recognised in profit or loss (12 months expected credit losses/Lifetime expected credit losses)	(42,869)	-

c) Allowance for expected credit loss

Information about the impairment of financial assets at FVOCI and the Group's exposure to credit risk is disclosed in Note 7 and 13.

18.3 Financial assets at fair value through profit or loss

a) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss:

- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the Group has irrevocably not elected at initial recognition to recognise fair value gains and losses through OCI.

Financial assets measured at FVPL include the following:

	Consolidated financial statements	Separate financial statements
	2020 Fair value Baht'000	2020 Fair value Baht'000
Non-current assets		
Non-marketable securities	66,670	-
Investment in Unit Trust	7,293	5,828
	73,963	5,828

b) Amounts recognised in profit or loss

The following gains were recognised in profit or loss during the year as follows:

	Consolidated financial statements	Separate financial statements
	2020 Baht'000	2020 Baht'000
Fair value gains on equity investments at FVPL recognised in other income	60,244	-
Fair value gains on debt instruments at FVPL recognised in other income	33	40

19 Investments in subsidiaries

As at 31 December 2020, the subsidiaries included in consolidated financial statements are listed below. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

The detail of investments in subsidiaries as at the statement of financial position date is as below:

Company name	Nature of business	Country of incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of shares held by non-controlling interests	
			2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Subsidiaries								
Fast Money Co., Ltd.	Hire-purchase and loan	Thailand	99.99	99.99	99.99	99.99	0.01	0.01
SWP Asset Management Co., Ltd.	Asset management	Thailand	84.99	94.99	84.99	94.99	15.01	5.01
Srisawad International Holding Co., Ltd.	Investment in other companies	Thailand	99.67	99.67	99.67	99.67	0.33	0.33
Srisawad Power 2014 Co., Ltd.	Hire-purchase, loan and debt collection service	Thailand	99.99	99.99	99.99	99.99	0.01	0.01
Srisawad Finance PCL.	Finance business	Thailand	82.04	82.04	82.04	82.04	17.96	17.96
P Lending Co., Ltd.	Launch a loan providing platform	Thailand	74.99	74.99	74.99	74.99	25.01	25.01
Srisawad Digital Co. Ltd.	Digital personal loan service	Thailand	99.99	-	99.99	-	0.01	-
Srisawad Capital Co., Ltd.	Loan service	Thailand	65.00	5.00	65.00	5.00	35.00	95.00
Subsidiaries indirectly under Srisawad International Holding Co., Ltd.								
SWP Services Co., Ltd.	Management and consulting services	Thailand	99.99	99.99	99.66	99.66	0.34	0.34
Srisawad Leasing Lao Co., Ltd.	Hire-purchase and loan	Lao PDR	90.00	90.00	89.70	89.70	10.30	10.30
Srisawad PICO Pattani Co., Ltd.	PICO finance loan	Thailand	99.99	-	99.66	-	0.34	-
Srisawad PICO Yala Co., Ltd.	PICO finance loan	Thailand	99.99	-	99.66	-	0.34	-
Srisawad PICO Narathiwat Co., Ltd.	PICO finance loan	Thailand	99.99	-	99.66	-	0.34	-

The movements of the investments in subsidiaries for the years ended 31 December 2020 and 2019 are as follows:

	Separate financial statements	
	2020 Baht'000	2019 Baht'000
Opening balance	10,277,880	3,921,497
Change in classification of investment (Note 16)	2,500	-
Addition of investment in subsidiaries	242,500	6,356,383
Disposal of investment in subsidiaries	(10,000)	-
Closing balance	10,512,880	10,277,880

19.1 Transactions incurred during 2020

Investment in subsidiaries

Srisawad Digital Co., Ltd.

On 4 November 2020, the Company invested in 499,997 ordinary shares of Srisawad Digital Co., Ltd., which was established in 2020, at 100 Baht per share totaling Baht 50 million which represented 99.99% of total paid-up share capital for the ordinary shares.

SWP Asset Management Co., Ltd.

On 16 November 2020, the Company sold 100,000 ordinary shares which represented 10.00% of investment in ordinary shares of SWP Asset Management Co., Ltd. for Baht 18.82 million. This changed its investment proportion from 94.99% to 84.99% and caused gain on sale of investment amounting Baht 8.82 million.

Srisawad Capital Co., Ltd.

On 30 November 2020, the Company additionally invested in 38,500,000 ordinary shares of Srisawad Capital Company Limited at 5 Baht per share totaling Baht 192.5 million. This changed its investment proportion from 5.00% to 65.00%. As a result of the acquisition, the Group recognised goodwill amounting to Baht 23.58 million as disclosed in Note 39.

Investments in subsidiaries which held by Srisawad International Holding Company Limited

Srisawad PICO Pattani Co., Ltd., Srisawad PICO Yala Co., Ltd. and Srisawad PICO Narathiwat Co., Ltd.

On 24 July 2020, the Board of Directors Meeting of Srisawad International Holding Co., Ltd. no. 3/2020 approved incorporation of Srisawad PICO Pattani, Srisawad PICO Yala and Srisawad PICO Narathiwat to conduct PICO finance business. Each company issued 100,000 ordinary shares at Baht 100 per share of which Srisawad International Holding Co., Ltd., a subsidiary, invested in 99,997 ordinary shares in each company which represented 99.99% of total share capital by fully paid-up for the ordinary shares issued by each company. Srisawad International Holding Co., Ltd has fully paid for these investments amounting to Baht 10 million each, totaling Baht 30 million.

19.2 Transactions incurred during 2019

Investments in subsidiaries

Srisawad Finance PCL.

During the year, the Company exercised its right to purchase 329,750,012 newly issued ordinary shares of Srisawad Finance Public Company Limited. The shares included the subscription shares and excess shares. The par value was 5 Baht per share. This changed the Company's investment proportion from 45.34% to 77.95%.

After the Company paid for additional ordinary shares of Srisawad Finance PCL., the Company has to proceed tender offer all securities of Srisawad Finance PCL., which is completed in 26 July 2019. The purchase 22,521,157 shares from shareholders changed the Company's investment proportion from 77.95% to 82.04%.

Due to the increase in ownership interest of Srisawad Finance PCL., the Company received increased equity interest of Baht 6,013 million based on its new investment proportion of 82.04%. Meanwhile, the Company paid a total of Baht 6,340 million for the additional ordinary shares and tender offer proceeded at 18 Baht per share. The Company recorded a discount from changes in the ownership interests in a subsidiary of Baht 327 million, resulting from the change in the Company's shareholding proportion in its subsidiary.

Investments in subsidiaries which held by Srisawad International Holding Company Limited

SWP Services Co., Ltd.

On 30 May 2019, Srisawad International Holding Company Limited, a subsidiary of the Company, invested in 750,000 ordinary shares of SWP Services Company Limited at 100 Baht per share. This changed its investment proportion from 74.99% to 99.99%.

Srisawad Vietnam Liability Co., Ltd.

On 31 December 2019, Srisawad International Holding Company Limited, a subsidiary of the Company, sold 90.00% of investing in ordinary shares of Srisawad Vietnam Liability Co., Ltd. for Baht 91.73 million. This changed its investment proportion from 100.00% to 10.00% and reclassification from investment in subsidiaries to general investment total of Baht 10.19 million. This caused gain on sale and reclassification of investment Baht 35.45 million.

19.3 Non-controlling interests

The total non-controlling interests as of 31 December 2020 is Baht 1,985.01 million (2019: Baht 1,803.34 million), of which Baht 1,838.89 million is for Srisawad Finance PCL. (2019: Baht 1,787.73 million). The remaining non-controlling interests are considered immaterial to the Group's equity.

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for subsidiary are before inter-company eliminations.

Summarised statement of financial position

	Srisawad Finance Public Company Limited	
	2020	2019
	Baht'000	Baht'000
Assets	19,582,043	20,699,198
Liabilities	(9,985,397)	(11,416,928)
Net assets	9,596,646	9,282,270
Non-controlling interests	1,838,892	1,787,734

Summarised statement of comprehensive income

	Srisawad Finance Public Company Limited	
	2020	2019
	Baht'000	Baht'000
Revenue	3,594,998	2,943,498
Profit or loss	1,567,193	810,859
Other comprehensive income	(4,221)	785
Total comprehensive income	1,562,972	811,644
Profit allocated to non-controlling interests	278,169	172,633
Dividends paid to non-controlling interests	222,759	-

Summarised statement of cash flows

	Srisawad Finance Public Company Limited	
	2020	2019
	Baht'000	Baht'000
Net cash generated from operating activities	2,750,909	264,911
Net cash generated from investing activities	56,647	7,640
Net cash used in financing activities	(3,262,680)	(546,530)
Net decrease in cash and cash equivalents, net	(455,124)	(273,979)
Cash and cash equivalents at beginning of the year	879,732	1,153,711
Cash and cash equivalents at end of the year	424,608	879,732

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20 Property, plant and equipment, net

	Consolidated financial statements						Total Baht'000
	Land Baht'000	Building and building improvement Baht'000	Furniture and fixture Baht'000	Equipment Baht'000	Vehicles Baht'000	Work in process Baht'000	
At 1 January 2019							
Cost	3,903	560,934	227,840	196,855	344,555	-	1,334,087
<u>Less</u> Accumulated depreciation	-	(212,090)	(145,449)	(133,391)	(213,849)	-	(704,779)
Closing net book value	3,903	348,844	82,391	63,464	130,706	-	629,308
For the year ended 31 December 2019							
Opening net book value	3,903	348,844	82,391	63,464	130,706	-	629,308
Additions	-	177,851	54,795	34,467	26,582	-	293,695
Decommissioning cost	-	558	-	-	-	-	558
Disposals/write off, net	-	(51,362)	(3)	(20)	(4,035)	-	(55,420)
Transfer out from investment reclassification	-	(1,308)	-	-	-	-	(1,308)
Amortisation for decommission	-	(367)	-	-	-	-	(367)
Depreciation charge	-	(109,354)	(34,087)	(27,692)	(54,946)	-	(226,079)
Effects of changes in foreign exchange rates	-	(102)	(11)	(10)	(4)	-	(127)
Closing net book value	3,903	364,760	103,085	70,209	98,303	-	640,260
At 31 December 2019							
Cost	3,903	672,334	270,081	217,640	357,260	-	1,521,218
<u>Less</u> Accumulated depreciation	-	(307,574)	(166,996)	(147,431)	(258,957)	-	(880,958)
Closing net book value	3,903	364,760	103,085	70,209	98,303	-	640,260
Adjustments from change in accounting policy (Note 5)							
Cost transferred to right-of-use assets	-	(6,580)	-	-	(165,400)	-	(171,980)
<u>Less</u> Accumulated depreciation transferred to right-of- use assets	-	562	-	-	119,376	-	119,938
Net book amount	-	(6,018)	-	-	(46,024)	-	(52,042)
At 1 January 2020							
Cost	3,903	665,754	270,081	217,640	191,860	-	1,349,238
<u>Less</u> Accumulated depreciation	-	(307,012)	(166,996)	(147,431)	(139,581)	-	(761,020)
Net book amount	3,903	358,742	103,085	70,209	52,279	-	588,218
For the year ended 31 December 2020							
Opening net book value	3,903	358,742	103,085	70,209	52,279	-	588,218
Additions	24,957	126,231	37,310	23,238	7,514	32,871	252,121
Increase from business combination (Note 39)	-	-	4,430	5,891	-	-	10,321
Disposals/write off, net	-	(2,991)	-	-	(889)	-	(3,880)
Depreciation charge	-	(121,030)	(38,679)	(28,388)	(16,934)	-	(205,031)
Effects of changes in foreign exchange rates	-	-	(4)	(2)	(2)	-	(8)
Closing net book value	28,860	360,952	106,142	70,948	41,968	32,871	641,741
At 31 December 2020							
Cost	28,860	788,995	314,095	249,837	198,482	32,871	1,613,140
<u>Less</u> Accumulated depreciation	-	(428,043)	(207,953)	(178,889)	(156,514)	-	(971,399)
Closing net book value	28,860	360,952	106,142	70,948	41,968	32,871	641,741

	Separate financial statements		
	Building and building improvement Baht'000	Equipment Baht'000	Total Baht'000
At 1 January 2019			
Cost	-	-	-
<u>Less</u> Accumulated depreciation	-	-	-
Closing net book value	-	-	-
For the year ended 31 December 2019			
Opening net book value	-	-	-
Additions	17,403	6	17,409
Decommissioning cost	472	-	472
Amortisation for decommission	(27)	-	(27)
Depreciation charge	(866)	(1)	(867)
Closing net book value	16,982	5	16,987
At 31 December 2019			
Cost	17,875	6	17,881
<u>Less</u> Accumulated depreciation	(893)	(1)	(894)
Closing net book value	16,982	5	16,987
Adjustments from change in accounting policy (Note 5)			
Cost transferred to right-of-use assets	(472)	-	(472)
<u>Less</u> Accumulated depreciation transferred to right-of-use assets	27	-	27
Net book amount	(445)	-	(445)
At 1 January 2020			
Cost	17,403	6	17,409
<u>Less</u> Accumulated depreciation	(866)	(1)	(867)
Net book amount	16,537	5	16,542
For the year ended 31 December 2020			
Opening net book value	16,537	5	16,542
Depreciation charge	(994)	(1)	(995)
Closing net book value	15,543	4	15,547
At 31 December 2020			
Cost	17,403	6	17,409
<u>Less</u> Accumulated depreciation	(1,860)	(2)	(1,862)
Closing net book value	15,543	4	15,547

From 2020, the Group are presented right-of-use assets as a separate line item in the financial position as results of changes in accounting policy in Note 5.

21 Right-of-use assets, net

	Consolidated financial statements			
	Buildings Baht'000	Branches Baht'000	Vehicles Baht'000	Total Baht'000
Balance as at 1 January 2020 (Note 5)	556,607	957,498	49,963	1,564,068
Additions	-	588,718	24,053	612,771
Increase from bussiness combination (Note 39)	3,387	-	-	3,387
Lease termination	-	(18,197)	-	(18,197)
Depreciation charge	(38,189)	(592,117)	(34,583)	(664,889)
Balance as at 31 December 2020	521,805	935,902	39,433	1,497,140

	Separate financial statements	
	Buildings Baht'000	
Balance as at 1 January 2020 (Note 5)	39,465	
Depreciation charge	(2,409)	
Balance as at 31 December 2020	37,056	

The expense relating to leases that not included in the measurement of lease liabilities and right-of-use and cash outflows for leases is as follows:

	Consolidated financial statements	Separate financial statements
	2020 Baht'000	2020 Baht'000
Interest expense from lease liabilities	56,513	1,622
Expense relating to leases of low-value assets	2,757	-

22 Intangible assets, net

As at 31 December 2020 and 2019, the Group and the Company's net intangible assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Finance license	554,000	554,000	-	-
Goodwill (Note 39)	23,577	-	-	-
Computer software	27,567	14,105	520	749
Total intangible assets, net	605,144	568,105	520	749

Finance License

The Group performs on impairment test on the finance license annually. The recoverable amount of a finance license is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management.

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The key assumptions used for value-in-use calculations of finance license are as follows:

	Finance license
the growth rate of the loan portfolio	3.00%
interest cost rate	2.40%
fee income rate	1.30%
the discount rate calculated from the cost of equity	12.66%

Based on the annual impairment assessment, the management concluded that there was no impairment of the finance license as at 31 December 2020 (2019: None).

Goodwill

The Group performs on impairment test on the goodwill annually. The recoverable amount of a goodwill is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management.

Computer Software

The movement of computer software for the years ended 31 December 2020 and 2019 is as follows:

	Consolidated financial statements			Separate financial statements		
	Computer software Baht'000	Work in process Baht'000	Total Baht'000	Computer software Baht'000	Work in process Baht'000	Total Baht'000
At January 2019						
Cost	29,832	5,663	35,495	1,405	-	1,405
<u>Less</u> Accumulated amortisation	(21,254)	-	(21,254)	(375)	-	(375)
Closing net book value	8,578	5,663	14,241	1,030	-	1,030
For the year ended 31 December 2019						
Opening net book value	8,578	5,663	14,241	1,030	-	1,030
Additions	1,329	3,063	4,392	-	-	-
Amortisation charge	(3,497)	-	(3,497)	(281)	-	(281)
Transfer out	-	(1,031)	(1,031)	-	-	-
Closing net book value	6,410	7,695	14,105	749	-	749
At 31 December 2019						
Cost	31,161	7,695	38,856	1,405	-	1,405
<u>Less</u> Accumulated amortisation	(24,751)	-	(24,751)	(656)	-	(656)
Closing net book value	6,410	7,695	14,105	749	-	749
For the year ended 31 December 2020						
Opening net book value	6,410	7,695	14,105	749	-	749
Additions	12,037	1,784	13,821	11	43	54
Increase from business combination (Note 39)	3,898	-	3,898	-	-	-
Amortisation charge	(4,257)	-	(4,257)	(283)	-	(283)
Transfer in (out)	8,093	(8,093)	-	43	(43)	-
Closing net book value	26,181	1,386	27,567	520	-	520
At 31 December 2020						
Cost	55,157	1,386	56,543	1,458	-	1,458
<u>Less</u> Accumulated amortisation	(28,976)	-	(28,976)	(938)	-	(938)
Closing net book value	26,181	1,386	27,567	520	-	520

23 Deferred tax

The analysis of deferred tax assets and deferred tax liabilities at 31 December 2020 and 2019 is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	183,468	25,125	-	-
Deferred tax asset to be recovered after more than 12 months	96,347	58,357	5,648	2,006
	279,815	83,482	5,648	2,006
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	-	-	-	-
Deferred tax liabilities to be settled after more than 12 months	(158,404)	(136,253)	(25)	(17)
	(158,404)	(136,253)	(25)	(17)
Deferred tax, net	121,411	(52,771)	5,623	1,989

The movements in deferred tax assets and deferred tax liabilities are as follows:

	Consolidated financial statements								
	(Gain) Loss on financial assets measured at FVOCI Baht'000	Allowance for expected credit loss/ Allowance for doubtful accounts Baht'000	Allowance for impairment Baht'000	Employee benefit obligations Baht'000	Prepaid expenses Baht'000	Decommission cost Baht'000	Right-of-use assets Baht'000	Cash flow hedges Baht'000	Total Baht'000
Deferred tax assets									
At 1 January 2019	-	48,050	2,332	7,979	118,028	98	-	-	176,487
Charged (credited) to profit or loss	-	(7,374)	2,106	3,275	(89,059)	93	-	-	(90,959)
Credited to other comprehensive income	-	-	-	(2,046)	-	-	-	-	(2,046)
At 31 December 2019	-	40,676	4,438	9,208	28,969	191	-	-	83,482
Adjustments from changes in accounting policies (Note 5)	(300)	128,378	-	-	-	(70)	15,705	3,127	146,840
At 1 January 2020	(300)	169,054	4,438	9,208	28,969	121	15,705	3,127	230,322
Charged from business combination (Note 39)	-	3,136	-	-	-	-	82	-	3,218
Charged (credited) to profit or loss	8,574	8,849	(260)	3,744	13,420	(121)	11,354	-	45,560
Charged (credited) to other comprehensive income	82	-	-	747	-	-	-	(114)	715
At 31 December 2020	8,356	181,039	4,178	13,699	42,389	-	27,141	3,013	279,815

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	Consolidated financial statements				
	Loss (gain) on financial assets measured at FVPL Baht'000	Unrealised gain on available- for-sale Baht'000	Revaluation Baht'000	Interest receivable Baht'000	Total Baht'000
Deferred tax liabilities					
At 1 January 2019	-	(587)	(136,000)	-	(136,587)
Charged to other comprehensive income	-	334	-	-	334
At 31 December 2019	-	(253)	(136,000)	-	(136,253)
Adjustments from changes in accounting policies (Note 5)	47	253	25,600	-	25,900
At 1 January 2020	47	-	(110,400)	-	(110,353)
Credited to profit or loss	(8,534)	-	-	(39,517)	(48,051)
Charged to other comprehensive income	-	-	-	-	-
At 31 December 2020	(8,487)	-	(110,400)	(39,517)	(158,404)
	Separate financial statements				
	Employee benefit obligations Baht'000	Decommission Cost Baht'000	Right-of-use assets Baht'000	Cash flow hedges Baht'000	Total Baht'000
Deferred tax assets					
At 1 January 2019	1,853	-	-	-	1,853
Charged to profit or loss	392	9	-	-	401
Credited to other comprehensive income	(248)	-	-	-	(248)
At 31 December 2019	1,997	9	-	-	2,006
Adjustments from changes in accounting policies (Note 5)	-	(9)	241	3,127	3,359
At 1 January 2020	1,997	-	241	3,127	5,365
Charged to profit or loss	364	-	135	-	499
Credited to other comprehensive income	(102)	-	-	(114)	(216)
At 31 December 2020	2,259	-	376	3,013	5,648

	Separate financial statements		
	Loss (gain) on financial assets measured at FVPL Baht'000	Unrealised gain on available-for-sale Baht'000	Total Baht'000
Deferred tax liabilities			
At 1 January 2019	-	-	-
Credited to other comprehensive income	-	(17)	(17)
At 31 December 2019	-	(17)	(17)
Adjustments from changes in accounting policies (Note 5)	(17)	17	-
At 1 January 2020	(17)	-	(17)
Credited to other comprehensive income	(8)	-	(8)
At 31 December 2020	(25)	-	(25)

24 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Rental deposits	47,625	51,789	3,287	3,287
Employee retention	66,677	43,706	-	-
Restricted cash	2,735	2,707	-	-
Other deposits	55,659	38,618	-	-
Total other non-current assets	172,696	136,820	3,287	3,287

25 Deposits and debt securities issued

As at 31 December 2020 and 2019, the summaries of deposits and debt securities issued of a subsidiary from business acquisition are as follows:

25.1 Deposits

Classified by type of deposits

	Consolidated financial statements	
	2020 Baht'000	2019 Baht'000
At call	199,190	94,698
At maturity	5,034,906	6,253,635
Total	5,234,096	6,348,333

Classified by currency and residence of customers

	Consolidated financial statements	
	2020 Baht'000	2019 Baht'000
Domestic Baht	5,234,039	6,348,276
Foreign Baht	57	57
Total	5,234,096	6,348,333

25.2 Debt securities issued

Classified by type of debt securities issued

	Consolidated financial statements	
	2020 Baht'000	2019 Baht'000
At call	6,000	6,000
Total	6,000	6,000

Classified by currency and residence of customers

	Consolidated financial statements	
	2020 Baht'000	2019 Baht'000
Domestic Baht	6,000	6,000
Total	6,000	6,000

As at 31 December 2020, the Group has debt securities issued totaling Baht 6 million at 1.75% per annum (2019: Baht 6 million at 1.75% per annum).

26 Borrowings from financial institutions

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Current				
Bank overdrafts	-	23,523	-	23,523
Short-term borrowings from financial institutions	200,000	1,880,000	200,000	1,880,000
Current portion of long-term borrowings from financial institutions	1,307,129	1,937,407	1,163,796	1,247,129
Total current borrowings	1,507,129	3,840,930	1,363,796	3,150,652
Non-current				
Long-term borrowings from financial institutions	2,930,773	2,435,124	1,155,773	2,305,680
Total non-current borrowings	2,930,773	2,435,124	1,155,773	2,305,680
Total borrowings from financial institutions	4,437,902	6,276,054	2,519,569	5,456,332

- 26.1 The movements of short-term borrowings from financial institutions for the years ended 31 December 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Opening book balance	1,880,000	4,050,000	1,880,000	3,050,000
Additions of short-term borrowings	2,070,000	21,685,382	2,070,000	15,685,382
Repayments of short-term borrowings	(3,750,000)	(23,855,382)	(3,750,000)	(16,855,382)
Closing book balance	200,000	1,880,000	200,000	1,880,000

Short-term borrowings from financial institutions are charged interest rate of 1.65% per annum (2019: 1.80% - 2.45% per annum) and have been fully paid interest and principal at maturity date.

- 26.2 The movements of short-term borrowings from financial institutions for purchase of loans for the years ended 31 December 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Opening book balance	-	338,826	-	-
Repayments of short-term borrowings	-	(338,826)	-	-
Closing book balance	-	-	-	-

- 26.3 The movements of long-term borrowings from financial institutions which included current portion for the years ended 31 December 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Opening book balance	4,372,531	3,445,833	3,552,809	580,556
Additions of long-term borrowings	1,775,000	3,800,000	-	3,500,000
Repayments of long-term borrowings	(1,909,629)	(2,873,302)	(1,233,240)	(527,747)
Closing book balance	4,237,902	4,372,531	2,319,569	3,552,809

Long-term borrowings from financial institutions are charged interest rate of 2.00% - 3.50% per annum (2019: 3.05% - 4.20% per annum) and have been paid interest and principal on monthly basis and at maturity date.

The Group and the Company have the following undrawn committed borrowing facilities amount of Baht 9,640 million (2019: Baht 5,700 million). These borrowing agreements require the Group and the Company to maintain debt to equity ratio by computing applies annual consolidated financial statements. The Group and the Company comply with the conditions.

The Group and the Company have the bank overdrafts with limit up to Baht 200 million. (2019: Baht 195 million)

The fair values of current borrowings are equal to their carrying amounts, as the impact of discounting is not material. The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 6.29% (2019: 6.93%) and are within the level 2 of the fair value hierarchy.

27 Lease liabilities

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Minimum finance lease liabilities payments				
Not later than one year	588,714	15,613	3,370	-
Later than 1 year but not later than 5 years	617,349	6,936	13,478	-
Later than 5 years	490,425	-	35,100	-
Total undiscounted lease liabilities	1,696,488	22,549	51,948	-
<u>Less</u> Future finance charges on finance leases	(218,961)	(712)	(13,436)	-
Present value of finance lease liabilities	1,477,527	21,837	38,512	-
Present value of finance lease liabilities:				
Not later than one year	544,540	15,071	1,826	-
Later than 1 year but not later than 5 years	533,601	6,766	8,101	-
Later than 5 years	399,386	-	28,585	-
Total discounted lease liabilities	1,477,527	21,837	38,512	-

28 Other payables

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Other payables	524,224	236,392	2,206	1,430
Amounts due to related parties (Note 40 i))	693	746	18,428	21,855
Accrued expenses	210,577	238,839	29,999	10,276
Accrued interest expenses	93,956	94,289	70,874	55,872
Others	111,127	92,395	1	1
Total	940,577	662,661	121,508	89,434

29 Senior debentures

	Consolidated and Separate financial statements	
	2020 Baht'000	2019 Baht'000
Senior unsecured debentures		
- Expiring within one year	2,102,100	1,166,100
- Expiring more than one year	-	2,102,100
Senior secured debentures		
- Expiring within one year	1,650,076	1,225,000
- Expiring more than one year	11,063,460	6,727,091
Total senior debentures	14,815,636	11,220,291

The movements of senior debentures which included current portion for the years ended 31 December 2020 and 2019 are as follows:

	Consolidated and Separate financial statements			
	2020		2019	
	Unsecured Baht'000	Secured Baht'000	Unsecured Baht'000	Secured Baht'000
Opening balance	3,268,200	7,952,091	4,526,700	4,411,383
Additions				
Principal (net of debt issuance cost)	-	5,969,120	-	3,532,673
Repayments	(1,166,100)	(1,225,000)	(1,258,500)	-
Amortisation of debt issuance costs	-	17,325	-	8,035
Closing balance	2,102,100	12,713,536	3,268,200	7,952,091

Senior unsecured and secured debentures were charged interest rate of 2.80% - 4.40% per annum in accordance with condition of each debenture (2019: 3.60% - 4.40% per annum) and have been paid interest on a quarterly basis and paid principal at maturity date.

These debenture agreements require the Group and the Company to maintain debts to equity ratio by computing from annual consolidated financial statements. The Group and the Company could comply with the conditions.

30 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Statement of financial position				
Pension benefits	68,609	46,154	11,292	9,982
Loss charge included in operating profit				
Pension benefits	18,719	16,377	1,819	1,957
Remeasurement				
Pension benefits	3,736	(10,232)	(509)	(1,240)

The amounts recognised in the statement of financial position are determined as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Present value of obligations	68,609	46,154	11,292	9,982
Liability in the statement of financial position	68,609	46,154	11,292	9,982

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The movements in the employee benefit obligations over the years are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
As at 1 January	46,154	40,009	9,982	9,265
Current service costs	17,731	15,504	1,696	1,760
Interest costs	988	1,067	123	197
Employee benefit adjustment	-	(194)	-	-
Remeasurements:				
Loss (gain) from change in demographic assumptions	2,658	879	(138)	1,083
Gain from change in financial assumptions	(3,715)	(6,650)	(816)	(747)
Experience loss (gain)	4,793	(4,461)	445	(1,576)
As at 31 December	68,609	46,154	11,292	9,982

Expense (revenue) for employee benefits were recognised in the statements of comprehensive income as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Current service costs	17,731	15,504	1,696	1,760
Interest costs	988	1,067	123	197
Remeasurement of employee benefit obligations	3,736	(10,232)	(509)	(1,240)
Employee benefit adjustment	-	(194)	-	-
	22,455	6,145	1,310	717

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	0.92% - 1.82%	1.32% - 2.13%	0.92%	1.32%
Salary increase rate	4.00%	5.00%	4.00%	5.00%
	100.00%	100.00%	100.00%	100.00%
	of Thai Mortality Ordinary Table	of Thai Mortality Ordinary Table	of Thai Mortality Ordinary Table	of Thai Mortality Ordinary Table
Mortality rate	2017	2017	2017	2017
Turnover rate	3.00 - 23.30%	2.00% - 22.00%	3.00 - 23.30%	2.00% - 22.00%
Retirement age	60 years old	60 years old	60 years old	60 years old

Sensitivity analysis

	Increase (decrease) in provisions for employment benefits			
	Consolidated financial statements		Separate financial statements	
	2020 %	2019 %	2020 %	2019 %
Financial Assumptions				
Discount rate				
Increase 1%	(10.83)	(12.92)	(4.98)	(4.83)
Decrease 1%	13.03	15.81	5.51	5.21
Salary increase rate				
Increase 1%	12.10	16.19	4.83	4.92
Decrease 1%	(10.32)	(11.69)	(4.48)	(4.67)
Demographic Assumptions				
Mortality rate				
Increase 1%	(0.44)	(0.50)	(0.11)	(0.09)
Decrease 1%	0.40	0.45	0.10	0.08
Turnover rate				
Increase 10%	(7.25)	(9.06)	(2.07)	(1.17)
Decrease 10%	8.63	10.97	2.37	1.29

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the pension liability recognised within the statement of financial position (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period).

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation of the Group and the Company is 7 - 20 years and 7 years, respectively (2019: 8 - 22 years and 6 years).

Analysis of the maturity of the payment of retirement benefits with no discount is as follows:

	Consolidated financial statements				
	Less than a year Baht'000	Between 1-3 years Baht'000	Between 3-5 years Baht'000	Over 5 years Baht'000	Total Baht'000
At 31 December 2020					
Pension benefits	3,942	3,441	16,068	246,574	270,025
Total	3,942	3,441	16,068	246,574	270,025
At 31 December 2019					
Pension benefits	126	4,147	14,638	267,459	286,370
Total	126	4,147	14,638	267,459	286,370

	Separate financial statements				
	Less than a year Baht'000	Between 1-3 years Baht'000	Between 3-5 years Baht'000	Over 5 years Baht'000	Total Baht'000
At 31 December 2020					
Pension benefits	2,160	-	14,922	5,865	22,947
Total	2,160	-	14,922	5,865	22,947
At 31 December 2019					
Pension benefits	-	1,702	12,000	5,098	18,800
Total	-	1,702	12,000	5,098	18,800

31 Share capital and premium on share capital

	Number of ordinary share Shares'000	Number of issued and paid-up shares Shares'000	Issued and paid-up ordinary shares Baht'000	Share premium Baht'000	Share premium from share-base payment Baht'000	Total Baht'000
Opening book balance as at 1 January 2020	1,374,661	1,336,247	1,336,247	4,455,070	36,190	5,827,507
Issuance of ordinary shares	53,417	36,905	36,905	1,752,109	-	1,789,014
Closing book balance as at 31 December 2020	1,428,078	1,373,152	1,373,152	6,207,179	36,190	7,616,521
Opening book balance as at 1 January 2019	1,249,710	1,147,772	1,147,772	1,424,760	36,190	2,608,722
Issuance of ordinary shares	124,951	68,001	68,001	3,030,310	-	3,098,311
Dividend stock	-	120,474	120,474	-	-	120,474
Closing book balance as at 31 December 2019	1,374,661	1,336,247	1,336,247	4,455,070	36,190	5,827,507

On 4 June 2020, warrant holders who has right to exercise warrant conversion of 29,834,500 warrants, are entitled to convert the warrants they hold into ordinary shares, with the conversion ratio of 1:1.237 at exercise price of Baht 48.476 per ordinary share. The number of issued and paid-up shares increased by 36,905,142 shares.

On 31 July 2020, the Annual General Meeting of Shareholders for 2020 approved the following:

- Approved capital decrease from Baht 1,374,661,443 to Baht 1,373,152,393 by reducing 1,509,050 ordinary shares at par value of Baht 1 per share which excess from allocate shares as follows:
 - Excess from stock dividend payment on 22 May 2019 amounting 3,058 ordinary shares.
 - Excess from the last exercise of the first warrants to purchase ordinary shares of the Company (SAWAD-W1) amounting 1,505,992 ordinary shares.
- Approved capital increase from Baht 1,373,152,393 to Baht 1,428,078,488 by issuing 54,926,095 ordinary shares at par value of Baht 1 per share to accommodate the exercise of the second warrants to purchase ordinary shares of the Company (SAWAD-W2).

On 18 February 2019, the company allocated and sold ordinary share to a private placement 57,000,000 shares at premium value of 45 Baht per share totaling Baht 2,565 million which consisted of issued and paid-up shares Baht 57 million and share premium Baht 2,508 million. This changed investment proportion of this investor from 4.99% to 9.49%.

On 24 April 2019, the Annual General Meeting of Shareholders for 2019 approved capital increase from Baht 1,249,710,379 to Baht 1,374,661,443 by issuing 124,951,064 ordinary shares with par value of Baht 1 per share and allocate shares as follows:

- Allocation of 120,477,158 shares at par value of Baht 1 per share to accommodate for the dividend payment for ordinary shares.
- Allocation of 4,473,906 shares at par value of Baht 1 per share to accommodate the exercise of the first warrants to purchase ordinary shares of the Company (SAWAD-W1).

On 29 November 2019, warrant holders who has right to exercise warrant conversion of 8,893,749 warrants, are entitled to convert the warrants they hold into ordinary shares, with the conversion ratio of 1:1.237 at exercise price of Baht 48.476 per ordinary share. This number of issued and paid-up shares increased by 11,001,563 shares.

32 Dividend

On 31 July 2020, the Annual General Meeting of Shareholders for the year 2020 approved dividend payment for the year 2019 to the shareholders. The dividend payment was paid in cash at the rate of Baht 1.40 per share amounting to Baht 1,922.4 million.

On 24 April 2019, the Annual General Meeting of Shareholders for the year 2019 approved dividend payment for the year 2018 to the shareholders amounting to Baht 134.9 million. The dividend payment will be paid in cash and ordinary shares on the following basis:

1. Payment of cash dividend at the rate of Baht 0.012 per share amounting to Baht 14,457,260.
2. Payment of ordinary shares dividend of 120,477,158 shares at par value of Baht 1 per share to the shareholders at the rate of 10 shares per 1 ordinary share dividend totaling Baht 120,477,158 a dividend of Baht 0.10 per share. In the case of fractional shares, payment will be paid in cash instead of ordinary share dividend at the rate of Baht 0.10 per share.

The Company paid dividend to the existing shareholders on 22 May 2019 for 120,474,100 shares at par value of Baht 1 per share.

33 Legal reserve

	Consolidated and Separate financial statements	
	2020 Baht'000	2019 Baht'000
At 1 January	130,058	124,971
Appropriation during the year	12,749	5,087
At 31 December	142,807	130,058

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

34 Other income

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Fee income	1,314,978	1,935,880	-	-
Gain from loans receivable from purchase of loans	81,367	25,248	-	-
Insurance commission income	666,710	67,410	-	-
Others	761,846	522,698	16,100	8,296
Total other income	2,824,901	2,551,236	16,100	8,296

35 Finance costs

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Interest and finance charges paid for lease liabilities	60,186	-	1,639	-
Borrowings from financial institutions	290,387	408,847	111,750	84,523
Senior debentures	552,039	419,449	552,039	419,449
Total finance costs	902,612	828,296	665,428	503,972

36 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Marketing expenses	29,471	53,752	119	397
Marketing incentives	132,001	123,168	-	54
Advisory and professional fee	26,232	39,308	4,619	7,361
Personnel expenses	1,868,874	1,784,858	46,213	39,580
Depreciation and amortisation expenses	874,197	230,413	3,687	1,174
Rental and service expenses	5,802	528,330	105	3,475
Specific business tax and other taxes	297,902	262,945	15	9
Utilities expenses	156,436	139,161	527	558
Fuel expenses	25,203	36,852	3	23
(Reversal) impairment loss of properties foreclosed	(1,288)	10,529	-	-
Foreclosing expenses	7,436	13,251	-	-
Other administrative expenses	364,468	309,291	20,412	23,722
Total expense	3,786,734	3,531,858	75,700	76,353

37 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Current Tax:				
Current tax on profits for the year	1,187,992	861,025	2,583	25,828
Adjustment in respect of prior year	1,355	287	-	-
Total current tax	1,189,347	861,312	2,583	25,828
Deferred tax: (Note 23)				
(Increase) decrease in deferred tax assets	(45,560)	90,959	(499)	(401)
Increase in deferred tax liabilities	48,051	-	8	-
Total deferred tax	2,491	90,959	(491)	(401)
Total income tax expense	1,191,838	952,271	2,092	25,427

The tax on the Group's on profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Profit before tax	5,982,669	4,881,018	1,027,995	127,176
Tax calculated at a tax rate of 20% (2019: 20%)	1,196,534	976,204	205,599	25,435
Tax effect of:				
Expenses not deductible for tax purpose	695	6,688	-	-
Income not subject to tax	(13,403)	(554)	(203,507)	-
Additional deductible expenses	(4)	(36,177)	-	(8)
Utilisation of previously unrecognized deferred tax assets	(596)	-	-	-
Tax losses for which no deferred income tax asset was recognised	7,257	5,823	-	-
Adjustment in respect of prior year	1,355	287	-	-
Tax charge	1,191,838	952,271	2,092	25,427

38 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net profit attributable to ordinary shareholders of the Company (Thousand Baht)	4,508,329	3,756,487	1,025,903	101,749
Weighted average number of ordinary shares outstanding (Thousand Shares)	1,357,523	1,319,026	1,357,523	1,319,026
Basic earnings per share (Baht per share)	3.32	2.85	0.76	0.08

During the year 2020 and 2019, the Company issued dilutive ordinary share, but they did not give rise to dilutive EPS.

39 Business Acquisition

On 30 November 2020, the Group additionally acquired 60% of the share capital of Srisawad Capital Co., Ltd. for a total consideration of Baht 192.50 million which made total holding interest to be 65% and the Group has control over Srisawad Capital Co., Ltd. As a result of the acquisition, the Group is expected to increase its presence in these markets. The goodwill amount from the business acquisition is Baht 23.58 million.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	As at acquisition date Baht'000
Purchase consideration	
Cash paid	192,500
Fair value of the Group's previously-held equity interests	2,500
Total purchase consideration	195,000
<u>Add</u> Non-controlling interests	92,305
<u>Less</u> Fair value of net assets acquired	(263,728)
Goodwill	23,577

The assets and liabilities recognised as a result of the acquisition are as follows:

	As at acquisition date Baht'000
Cash and cash equivalents	272,684
Financial assets measured at fair value through profit or loss	2,500
Loans to customers and accrued interest	1,431,366
Other receivables	35,105
Equipments, net (Note 20)	10,321
Right-of-use assets, net (Note 21)	3,387
Intangible assets, net (Note 22)	3,898
Deferred tax asset (Note 23)	3,218
Other non-current assets	417
Other payables	(31,470)
Short-term loans	(1,463,700)
Lease liabilities	(2,907)
Other current liabilities	(204)
Provision	(887)
Fair value of net assets acquired	263,728

Non-controlling interest

The Group has chosen to recognise the non-controlling interest at its net identifiable assets of subsidiary for this acquisition according to the proportion of ownership interest.

40 Related party transactions

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

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

During the year, the Group and the Company had significant business transactions with its related parties. These transactions have been conducted based on agreed upon contracts. The relationship and significant transactions can be summarised as below:

	Relationship
Srisawad Finance PCL.	Subsidiary
Fast Money Co., Ltd.	Subsidiary
SWP Asset Management Co., Ltd.	Subsidiary
Srisawad International Holding Co., Ltd.	Subsidiary
P Lending Co., Ltd	Subsidiary
Srisawad Power 2014 Co., Ltd.	Subsidiary
Srisawad Capital Co., Ltd.	Subsidiary
Srisawad Digital Co., Ltd.	Subsidiary
Srisawad Leasing Lao Co., Ltd	Subsidiary (Held by Subsidiary)
SWP Services Co., Ltd.	Subsidiary (Held by Subsidiary)
Srisawad PICO Pattani Co., Ltd.	Subsidiary (Held by Subsidiary)
Srisawad PICO Yala Co., Ltd.	Subsidiary (Held by Subsidiary)
Srisawad PICO Narathiwat Co., Ltd.	Subsidiary (Held by Subsidiary)
Srisawad Power Co., Ltd.	Related party (Having the common directors)
Srisamarn Condotel Co., Ltd.	Related party (Having the common directors)
Srisamarn Bangkok Co., Ltd	Related party (Having the common directors)
I.D. 2007 Co., Ltd.	Related party (Having the common directors)
Freewill Solutions Co., Ltd.	Related party (Having the common directors)

The transaction with its related parties can be summarised as below:

a) Revenue

		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Pricing policy		Baht'000	Baht'000	Baht'000	Baht'000
Interest income					
Subsidiaries	Agreed rate per contract	-	-	735,476	699,045
Dividend Income					
Subsidiaries	As declared	-	-	1,017,536	-

b) Expenses

		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht'000	Baht'000	Baht'000	Baht'000
Pricing policy					
Interest expense - deposit					
Other related parties (Having the common directors)	Agreed rate per contract	41,657	49,232	-	-
Directors and management	Agreed rate per contract	4,613	4,842	-	-
Interest expenses - Senior debentures					
Directors and management	Agreed rate per contract	182	-	182	-
Rent					
Other related parties (Having the common directors)	Agreed rate per contract	213	57,256	-	3,475
Directors	Agreed rate per contract	-	5,658	-	-
Management fee					
Other related parties (Having the common directors)	Agreed rate per contract	1,734	1,435	-	-

c) Key management and directors' compensation

		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht'000	Baht'000	Baht'000	Baht'000
Short-term employee benefits		114,247	79,900	39,799	26,264
Post-employment benefits		3,591	3,839	2,171	1,889
Total		117,838	83,739	41,970	28,153

d) Amount due from related parties

		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht'000	Baht'000	Baht'000	Baht'000
Subsidiaries		-	-	5	368
Other related parties (Having the common directors)		4	41	-	-
Total (Note 14)		4	41	5	368

e) Rent deposits

		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht'000	Baht'000	Baht'000	Baht'000
Other related parties (Having the common directors)		4,067	4,047	287	287

f) Receivable from related party from sales of loans receivable and accrued interest receivable

	Separate financial statements	
	2020 Baht'000	2019 Baht'000
Subsidiaries		
Receivables from related party from sales of loans receivable	1,420,215	2,810,205
Accrued interest receivable from sales of loans receivable	97,297	4,716
Total	1,517,512	2,814,921

g) Short-term loans to related parties and accrued interest receivable

	Separate financial statements	
	2020 Baht'000	2019 Baht'000
Subsidiaries		
Short-term loans	17,207,180	12,561,000
Accrued interest receivable from short-term loans	468,484	200,955
Total	17,675,664	12,761,955

The movements of short-term loans to related parties for the years ended 31 December 2020 and 2019 are as follows:

	Separate financial statements	
	2020 Baht'000	2019 Baht'000
Subsidiaries		
As at 1 January	12,761,955	5,401,823
Loans advanced during the year	5,719,000	9,290,000
Interest income during the year	582,295	344,747
Repayments received during the year	(1,072,821)	(2,087,967)
Interest received during the year	(314,765)	(186,648)
As at 31 December	17,675,664	12,761,955

Short-term loans to related parties are due at call or at maturity. The loans bear interest of 2.00% - 4.50% per annum (2019: 2.00% - 4.50% per annum).

h) Long-term loans to related party and accrued interest receivable

	Separate financial statements	
	2020 Baht'000	2019 Baht'000
Subsidiaries		
Long-term loans	-	2,000,000
Accrued interest receivable from long-term loans	-	7,216
Total	-	2,007,216

The movement of long-term loans to related party for the years ended 31 December 2020 and 2019 are as follows:

	Separate financial statements	
	2020 Baht'000	2019 Baht'000
Subsidiaries		
As at 1 January	2,007,216	8,017,082
Repayment during the year	(2,000,000)	(6,000,000)
Interest income during the year	60,600	222,829
Interest received during the year	(67,816)	(232,695)
As at 31 December	-	2,007,216

As at 31 December 2020, the Company has no outstanding long-term loans to related parties. (2019: 4.50% - 5.25% per annum).

i) Amounts due to related parties

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Subsidiaries	-	-	18,428	21,855
Other related parties (Having common directors)	693	746	-	-
Total (Note 28)	693	746	18,428	21,855

j) Deposits and accrued interest expense

	Consolidated financial statements	
	2020 Baht'000	2019 Baht'000
Deposits		
Other related parties (Having the common directors)	2,668,777	2,450,154
Directors and management	115,300	147,500
Total	2,784,077	2,597,654
Accrued interest expense		
Other related parties (Having the common directors)	8,581	15,203
Directors and management	108	1,653
Total	8,689	16,856

k) Obligations under lease liabilities

	Consolidated financial statements	Separate financial statements
	2020 Baht'000	2020 Baht'000
Other related parties (Having the common directors)	541,943	38,512
Director	5,960	-
Total	547,903	38,512

l) Guarantee

As at 31 December 2020, the Company and subsidiary jointly guaranteed for joint credit facilities of another subsidiary of Baht 83 million (31 December 2019: 60 million). The Company also has guaranteed for promissory notes and long-term borrowings from financial institution of two subsidiaries totaling Baht 1,835 million (31 December 2019: Baht 473 million).

m) Commitment

The Group have entered into rental with I.D. 2007 Co., Ltd. with common directors to a total amount of Baht 0.02 million (31 December 2019: The Group and the Company have entered into rental with I.D. 2007 Co., Ltd. with common directors to a total amount of Baht 78.8 million and Baht 5.8 million respectively). The maturity of rental agreements is in 2021.

41 Event after the statement of financial position date

1. On 17 February 2021, the Extraordinary General Meeting of Shareholders no. 1/2021 approved the following:

- 1.1 Approved the entry into the joint investment transaction with Government Savings Bank ("GSB") in Fast Money Co., Ltd ("FM"), the Company's wholly owned subsidiary that the Company holds 99.99% of total shares, in order to operate the business of auto title loans, with joint investment value by GSB of no more than Baht 1,500 million. After the joint investment, GSB will hold no more than 49% of total shares in FM and the Company will hold no less than 49% of the total shares in FM.
- 1.2 Approved the entry into a joint investment transaction with Noble Development Public Company Limited ("NOBLE") in SWP Asset Management Co., Ltd. ("SWP"), the Company's 84.99% owned subsidiary which operates mainly in the non-performing loan and properties foreclosed businesses, with the joint investment value by NOBLE of Baht 300 million. After the joint investment, NOBLE will hold 20% of the total shares in SWP.

On 22 February 2021, the Company allocated and sold ordinary share of 1,500,000 shares (20 percent of the total shares in SWP) to NOBLE and the purchase price of Baht 300,000,000 has been paid to the Company in full.

2. On 25 February 2021, the Board of Director Meeting no.2/2021 approved the following:

- 2.1 Approved dividend payment for the year 2020 to the shareholders. The dividend payment will be paid in cash amounting to Baht 2,471.67 million at the rate of Baht 1.80 per share.
- 2.2 Approved capital decrease from Baht 1,428,078,488 to Baht 1,428,075,870 by reducing 2,618 ordinary shares at par value of Baht 1 per share which excess from allocate shares to accommodate exercise of the second warrants to purchase ordinary shares of the Company (SAWAD-W2).
- 2.3 Approved capital increase from Baht 1,428,075,870 to Baht 1,428,009,569 by issuing 933,699 ordinary shares at par value of Baht 1 per share to to accommodate the exercise of the second warrants to purchase ordinary shares of the Company (SAWAD-W2).



Attachment 1

Profiles of Directors, Management and Controlling Persons





Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
2. Mr.Chatchai Kaewbootta Director ^{/2} Chairman of Executive Committee Chief Executive Officer Credit Committee Managing Director	69	<ul style="list-style-type: none"> Bachelor of Business Administration Sukhothai Thammathirat University Director Accreditation Program (DAP) 2013 –Thai Institution of Directors Association 	9.60% ^{/1}	Father of Ms.Doungchai Kaewbootta and Ms.Thida Kaewbootta	<div>2012-Present Director, Chairman of Executive Committee Chief Executive Officer Srisawad Corporation Plc.</div> <hr/> <div><u>Other Business</u></div> <div>2004-Present Director Srisamarn Bangkok (Rent Property)</div> <div>2009-Present Director I.D. 2007 Ltd. (Real Estate)</div> <div>2008-Present Director KBB Service (Real Estate)</div> <div>2014-Present Director Srisawad International 2014 (Real Estate)</div> <div>2014-Present Director Big Minh 2014 (Real Estate)</div> <div>2015-Present Director Big Minh 2015 (Advertising)</div> <div>2016-Present Director SWP Services (Advisory Service)</div> <div>2017-Present Director Srisawad Power 2014 (Debt Collection and Lending)</div> <div>2018-Present Director P Lending (Platform for Lending Business)</div>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					<p>2020-Present Director Srisawad Pico Pattani Co., Ltd. (Lending Business)</p> <p>2020-Present Director Srisawad Pico Yala Co., Ltd. (Lending Business)</p> <p>2020-Present Director Srisawad Pico Narathivas Co., Ltd. (Lending Business)</p>
<p>3. Miss Doungchai Kaewbootta Director^{/2} Executive Director Credit Committee</p>	41	<ul style="list-style-type: none"> Master of Computer Science De Paul University, U.S.A. Bachelor of Politics Kasetsart University Director Certification Program (DCP) 2010- Thai Institution of Directors Association 	7.32%	<p>Daughter of Mr.Chatchai Kaewbootta, Older sister of Ms.Thida Kaewbootta</p>	<p>2012-Present Director, Executive Director, Managing Director Srisawad Corporation Plc.</p> <hr/> <p><u>Other Business</u></p> <p>2011-Present Director Fast Money Ltd. (Lending)</p> <p>2014-Present Director SWP Asset Management Ltd. (Asset Management)</p> <p>2015-Present Director Srisawad International Holding (Invest in other)</p> <p>2016-Present Director Srisawad Power 2014 (Debt Collection&</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					<p>Lending)</p> <p>2016-Present Director</p> <p>SWP Services Ltd. (Advisory Service)</p> <p>2018-Present Director</p> <p>P Lending Ltd. (Platform for lending business)</p> <p>2017-Present Director</p> <p>Srisawad Finance Plc. (Finance Company)</p> <p>2017-2019 Managing Director</p> <p>Srisawad Finance Plc. (Finance Company)</p> <p>2017-Present Director</p> <p>Srisawad Leasing Laos Ltd. (Lending)</p> <p>2010-Present Director</p> <p>I.D. Service 2007 Ltd. (Property Business)</p> <p>2010-Present Director</p> <p>Anuchalee Ltd. (Real Estate)</p> <p>2007-Present Director</p> <p>Srisawad International 2014 (Real Estate)</p> <p>2011-Present Director</p> <p>Mee Baan Mee Rod Ngernsod Tanjai (Real Estate)</p> <p>2007-Present Director</p> <p>Rojana Housing (Real Estate)</p> <p>2007-Present Director</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					<p>Srisamarn Condotel (Rent Property)</p> <p>2010-Present Director</p> <p>Srisawad Power (Lending)</p> <p>2012-Present Director</p> <p>Srisawad Group (Lending)</p> <p>2007-Present Director</p> <p>Big Minh 2015 (Advertising)</p> <p>2012-Present Director</p> <p>KBB Service (Real Estate)</p> <p>2010-Present Director</p> <p>Big Minh 2014 (Real Estate)</p> <p>2007-Present Director</p> <p>Srisamarn Petchaboon (Real Estate)</p> <p>2009-Present Director</p> <p>I.D. 2007 Co., Ltd. (Real Estate)</p> <p>2018-Present Director</p> <p>LKK Collection Co., Ltd. (Service)</p> <p>2020-Present Director</p> <p>Srisawad Digital Co., Ltd. (Lending)</p> <p>2020-Present Director</p> <p>Srisawad Capital Co., Ltd. (Lending)</p> <p>2020-Present Director</p> <p>Srisawad Pico Pattani Co., Ltd.</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					<p>(Lending Business)</p> <p>2020-Present Director Srisawad Pico Yala Co., Ltd.</p> <p>(Lending Business)</p> <p>2020-Present Director Srisawad Pico Narathivas Co., Ltd.</p> <p>(Lending Business)</p>
<p>4. Pol. Gen.Pharnu Kerdlarpphon</p> <p>Independent Director</p> <p>Audit Committee</p> <p>Chairman of Nomination and Remuneration Committee</p>	65	<ul style="list-style-type: none"> • Master of Public Administration National Institute of Development Administration • Bachelor of Law Ramkhamheang University • Bachelor of Public Administration Police Academy • Director Accreditation Program (DAP) 2013 – Thai Institution of Directors Association 	-0-	-None-	<p>2012-Present Director and Audit Committee Srisawad Corporation Plc.</p> <hr/> <p><u>Other Business</u></p> <p>2013-2014 Director Airport of Thailand Plc. (Transportation)</p> <p>2014-2015 Assistant Commission-General, Royal Thai Police</p> <p>2012-2014 Commissioner, Immigration Bureau</p> <p>2011-2014 Director Bangkok Mass Transit Authority (Transportation)</p> <p>2011-2012 Commissioner, Provincial Police Region 3</p> <p>2019-Present Director Thai Jiaranai Group Co., Ltd. (Jewelry)</p>
<p>5. Mr.Weerachai Ngamdeevilaisak</p>	58	<ul style="list-style-type: none"> • Advanced Certificate Course in Public Administration and Law for Executives, 	-0-	-None-	<p>2013-Present Director , Audit Committee Nomination and Remuneration</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
Independent Director Audit Committee Nomination and Remuneration Chairman of Risk Management Committee		King Prajadhipok's Institute • Mini MBA Thammasart University • Bachelor of Accounting Thammasart University • Director Certification Program (DCP) Train the trainer • Finance for Non-Finance Director (FN) 2003 • Role of the Compensation Committee Program 2007 • Successful Formulation & Execution of Strategy 2009 • Chartered Director Class 2014			Chairman of Risk Management Committee Srisawad Corporation Plc.
					<u>Other Business</u>
					2009-Present Independent Director, Nomination and Remuneration, Chairman of Risk Management Committee
					Prukha Holding Plc. (Invest in other)
					2004-2016 Director
					Professional Outsourcing Solution (Recruitment Service)
					2004-2016 Director
					Accounting and Business Advisory (Accounting and Advisory)
					2004-Present Director
					Audit One (Audit)
					2014-Present Director, Chairman of Audit Committee
					ALLA Plc. (Manufacturing)
					2016-Present Independent Director, Chairman of Audit Committee
					Sin Munkong Insurance Pcl. (Insurance)
					2016-Present Director
					Smile P Ltd. (Recruitment service)
					2017-Present Independent Director, Chairman of Audit



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					<p>Committee</p> <p>Autocorp Holding Plc. (Invest in other)</p> <p>2017-Present Director</p> <p>W & M Associate (Invest in other)</p> <p>2018-Present Director</p> <p>Mongkol Phatavee Co., Ltd. (Service)</p> <p>2018-Present Director</p> <p>F & A Solutions Co., Ltd. (Accounting Service)</p>
<p>6. Mr.Vinai Vittavasgarnvej</p> <p>Independent Director</p> <p>Vice Chairman</p> <p>Chairman of Audit Committee</p>	69	<ul style="list-style-type: none"> • Master of Politics Thammasart University • Bachelor of Accounting Thammasart University • Director Certification Program (DCP) 2006 – Thai Institution of Directors Association • Audit Committee Program (ACP) 2012- Thai Institution of Directors Association 	-0-	-None-	<p>2014-Present Independent Director/Vice Chairman Chairman of Audit Committee Srisawad Corporation Plc.</p> <hr/> <p><u>Other Business</u></p> <p>2009-2011 President Government Saving Bank (Banking)</p> <p>2009-2012 Director Chairman Dhipaya Insurance Plc. (Insurance)</p> <p>2010-2011 Director-General The Treasury Department</p> <p>2010-2011 Chairman Dhanarak Asset Development (Asset Development)</p> <p>2011-2012 Chairman of Executive Committee</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					<p>Secondary Mortgage Corporation (Mortgage)</p> <p>2011-2015 Chairman</p> <p>Bangkok Dec-con Plc. (Furniture)</p> <p>2012-Present Chairman of Audit Committee</p> <p>Ekarat Engineering Plc. (Energy)</p> <p>2012-Present Chairman, Independent Director</p> <p>Sahamitr Pressure Container Plc. (Packaging)</p> <p>2016-2019 Independent Director, Audit Committee</p> <p>Sin Munkong Insurance Pcl. (Insurance)</p> <p>2019-Present Independent Director, Audit Committee</p> <p>Charoen Pokphand Foods Plc. (Food)</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
7. Mr. Sumate Maneewattana Independent Director	67	<ul style="list-style-type: none"> Master of Business Administration National Institute of Development Administration Graduate Diploma in Public Law Chulalongkorn University Mini MBA – Thammasart University Bachelor of Law Ramkhamhaeng University Executive Program – Capital Market Academy Director Certification Program (DCP) 2017 – Thai Institution of Directors Association 	-0-	-None-	2015-Present Independent Director Srisawad Corporation Plc.
					<u>Other Business</u> 2014-Present Chairman Wang Kanai Credit Union (Co-operation) 2014-Present Advisor to Chairman Wang Kanai Group. (Food) 2013-2014 Restructuring Advisor Islamic Bank of Thailand (banking) 2010-2012 Managing Director Bangkok Commercial Asset Management (Asset Management) 2018-Present Director Bargasse Dryer Technology (Thailand) Co., Ltd. (Manufacture)
8. Mr. Pinit Puapan Director	53	<ul style="list-style-type: none"> Diploma Advanced Management Harvard Business School Master of Economics The London School of Economics and Political Science Bachelor of Economics and Politics Tufts University Director Accreditation Program (DAP) 	-0-	-None-	2015-Present Director Srisawad Corporation Plc.
					<u>Other Business</u> 2017-2020 Director Srisawad Finance Plc. (Finance Company) 2015-2019 Director CAT Telecom (Communication) 2015-2019 Independent Advisor



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
		2004 – Thai Institution of Directors Association • Audit Committee Program (ACP) 2004 – Thai Institution of Directors Association • Corporate Governance for Capital Market Intermediaries (CGI) 2015 – Thai Institution of Directors Association			2014-Present Laos Electric Generators (Energy) Director 2008-2013 Mali Group 1962 (Food) Managing Director 2007-2019 KT Seamico (Securities) Executive Director 2007-Present Seamico Securities (Securities) Audit Committee 2017-2020 Charn Issara Development. (Property) Director 2018-Present Thai Airways Plc. (Transportation) Director 2018-Present The Thai Dairy Industry Co., Ltd. (Food) Director 2018-Present MG 1962 Warehouse & Distribution Co., Ltd. (Warehouse) Director 2018-Present Ideas 1606 Co., Ltd. (Service) Director 2018-Present Veyla Chaam Residences Co., Ltd. (Property) Director 2018-Present Veyla Natai Residences (Villa) Co., Ltd. (Property) Director



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					Talon Co., Ltd. (Service)
9. Mr. Veera Veerakool	58	<ul style="list-style-type: none"> PhD Engineering Management University of Missouri-Rolla, USA MSC Engineering Management University of Missouri-Rolla, USA BSc (Hon) Computer Science University of Missouri-Rolla, USA Director Certification Program (DCP) 2015 – Thai Institution of Directors Association 	0.02%	-None-	2017-Present Independent Director Srisawad Corporation Plc. <hr/> <u>Other Business</u> 2003-2004 Partner IBM Business Consulting Services Thailand. (Advisory Service) 2004-Present Chief Executive Officer Freewill Solution Co., Ltd. (Technology) 2018-Present Director Panthavanich Co., Ltd. (Technology) 2018-Present Director Prime Innopolis Co., Ltd. (Service) 2018-Present Director Freewill Mars Token Co., Ltd. (Trading) 2018-Present Director Freewill FX Co., Ltd. (Service) 2018-Present Director Ananda Technology Co., Ltd. (Service)
10. Mr. Tzung-Han Tsai Director	44	<ul style="list-style-type: none"> Georgetown University Law Center, Law 	-0-	-None-	2019-Present Director Srisawad Corporation Plc. <hr/> <u>Other Business</u>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years	
					2005-Present	Director Cathay Life Insurance Co., Ltd. (Insurance)
					2011-Present	Director Cathay United Bank Co., Ltd. (Bank)
					2015-Present	Director Conning Holding Limited (Asset Management)
11. Miss Thida Kaewbootta Investor Relation	38	<ul style="list-style-type: none"> Master of Business Administration Waseda University, Japan Bachelor of Accounting Thammasart University Director Accreditation Program (DAP) 2013 – Thai Institution of Directors Association 	28.76%	Daughter of Mr.Chatchai Kaewbootta Younger sister of Ms.Doungchai Kaewbootta	2017-Present	Investor Relation Srisawad Corporation Plc.
					<u>Other Business</u>	
					2012-2017	Director Srisawad Corporation Plc. (Invest in other)
					2011-Present	Director D.T.J Service (Invest in other company)
					2010-Present	Director Anuchalee (Real Estate)
					2007-Present	Director Srisamarn Condotel (Rent Property)
					2007-Present	Director Big Minh 2015 (Advertising)
					2014-Present	Director SWP Asset Management (Asset Management)



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					2014-Present Director Srisawad International 2014 (Real Estate) 2014-Present Director Big Minh 2014 (Real Estate) 2015-Present Director S P Network Service (Service) 2015-Present Director Srisawad International Holding (Invest in other) 2016-2020 Director Srisawad Power 2014 Ltd. (Debt Collection) 2017-Present Director Srisawad Leasing Laos (Lending) 2018-Present Director LKK Collection (Service) 2009-Present Director I D 2007 (Real Estate) 2016-Present Director Srisawad Minh Holding (Invest in other) 2018-Present Director Supsombatmai (Real Estate) 2019-Present Director 2 Thi (Retail)



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					2019-Present Director Super Minh (Real Estate) 2020-Present Director Srisawad Pico Pattani Co., Ltd. (Lending Business) 2020-Present Director Srisawad Pico Yala Co., Ltd. (Lending Business) 2020-Present Director Srisawad Pico Narathivas Co., Ltd. (Lending Business)
12. Mrs.Wanaporn Pornkitipong Executive Director Vice President – Account and Finance The person taking the highest responsibility in finance and accounting	55	<ul style="list-style-type: none"> • Master of Business Administration Thammasart University • Bachelor of Audit University of the Thai Chamber of Commerce • CFO's Orientation Course for new IPOs 2019 	0.08%	-None-	2009-Present Vice President – Account and Finance Dept. Srisawad Corporation Plc. <hr/> <u>Other Business</u> 1996-2009 Assistant Managing Director SCB Leasing Plc. (Lending)
13. Mr.Prayong Saennual Director Credit Committee Vice President – Human	54	<ul style="list-style-type: none"> • Bachelor of Politics Ramkhamheang University • Director Accreditation Program 2019 	0.04%	-None-	2010-Present Director, Vice President – Human Resources Srisawad Corporation Plc. <hr/> <u>Other Business</u> 2007-2010 Human Resources Manager



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
Resources					<p>Mahachai Hospital (Hospital) 2004-2007 Recruitment Manager</p> <p>Samart Corporation Plc. (Communication) 2016-Present Director</p> <p>Fast Money (Lending) 2016-Present Director</p> <p>SWP Asset Management (Asset Management) 2016-Present Director</p> <p>Srisawad Power 2014 (Lending) 2017-2020 Director</p> <p>Srisawad Finance Plc. (Finance Company) 2018-Present Director</p> <p>P Lending (Platform for lending business) 2020-Present Director</p> <p>Srisawad Digital Co., Ltd. (Lending)</p>
14. Mr.Somyot Ngerndamrong Director ^{1/2} Credit Committee Vice President – Collection Dept.	54	<ul style="list-style-type: none"> Bachelor of Economics Kasetsart University Director Accreditation Program (DAP) 2014- Thai Institution of Directors Association 	-0-	-None-	<p>2013-Present Director, Vice President – Collection Dept. Srisawad Corporation Plc.</p> <hr/> <p><u>Other Business</u></p> <p>2013 Advisor Fast Money (Lending)</p> <p>2008-2009 Vice President CFG Service (Lending)</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
					<p>2005-2008 Vice President Srisawad International (Lending)</p> <p>2014-Present Director Srisawad International 2014 (Real Estate)</p> <p>2015-Present Director Srisawad International Holding (Invest in Other)</p> <p>2016-Present Director SWP Services (Advisory service)</p> <p>2016-Present Director Srisawad Power 2014 (Lending)</p> <p>2017-Present Director Srisawad Leasing Laos (Lending)</p> <p>2017-Present Director SWP Asset Management (Asset Management)</p> <p>2018-Present Director P Lending (Platform for lending business)</p> <p>2020-Present Director Srisawad Capital Co., Ltd. (Lending)</p>
15. Mr. Kudun Sukhumanada Director	45	<ul style="list-style-type: none"> Master of Law, Columbia University, USA Bachelor of Law, 	0%	-None-	<p>2020-Present Director Srisawad Corporation Plc.</p>



Name/Position	Age (year)	Education/Training Courses	Shareholding	Relationship with other Director/Management	Work Experience within 5 years
		Chulalongkorn University			<u>Other Business</u> 2017-2020 Audit Committee, Independent Director Srisawad Finance Plc. (Finance Company) 2015-Present Director Kudun and Partner Co., Ltd. (Law Services) 2015-Present Director Kudun and Partner PS Co., Ltd. (Services) 2015-Present Director Pee Nong Ruam Toon Co., Ltd. (Services) 2019-Present Independent Director Aikchol Hospital Plc. (Hospital)
16. Mrs.Chomchaba Sathapornpong Company Secretary	59	<ul style="list-style-type: none"> Bachelor of Accounting Thammasart University Director Accreditation Program (DAP) 2005- Thai Institution of Directors Association Company Secretary Program 2014 	0%	-None-	2012-Present Company Secretary Srisawad Corporation Plc. <hr/> <u>Other Business</u> 2010-2011 Vice President – Office of Management Solution Corner (1998) (Information Technology) 2009-2010 Assistant Managing Director Eastern Wire Plc. (Invest in other business)

Note: ^{/1} including spouse holding

^{/2} Authorized Director



Srisawad Corporation Public Company Limited

Attachment 2

Details of Directors, Management, and Controlling Persons in Subsidiaries and Related Parties



Company	Mr.Sukont Kanjanahuttakit	Mr.Chatchai Kaewbootta	Ms.Doungchai Kaewbootta	Mr.Vinai Vittavasarnvej	Plo. Gen.Pharmu Kerdlarpphon	Mr.Weerachai Ngamdeevilaiisak	Mr.Sumate Maneewattana	Mr. Tzung-Han Tsai	Mr. Pinit Puapan	Mr. Veera Veerakool	Mr. Kudun Sukhumananda	Mrs.Wanaporn Pornkitipong	Mr.Prayong Saennual	Mr.Somyot Ngerndamrong	Ms. Thida Kaewbootta
1. Srisawad Corporation Plc.	C	D,ED, CEO	D,ED	ID,AC	ID,AC	ID,AC	D,ID	D	D	ID	D	ED,M	D,ED, M	D,M	M
Subsidiaries															
2. SWP Asset Management			D										D		D
3. Fast Money			D												
4. Srisawad International Holding			D											D	D
5. Srisawad Power 2014		D	D										D	D	D
6. Srisawad Finance Plc.	C		D					D	D				D		
7. SWP Services		D	D					D						D	
8. P Lending		D	D					D						D	
9. Srisawad Leasing Laos			D											D	D
10. Srisawad Digital			D										D		
11. Srisawad Capital			D											D	
12. Srisawad Pico Pattani		D	D												D
13. Srisawad Pico Yala		D	D												D
14. Srisawad Pico Narathivas		D	D												D
Related Parties															
15. Srisamarn Bangkok		D													



Company	Mr.Sukont Kanjanahuttakit	Mr.Chatchai Kaewbootta	Ms.Doungchai Kaewbootta	Mr.Vinai Vittavasarnevej	Plo. Gen.Pharmu Kerdlarphphon	Mr.Weerachai Ngamdeevilaiisak	Mr.Sumate Maneewattana	Mr. Tzung-Han Tsai	Mr. Pinit Puapan	Mr. Veera Veerakool	Mr. Kudun Sukhumananda	Mrs.Wanaporn Pornkitipong	Mr.Prayong Saennual	Mr.Somyot Ngerndamrong	Ms. Thida Kaewbootta
16. I.D. 2007		D													
17. D.T.J. Service															D
18. I.D. Service 2007			D												
19. Anuchalee			D												D
20. Srisawad International 2014		D	D											D	D
21. Mee Baan Mee Rod Ngermsodtanjai			D												
22. Rojana Housing			D												
23. Srisamarn Condotel			D												D
24. Srisawad Power			D												
25. Srisawad Group			D												
26. Big Minh 2015		D	D												D
27. KBB Service		D	D												
28. Big Minh 2014		D	D												D
29. Srisamarn Petchaboorn		D	D												
30. JAS Assets Plc.	ID. C														
31. PRTR Group	D														
32. Pruksa Holding Plc.						ID,AC									



Company	Mr.Sukont Kanjanahuttakit	Mr.Chatchai Kaewbootta	Ms.Doungchai Kaewbootta	Mr.Vinai Vittavagarnvej	Plo. Gen.Pharnu Kerdlarphphon	Mr.Weerachai Ngamdeevilaissak	Mr.Sumate Maneewattana	Mr. Tzung-Han Tsai	Mr. Pinit Puapan	Mr. Veera Veerakool	Mr. Kudun Sukhumananda	Mrs.Wanaporn Pornkitipong	Mr.Prayong Saennual	Mr.Somyot Ngerndamrong	Ms. Thida Kaewbootta
33. Sin Munkong Insurance				ID,AC		ID,AC									
34. Smile P						D									
35. Audit One						D									
36. ALLA Plc.						ID,AC									
37. Autocorp Holding						ID,AC									
38. W & M Associate						D									
39. Mongkol Patavee						D									
40. F and A Solutions						D									
41. Ekarat Engineering Plc.				ID,AC											
42. Sahamitr Pressure Container Plc.				C											
43. Charoen Pokphand Foods				ID,AC											
44. Thai Jiaranai Group					D										
45. Bargas Dyer Technology							D								
46. Mali Group 1962									D						
47. Thai Milk Industry									D,ED						
48. Charn Issara Development									ID,AC						
49. M G 1962 Warehouse & Distribution									D						



Company	Mr.Sukont Kanjanahuttakit	Mr.Chatchai Kaewbootta	Ms.Doungchai Kaewbootta	Mr.Vinai Vittavarnvej	Plo. Gen.Pharmu Kerdlarphphon	Mr.Weerachai Ngamdeevilaiisak	Mr.Sumate Maneewattana	Mr. Tzung-Han Tsai	Mr. Pinit Puapan	Mr. Veera Veerakool	Mr. Kudun Sukhumananda	Mrs.Wanaporn Pornkitipong	Mr.Prayong Saennual	Mr.Somyot Ngerndamrong	Ms. Thida Kaewbootta
50. Ideas 1606									D						
51. Weyla Cha-am Residences									D						
52. Weyla Na Tai Residences									D						
53. Talon Holding									D						
54. Freewill Solution										MD					
55. Panthavanich										D					
56. Prime Innopolis										D					
57. Freewill-Mars Token										D					
58. Freewill FX										D					
59. Ananda Technology										D					
60. Cathay Life Insurance								D							
61. Conning Holdings Limited								D							
62. Cathay United Bank								D							
63. Kudun and Partner											D				
64. Kudun and Partner PS											D				
65. Pee Nong Ruam Toon											D				
66. Aikchol Hospital											ID				

Note: **C**- Chairman **D**-Director **ID**-Independent Director **AC**-Audit Committee **ED**-Executive Director **MD**-Managing Director **M**-Management

Annual Report



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SRISAWAD CORPORATION PUBLIC COMPANY LIMITED.