

# **SG Capital Public Company Limited**

Financial statements for the year ended  
31 December 2021  
and  
Independent Auditor's Report

**SG Capital Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**Independent Auditor's Report**

**To the shareholders of SG Capital Public Company Limited**

*Opinion*

I have audited the financial statements of SG Capital Public Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Thai Financial Reporting Standard (TFRSs).

*Basis for Opinion*

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

*Emphasis of Matter*

I draw attention to Note 3 which describes the effect of prior year accounting adjustments related to the income for subsidy interest. The corresponding figures presented herein for comparative purposes are based on the audited financial statements as at and for the year ended 31 December 2020 and after making the adjustments described in Note 3. My opinion is not modified in respect of this matter.

*Other Information*

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

*Responsibilities of Management for the Financial Statements*

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

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

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

**SG Capital Public Company Limited**  
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I communicate with management 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.

(Chokechai Ngamwutikul)  
Certified Public Accountant  
Registration No. 9728

KPMG Phoomchai Audit Ltd.  
Bangkok  
22 February 2022

# SG Capital Public Company Limited

## Statement of financial position

Assets	Note	31 December 2021	31 December 2020 (Restated) (in Baht)	1 January 2020 (Restated)
<b>Current assets</b>				
Cash and cash equivalents	7	391,366,698	155,663,104	170,382,079
Current portion of hire-purchase contract receivables	8	3,076,260,646	1,787,943,205	1,051,971,499
Current portion of loan receivables	9	1,225,053,031	651,167,587	292,064,174
Other receivables	10	228,982,622	277,498,194	191,483,054
Accrued income	6	25,567,618	12,528,870	3,688,584
Asset foreclosed		-	995,750	3,418,000
Other assets		13,777	18,123	1,990,320
<b>Total current assets</b>		<b>4,947,244,392</b>	<b>2,885,814,833</b>	<b>1,714,997,710</b>
<b>Non-current assets</b>				
Hire-purchase contract receivables	8	2,076,036,120	1,558,137,710	879,871,834
Loan receivables	9	4,277,932,192	2,409,502,896	964,661,681
Leasehold improvement and equipment		14,316,388	6,747,721	7,610,821
Right-of-use assets	11	14,899,979	15,634,525	3,893,227
Intangible assets		4,719,064	527,433	732,090
Deferred tax assets	3, 21	93,627,421	125,110,524	150,951,981
Other non-current assets		1,463,500	1,175,200	936,800
<b>Total non-current assets</b>		<b>6,482,994,664</b>	<b>4,116,836,009</b>	<b>2,008,658,434</b>
<b>Total assets</b>		<b>11,430,239,056</b>	<b>7,002,650,842</b>	<b>3,723,656,144</b>

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

# SG Capital Public Company Limited

## Statement of financial position

		31 December 2021	31 December 2020 (Restated) (in Baht)	1 January 2020 (Restated)
<b>Liabilities and equity</b>	<i>Note</i>			
<b><i>Current liabilities</i></b>				
Short-term loans from the parent company	6, 13	-	4,772,412,386	2,608,688,656
Trade accounts payable	6	1,179,628,195	934,649,163	424,037,870
Other payables	3, 6, 12	263,443,957	405,233,288	268,679,671
Current portion of long-term loans from a financial institution	13	9,890,692	-	-
Current portion of lease liabilities	13	7,551,710	5,977,715	2,492,600
Current income tax payable		49,259,237	36,284,883	-
<b>Total current liabilities</b>		<b>1,509,773,791</b>	<b>6,154,557,435</b>	<b>3,303,898,797</b>
<b><i>Non-current liabilities</i></b>				
Long-term loans from the parent company	6, 13	7,463,090,180	-	-
Long-term loans from a financial institution	13	14,439,345	-	-
Lease liabilities	13	8,608,474	10,454,168	1,400,627
Provisions for employee benefits	14	19,143,301	15,867,926	13,570,206
Employee security deposits		1,196,890	1,625,031	1,212,011
Other non-current liabilities		-	-	12,690
<b>Total non-current liabilities</b>		<b>7,506,478,190</b>	<b>27,947,125</b>	<b>16,195,534</b>
<b>Total liabilities</b>		<b>9,016,251,981</b>	<b>6,182,504,560</b>	<b>3,320,094,331</b>
<b><i>Equity</i></b>				
Share capital	15			
Authorised share capital		3,270,000,000	1,450,000,000	1,450,000,000
Issued and paid-up share capital		2,450,000,000	1,450,000,000	1,450,000,000
Difference arising from business combination under common control	17	(974,117,594)	(974,117,594)	(974,117,594)
Retained earnings:				
Appropriated:				
Legal reserve	16	176,017,788	145,000,000	145,000,000
Unappropriated	3	762,086,881	199,263,876	(217,320,593)
<b>Total equity</b>		<b>2,413,987,075</b>	<b>820,146,282</b>	<b>403,561,813</b>
<b>Total liabilities and equity</b>		<b>11,430,239,056</b>	<b>7,002,650,842</b>	<b>3,723,656,144</b>

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

# SG Capital Public Company Limited

## Statement of comprehensive income

		Year ended	
		31 December	
	<i>Note</i>	2021	2020
			(Restated)
		<i>(in Baht)</i>	
<b>Income</b>			
Interest income from hire-purchase contract and loans	3, 6	1,735,934,224	1,297,765,915
Other income	6	45,882,925	65,195,661
<b>Total income</b>		<b>1,781,817,149</b>	<b>1,362,961,576</b>
<b>Expenses</b>			
Service and administrative expenses	6, 20	500,352,480	469,745,514
<b>Total expenses</b>		<b>500,352,480</b>	<b>469,745,514</b>
<b>Profit from operating activities</b>		<b>1,281,464,669</b>	<b>893,216,062</b>
Finance costs	6	(353,294,673)	(194,633,323)
Expected credit loss	23	(202,655,916)	(191,038,437)
<b>Profit before income tax expense</b>		<b>725,514,080</b>	<b>507,544,302</b>
Tax expense	3, 21	-132,480,501	(90,959,833)
<b>Profit for the year</b>		<b>593,033,579</b>	<b>416,584,469</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Gain on remeasurements of defined benefit obligation	14	1,009,017	-
Income tax of items that will not be reclassified subsequently to profit or loss	21	(201,803)	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>807,214</b>	<b>-</b>
<b>Other comprehensive income for the year - net from income tax</b>		<b>807,214</b>	<b>-</b>
<b>Other comprehensive income for the year</b>		<b>593,840,793</b>	<b>416,584,469</b>
<b>Basic earning per share</b>	22	<b>0.29</b>	<b>0.29</b>

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

# SG Capital Public Company Limited

## Statement of changes in equity

			Retained earnings/(Deficit)			
		Issued and paid-up share capital	Difference arising from business combination under common control	Legal reserve  (in Baht)	Unappropriated	Total equity
Year ended 31 December 2020						
Balance at 31 December 2019		1,450,000,000	(974,117,594)	145,000,000	(234,483,838)	386,398,568
Effect from accounting adjustments	3	-	-	-	17,163,245	17,163,245
Balance at 1 January 2020 - restated		1,450,000,000	(974,117,594)	145,000,000	(217,320,593)	403,561,813
Comprehensive income for the year						
Profit - restated	3	-	-	-	416,584,469	416,584,469
Total comprehensive income for the year		-	-	-	416,584,469	416,584,469
Balance at 31 December 2020 - restated		1,450,000,000	-974,117,594	145,000,000	199,263,876	820,146,282

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



# SG Capital Public Company Limited

## Statement of changes in equity

			Retained earnings/(Deficit)			
		Issued and paid-up share capital	Difference arising from business combination under common control	Legal reserve  (in Baht)	Unappropriated	Total equity
<i>Year ended 31 December 2021</i>						
Balance at 31 December 2020		1,450,000,000	-974,117,594	145,000,000	69,013,095	689,895,501
Effect from accounting adjustments	3	-	-	-	130,250,781	130,250,781
Balance at 1 January 2021 - restated		1,450,000,000	-974,117,594	145,000,000	199,263,876	820,146,282
<i>Contributions by and distributions to owners</i>						
Issue of ordinary shares	15	1,000,000,000	-	-	-	1,000,000,000
Total contributions by and distributions to owners		2,450,000,000	-974,117,594	145,000,000	199,263,876	1,820,146,282
<i>Comprehensive income for the year</i>						
Profit		-	-	-	593,033,579	593,033,579
Other comprehensive income		-	-	-	807,214	807,214
Total comprehensive income for the year		-	-	-	593,840,793	593,840,793
Transfer to legal reserve	16	-	-	31,017,788	(31,017,788)	-
Balance at 31 December 2021		2,450,000,000	-974,117,594	176,017,788	762,086,881	2,413,987,075

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

# SG Capital Public Company Limited

## Statement of cash flows

	31 December 2021	31 December 2020
	<i>(in Baht)</i>	
<b><i>Cash flows from operating activities</i></b>		
Profit for the year	593,033,579	416,584,469
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>		
Tax expense (income)	132,480,501	90,959,833
Interest income from hire-purchase contract and loans	(1,735,934,224)	(1,297,765,915)
Finance costs	353,294,673	194,633,323
Depreciation	18,440,803	10,241,199
Amortisation	219,582	214,657
Expected credit loss recognised in profit or loss	202,655,916	191,038,437
Provision for employee benefit	6,477,824	3,596,474
Loss from impairment of asset foreclosed	636,659	19,235,971
Gain on sale investment	(591,383)	-
Loss on written-off equipment and intangible asset	295,033	-
Other interest income	(125,620)	(156,249)
	<u>(429,116,657)</u>	<u>(371,417,801)</u>
<b><i>Changes in operating assets and liabilities</i></b>		
Hire-purchase contract receivables	(2,257,609,024)	(1,261,594,779)
Loan receivables	(2,435,404,290)	(1,818,238,755)
Other receivables	51,011,683	(98,218,434)
Assets foreclosed	995,750	2,422,250
Accrued income	(13,038,748)	(8,840,286)
Other current assets	(632,313)	(17,263,773)
Other non-current assets	(4,191,631)	(238,400)
Trade accounts payable	244,979,032	510,611,293
Deferred interest subsidies	(210,584,644)	(133,737,243)
Other payables	68,795,314	(18,637,683)
Other non-current liabilities	-	(12,690)
Employee security deposits	(428,141)	413,020
Employee benefit paid	(2,193,432)	(1,298,754)
Net cash used in operating	<u>(4,987,417,101)</u>	<u>(3,216,052,035)</u>
Interest received from hire-purchase contract and loans	1,975,264,421	1,319,854,091
Tax paid	<u>(83,083,296)</u>	<u>(79,176,947)</u>
<b>Net cash used in from operating activities</b>	<b><u>(3,095,235,976)</u></b>	<b><u>(1,975,374,891)</u></b>

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

# SG Capital Public Company Limited

## Statement of cash flows

	31 December 2021	31 December 2020
	<i>(in Baht)</i>	
<b><i>Cash flows from investing activities</i></b>		
Other interest received	125,620	156,249
Proceeds from sale investment	600,591,382	-
Cash payment for investment	(600,000,500)	-
Acquisition of leasehold improvement and equipment	(11,340,815)	(2,627,256)
Acquisition of intangible assets	(4,539,714)	(10,000)
<b>Net cash used in investing activities</b>	<b>(15,164,027)</b>	<b>(2,481,007)</b>
<b><i>Cash flows from financing activities</i></b>		
Proceeds from issued of shares	1,000,000,000	-
Finance cost paid	(353,294,673)	(193,965,047)
Proceeds from borrowings from a financial institution	30,000,000	-
Repayment of borrowings from a financial institution	(5,669,963)	-
Proceeds from borrowings from loans from the parent company	4,206,776,089	2,849,830,775
Repayment of borrowings from loans from the parent company	(1,516,098,295)	(686,107,045)
Payment of lease liabilities	(15,609,561)	(6,621,760)
<b>Net cash from financing activities</b>	<b>3,346,103,597</b>	<b>1,963,136,923</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>235,703,594</b>	<b>(14,718,975)</b>
Cash and cash equivalents at 1 January	155,663,104	170,382,079
<b>Cash and cash equivalents at 31 December</b>	<b>391,366,698</b>	<b>155,663,104</b>

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

# **SG Capital Public Company Limited**

## **Notes to the financial statements**

**For the year ended 31 December 2021**

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**SG Capital Public Company Limited**  
**Notes to the financial statements**  
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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 22 February 2022.

**1 General information**

SG Capital Public Company Limited, the “Company”, is incorporated in Thailand. The Company’s registered office at 72 CAT Building 20<sup>th</sup> Floor, Charoenkrung Road, Bangrak, Bangkok.

The parent company during the financial year was Singer Thailand Public Company Limited (99.99% shareholding) shareholding incorporated in Thailand.

The principal activities of the Company are sales by hire purchase contracts of electrical appliances, commercial product, mobile phones and vehicles, and loan receivables and others.

On 14 October 2021, the Extraordinary General Meeting of the Company approved the conversion of a public limited company. The Company registered the conversion of a public limited company with the Ministry of the Commerce on 18 October 2021.

**2 Basis of preparation of the financial statements**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions. The accounting policies are described in note 4, have been applied consistently to all periods presented in these financial statements. The financial statements are presented in Thai Baht, which is the Company’s functional currency.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**3 Effect from accounting adjustments and reclassification of accounts**

During 2021, the Company discovered that subsidy interest income which recognised as a part of interest income from hire-purchase contracts and loans for the year ended 31 December 2020 and 2019 were understated since the computation of the amortised amount to be recognised was inappropriate and not recognised subsidy interest income of some hire-purchase contracts which early terminated. As a result, the interest income from hire-purchase contracts and loans was understated and deferred subsidy interest income was overstated. The Company corrected the impact by restating each of the affected financial statement line items for the year 2020 and statement of financial position as at 1 January 2020.

In addition, certain accounts in the financial statements for the year ended 2020 has been reclassified to conform to the presentation in the financial statements for the year ended 31 December 2021.

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	<b>Effect from accounting adjustments and reclassification</b>			
	As previously reported	Adjustments	Reclassification (in thousand Baht)	After adjustments and reclassification
<b>Statement of financial position</b>				
<b>At 1 January 2020</b>				
Deferred tax assets	155,243	(4,291)	-	150,952
Other payable	(290,134)	21,454	-	(268,680)
Deficits	234,484	(17,163)	-	217,321
<b>Statement of financial position</b>				
<b>At 31 December 2020</b>				
Other receivables	361,842	-	(84,344)	277,498
Current portion of loan receivables	634,671	-	16,496	651,157
Accrued income	12,793	-	(264)	12,529
Loan receivables	2,336,894	-	72,609	2,409,503
Deferred tax assets	157,673	(32,563)	-	125,110
Trade accounts payable	(937,587)	-	2,938	(934,649)
Other payable	(560,558)	162,814	(7,489)	(405,233)
Other non-current liabilities	(54)	-	54	-
Retained earnings	(69,013)	(130,251)	-	(199,264)
<b>Statement of comprehensive income</b>				
<b>For the year ended 31 December 2020</b>				
Interest income from hire-purchase contract and loans	(972,360)	(141,360)	(184,046)	(1,297,766)
Other income	(316,413)	-	251,217	(65,196)
Service and administrative expenses	-	-	469,746	469,746
Distribution costs	427,514	-	(427,514)	-
Administrative expenses	170,941	-	(170,941)	-
Expected credit loss	129,500	-	61,538	191,038
Tax expense	62,688	28,272	-	90,960

The reclassification have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.

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**4 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**(a) Financial instruments**

*(a.1) Recognition and initial measurement*

A financial asset and financial liability (except for other receivables, see note 4(d)) are initially recognised when the Company becomes a party to the contractual provisions of the instrument and initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

*(a.2) Classification and subsequent measurement*

*Financial assets - classification*

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Financial assets - business model assessment*

The Company makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

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Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

*Financial assets - assessment whether contractual cash flows are solely payments of principal and interest*

For the purpose of this assessment,

'principal' is defined as the fair value of the financial asset on initial recognition.

'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

*Financial assets - subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
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Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
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*Financial liabilities - classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

*(a.3) Derecognition*

*Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.



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The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

*Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

*(a.4) Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

*(b) Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

*(c) Hire-purchase contract and loan receivables*

Hire purchase receivables are stated at the contract value net of unearned hire purchase, which is presented after net of initial direct income and costs at the inception of the contracts.

Loan receivables are stated at the principal amount and accrued interest receivables, which is presented after net of initial direct income and costs at the inception of the contracts.

The Company considers expected credit losses of hire-purchase contract and loans receivables as disclosed in note 4(j).

*(d) Other receivables*

An other receivable is recognised when the Company has an unconditional right to receive consideration. An other receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

*(e) Assets foreclosed*

Assets foreclosed consisting of vehicles and machines are stated at the lower of cost and net realisable value less estimated disposal expenses of the assets foreclosed less loss on decline in value.

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Any gains and losses on disposal of assets foreclosed are determined by comparing the proceeds from disposal with the carrying amount of assets foreclosed and are recognised in profit or loss.

**(f) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle, and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale. Reverted inventories recognises when foreclose lease assets and measured at expected sale price.

Any gains and losses on disposal of reverted inventories are determined by comparing the proceeds from disposal with the carrying amount of assets foreclosed and are recognised in profit or loss.

**(g) Leasehold improvement and equipment**

Leasehold improvement and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs and, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of leasehold improvement and equipment are recognised in profit or loss.

The cost of replacing a part of an item of leasehold improvement and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of leasehold improvement and equipment are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on land and assets under construction.

The estimated useful lives are as follows:

Leasehold improvement	3 - 10 years
Office equipment	3 - 5 years

**(h) Intangible assets**

Software licenses that have finite useful lives are measured at cost less accumulated impairment losses and accumulated impairment losses. The Company considers the impairment of intangible assets, as disclosed in note 4 (k).

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

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The estimated useful lives is as follow:

Software Licenses

5 - 10 years

**(i) Leases**

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

*As a lessee*

At commencement or on modification of a contract, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property the Company accounted for the lease and non-lease components wholly as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. The company considers the impairment of intangible assets, as disclosed in note 4 (k).

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Company uses the Company's incremental borrowing rate to discount the lease payments to the present value. The Company determines its incremental borrowing rate by obtaining interest rates from external financing sources to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*As a lessor*

At inception or on modification of a contract, the Company allocates the consideration in the contract to each component on the basis of their relative standalone prices.

At lease inception, the Company considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Company recognises rental income received under hire-purchase contract in profit or loss over the lease term and present as part of interest received from hire-purchase contract. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

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The Company derecognises and determines impairment requirements in TFRS9 to hire-purchase receivables (see note 4(j)). The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

**(j) *Impairment of financial assets other than other receivables***

The Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI, hire-purchase receivables, loan receivables and loan commitments issued which are not measured at FVTPL.

*Recognition of expected credit loss*

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for hire-purchase contract receivables and loan receivables, the Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Expected credit losses are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward looking information.

The estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

Forward-looking macroeconomic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk, such as GDP, unemployment rate and Consumer Price Index. These assumptions are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally and are consistent with those used for financial and capital planning.

Multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios both in terms of determining the PD, LGD and EAD, where relevant, and in determining the overall expected credit loss amounts.

The estimate of expected cash shortfalls on a collateralised financial instrument should consider the amount and timing of cash flows that are expected from confiscation on the collateral less the costs of obtaining and selling the collateral without considering the possibility of the confiscation.

The estimate of expected cash shortfalls are discounted using the initial effective interest rate on the financial asset.

*Expected Credit Loss Recognition - Staging*

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*Stage 1 Financial asset without a significant increase in credit risk (Performing)*

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the balance sheet date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit-impaired. If a financial assets is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12-month basis.

*Stage 2 Financial asset with a significant increase in credit risk (Under-performing)*

If a financial asset experiences a significant increase in credit risk (SICR) since initial recognition, an allowance for expected credit loss is recognised for default events that may occur over the lifetime of the asset. SICR is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination, the significance of which being determined by using a number of quantitative and qualitative factors as

- financial assets that are 30 or more days past due, or
- financial assets that have more than 3 times of 30 or more days past due during the past 12 months.

*Stage 3 Financial assets that are credit impaired (Non-performing)*

Financial assets that are credit impaired or in default represent those that are at over 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit impaired where the customers are unlikely to pay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial asset.

Evidence that a financial asset is credit impaired includes observable data about the following events:

- Significant financial difficulty of the borrower;
- Breach of contract such as default or a past due event;
- Pending or actual bankruptcy or other financial reorganisation to avoid of the borrower's obligations;
- or
- Purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

Impairment provisions against credit impaired financial assets are determined based on an assessment of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, representing the difference between the present value of the cash flows expected to be recovered, discounted at the instrument's original effective interest rate, and the gross carrying value of the instrument prior to any credit impairment.

*Modified financial instruments*

Where the original contractual terms of a financial asset have been modified for credit risk reasons and the instrument has not been derecognised, the resulting modification loss is recognised within credit impairment in the income statement with a corresponding decrease in the gross carrying value of the asset.

When a receivable has a significant increase in credit risk, the Company considers to write-off the receivable by comparing the cash flows from net realisable value of reverted inventory with gross carrying amount of the receivable excluded allowance for expected credit losses in profit or loss.

Expected credit losses for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification.

*Improvement in credit risk*

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A period may elapse from the point at which financial instruments enter stage 2 or stage 3 and are reclassified back to stage 1. For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where significant increase in credit risk was determined using quantitative measures, the financial instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where financial instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the financial instruments can be reclassified to stage 1. This includes instances requiring the action to be resolved before loans are reclassified to stage 1.

The Company considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'.

*Write-off and reverse expected credit loss*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

If the amount of the credit impairment loss decreases and the decrease can be related objectively to an event occurring after the credit impairment was recognised, such as an improvement in the debtor's credit rating, the previously recognised credit impairment loss is reversed by adjusting the provision account. The amount of the reversal is recognised in profit or loss.

**(k) Impairment of non-financial assets**

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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**(l) Provision for employee benefits**

*Defined contribution plans*

Obligations for contributions to the Company's provident funds are expensed as the related service is provided.

*Defined benefit plans*

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Short-term employee benefits*

Short-term employee benefit are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

*Provident funds for staff*

The provident funds' contributions for the staff are calculated at the rates fixed by the fund criteria and by the Company at the same amount deducted from staff. The contributions to provident fund are recognised as an expense in profit or loss according to the criteria of the funds

**(m) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**(n) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

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When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

**(o) Revenue**

*Interest income from hire-purchase contract and loans*

The Company has recognised interest income from hire purchase and loan receivables on an accrual basis throughout the term of the contract, using the effective interest rate method and the calculation based on the gross carrying amounts of the hire purchase and loan receivables.

When the hire purchase and loan receivables subsequently become credit-impaired, interest income is calculated by using the effective interest rate method on the net carrying amount (gross book value net of an allowance for expected credit losses) of the receivables.

Initial direct income and costs at the inception of hire purchase and loan arrangement are to be deferred and amortised using the effective interest rate method, with amortisation deducted from interest income from hire purchase and loan receivables throughout the contract period to reflect the effective rate of return on the contracts.

*Commission revenue*

For the contracts that the Company is arranging for the provision of the services on behalf of its customers and does not control the services before the primary service providers will provide the services to the customers. The Company acts in the capacity of an agent and recognises the net amount of consideration as commission revenue when provide services.

**(p) Income tax**

Income tax expense for the year comprises current and deferred tax which is recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.



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Current tax is recognised in respect of the tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(q) *Earnings per share***

EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

**(r) *Related parties***

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Company; a person or entity that are under common control or under the same significant influence as the Company; or the Company has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

**5 Impact of COVID-19 Outbreak**

COVID-19 pandemic is still on going, while vaccines for COVID-19 are being rolled out during 2021. The Company applied accounting guidance on temporary accounting relief measures, covering payment moratoriums, as well as a loan repayment holiday to get the Company help affected borrowers that are encountering short-term cash flow problems to resume repayment ability at the end. The Company provides additional relief measures as follows;

1. Extend the installment period
2. Reduce installments
3. Pay only the principle
4. Pay only the interest
5. Pause payment

In relation to financial reporting, key concerns are on the application of forward-looking information and pro-cyclicality effect from applying TFRS 9 ECL provisioning concept. The BoT in collaboration with TFAC announced some guidelines to be applied under these 2-year period of 2020 and 2021.

Regarding the impacts on the Company's performance, the Company's ECL still reflect fair position through closely monitoring, together with management overlay This can ensure that in times of downturn, credit risk development is captured and buffered with prudence.

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**6 Related parties**

Relationships with related parties that the Company had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation</b>	<b>Nature of relationships</b>
SG Service Plus Co., Ltd.	Thailand	Subsidiary of the parent company
SG Broker Co., Ltd.	Thailand	Subsidiary of the parent company
Jay Mart Public Company Limited	Thailand	Major shareholder of the parent company
U City Public Company Limited	Thailand	Major shareholder of the parent company
The Group of Jaymart Public Company Limited	Thailand	Common director
The Group of U City Public Company Limited	Thailand	Common director
Key management personnel		Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Significant transactions for the years ended 31 December with related parties were as follows:

***Significant transaction to related parties***  
***For the year ended 31 December***

	2021	2020
	<i>(in thousand Baht)</i>	
<b>Parent company</b>		
Sale of assets foreclosed	179,620	149,102
Received from interest subsidies	47,723	404,288
Purchase of goods*	2,478,486	2,249,688
Debt collecting fee	42,957	39,656
Management fee	31,920	31,920
Other expense	7,212	4,378
Interest expenses	351,381	193,921
<b>Other related parties</b>		
Commission income	19,573	35,348
Revenue from sales of rights in receivable	2,321	67,171
Purchase of goods*	243,513	83,201
Debt collecting fee	3,339	5,093
Other expenses	1,321	2,354
<b>Key management personnel</b>		
Key management personnel compensation		
Short-term benefit	37,445	21,623
Post-employment benefits	2,832	1,452
<b>Total</b>	<b>40,277</b>	<b>23,075</b>

\* Purchased goods from related parties for hire-purchased receivables

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Balances as at 31 December with related parties were as follows:

	<i>Note</i>	2021 (in thousand Baht)	2020
<b><i>Other receivables</i></b>	<b>10</b>		
Parent company		95,218	205,293
Other related parties		37	11,370
<b>Total</b>		<b>95,255</b>	<b>216,663</b>
<b><i>Accrued income</i></b>			
Other related parties		25,568	12,117
<b>Total</b>		<b>25,568</b>	<b>12,117</b>
<b><i>Trade accounts payable</i></b>			
Parent company		1,099,861	865,350
Other related parties		69,992	65,760
<b>Total</b>		<b>1,169,853</b>	<b>931,110</b>
	<i>Note</i>	2021	2020 (restated)
			(in thousand Baht)
<b><i>Other payables</i></b>	<b>12</b>		
Parent company		128,157	317,991
Other related parties		3,008	539
<b>Total</b>		<b>131,165</b>	<b>318,530</b>
<b><i>Lease Liabilities</i></b>			
Other related parties		483	-

	<b>Interest rate</b>	<b>At</b>	<b>At</b>	<b>Increase</b>	<b>Decrease</b>	<b>At</b>
	<b>At</b>	<b>31 December</b>	<b>1 January</b>	<b>Increase</b>	<b>Decrease</b>	<b>31 December</b>
	<b>(% per annum)</b>			<b>(in thousand Baht)</b>		
<b><i>Loans - promissory notes*</i></b>						
<b>2021</b>						
Parent company	5.25 - 6.09	4,772,412	4,206,776	(1,516,098)	7,463,090	
<b>2020</b>						
Parent company	5.25 - 6.04	2,608,689	2,849,830	(686,107)	4,772,412	

\* As at 31 December 2021, loans from the parent company amounting to Baht 7,463 million were classified as long-term loans as the parent company agreed not to demand payment by 31 December 2022.

***Significant agreements with related parties***

***Interest subsidy agreement***

The Company entered into an interest subsidy agreement with the parent company. This agreement is effective for a year, and will be automatically renewed a year unless either party gives to the other party a written notice to terminate the agreements. Fees and conditions are specified in the agreements. The Company recorded deferred interest subsidy income as other payables when received and recognised over the period of related hire-purchase contracts with customers as interest income for the year 2021 amounting to Baht 236.96 million (2020: Baht 151.23 million). Since 1 April 2021 the parent company has terminated the interest subsidy agreement.

***Loan agreement***

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The Company entered into a loan agreement with the parent company in the amount of Baht 7,463 million. The interest rate shall be calculated from an average interest rate of the parent company's debentures, which were issued each time, add mark-up. The interest shall be paid by monthly. Subject to the terms and conditions of the agreement, the principle of such loans is due at call.

*Service agreement*

The Company entered into several agreements within the parent company. The terms of these agreements are effective for 6 months to 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate the agreements. Fees and conditions are specified in the agreements. Services and building rental scope are as follows:

- 1.1 The service support regarding to operation support, finance and accounting, human resource, information technology and others;
- 1.2 Building rental and service.

*Receivable management and collection service agreement*

The Company entered into agreement with JMT Network Services Public Company Limited (JMT) for certain receivable management and collection services to be provided by JMT to the Company in return for fees at rates specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

The Company entered into agreements with JMT Network Services Public Company Limited (JMT) for certain collection services to be provided by JMT to the Company in return for fees at rates specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

*Transfer rights of receivables agreement*

The Company occasionally entered into agreement with JMT Network Services Public Company Limited (JMT) for sale of rights in the Company hire purchase contract receivable. The consideration of transferring rights in the receivable is specified in the agreement.

*Supporting insurance business service agreement*

The Company entered into a service agreement with Jaymart Insurance Broker Co., Ltd. whereby the Company agreed to render the insurance premium collection service for Jaymart Insurance Broker Co., Ltd. Fees and conditions are specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

*Outsourcing agency*

The Company entered into a service agreement with J Fintech Co., Ltd. whereby the Company agrees to be outsource agency to provide the personal loan customers and fully prepare supporting documents for customers and submit to J Fintech Co., Ltd. Fees and conditions are specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

**SG Capital Public Company Limited**  
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**7 Cash and cash equivalents**

	2021	2020
	<i>(in thousand Baht)</i>	
Cash on hand	15	15
Cash at banks - current accounts	248,055	105,008
Cash at banks - saving accounts	143,297	50,640
<b>Total</b>	<b>391,367</b>	<b>155,663</b>

**SG Capital Public Company Limited**  
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**8 Hire-purchase contract receivables**

	Portion due within one year	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years (in thousand Baht)	Portion due over four years but within five years	Portion due over five years	Total
<b>31 December 2021</b>							
Hire purchase receivables	4,371,094	1,603,329	656,229	329,979	122,957	10,108	7,093,696
Less unearned interest income	(1,071,813)	(408,849)	(127,712)	(45,915)	(9,349)	(1,160)	(1,664,798)
	3,299,281	1,194,480	528,517	284,064	113,608	8,948	5,428,898
Less allowance for expected credit loss	(223,020)	(33,045)	(12,847)	(5,557)	(2,042)	(90)	(276,601)
<b>Net</b>	<b>3,076,261</b>	<b>1,161,435</b>	<b>515,670</b>	<b>278,507</b>	<b>111,566</b>	<b>8,858</b>	<b>5,152,297</b>
<b>31 December 2020</b>							
Hire purchase receivables	2,794,906	1,312,245	436,621	191,834	47,653	3,305	4,786,564
Less unearned interest income	(816,391)	(275,488)	(59,450)	(22,740)	(3,176)	(82)	(1,177,327)
	1,978,515	1,036,757	377,171	169,094	44,477	3,223	3,609,237
Less allowance for expected credit loss	(190,572)	(56,514)	(12,311)	(3,540)	(159)	(60)	(263,156)
<b>Net</b>	<b>1,787,943</b>	<b>980,243</b>	<b>364,860</b>	<b>165,554</b>	<b>44,318</b>	<b>3,163</b>	<b>3,346,081</b>

**SG Capital Public Company Limited**  
**Notes to the financial statements**  
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As at 31 December 2021 and 2020, carrying amount and allowance for expected credit loss for electronic appliances, others and vehicles hire-purchase contract receivables were as follows:

	Electronic appliances and others				Vehicles				Total			
	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total
<i>31 December 2021</i>												
<i>Hire-purchase contract receivables*</i>												
Within credit terms	2,899,741	44,414	-	2,944,155	439,019	9,835	-	448,854	3,338,760	54,249	-	3,393,009
Overdue:												
1 - 30 days	635,177	8,070	-	643,247	103,525	8,373	-	111,898	738,702	16,443	-	755,145
31 - 60 days	-	213,200	-	213,200	-	56,181	-	56,181	-	269,381	-	269,381
61 - 90 days	-	565,329	-	565,329	-	47,019	-	47,019	-	612,348	-	612,348
more than 90 days	-	-	368,325	368,325	-	-	30,690	30,690	-	-	399,015	399,015
Hire-purchase contract receivables*	3,534,918	831,013	368,325	4,734,256	542,544	121,408	30,690	694,642	4,077,462	952,421	399,015	5,428,898
Less allowance for expected credit loss	(85,470)	(55,230)	(122,018)	(262,718)	(1,930)	(3,370)	(8,583)	(13,883)	(87,400)	(58,600)	(130,601)	(276,601)
<b>Total</b>	<b>3,449,448</b>	<b>775,783</b>	<b>246,307</b>	<b>4,471,538</b>	<b>540,614</b>	<b>118,038</b>	<b>22,107</b>	<b>680,759</b>	<b>3,990,062</b>	<b>893,821</b>	<b>268,414</b>	<b>5,152,297</b>

\*Hire-purchase contract receivables net of unearned interest income

**SG Capital Public Company Limited**  
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	Electronic appliances and others				Vehicles				Total			
	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total
							(in thousand Baht)					
<b>31 December 2020</b>												
<b>Hire-purchase contract receivables*</b>												
Within credit terms	1,652,348	69,689	-	1,722,037	300,011	25,927	-	325,938	1,952,359	95,616	-	2,047,975
Overdue:												
1 - 30 days	426,004	16,722	-	442,726	76,843	1,209	-	78,052	502,847	17,931	-	520,778
31 - 60 days	-	262,458	-	262,458	-	29,979	-	29,979	-	292,437	-	292,437
61 - 90 days	-	452,644	-	452,644	-	11,546	-	11,546	-	464,190	-	464,190
more than 90 days	-	-	275,405	275,405	-	-	8,452	8,452	-	-	283,857	283,857
Hire-purchase contract receivables*	2,078,352	801,513	275,405	3,155,270	376,854	68,661	8,452	453,967	2,455,206	870,174	283,857	3,609,237
Less allowance for expected credit loss	(59,260)	(46,408)	(149,010)	(254,678)	(2,470)	(1,771)	(4,237)	(8,478)	(61,730)	(48,179)	(153,247)	(263,156)
<b>Total</b>	<b>2,019,092</b>	<b>755,105</b>	<b>126,395</b>	<b>2,900,592</b>	<b>374,384</b>	<b>66,890</b>	<b>4,215</b>	<b>445,489</b>	<b>2,393,476</b>	<b>821,995</b>	<b>130,610</b>	<b>3,346,081</b>

\*Hire-purchase contract receivables net of unearned interest income



**SG Capital Public Company Limited**  
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***Modification of hire-purchase contract receivables***

The financial statements for the year ended 31 December 2021 and 2020 includes the following changes through various types of modification:

	2021		2020	
	Before modification	After modification (in thousand Baht)	Before modification	After modification
Modification of hire-purchase contract receivables net of unearned interest income for the year	<u>134,056</u>	<u>125,702</u>	<u>75,820</u>	<u>75,820</u>

Cash collection under modification of hire-purchase contract receivables for the year ended 31 December 2021 and 2020 as follows:

	2021 (in thousand Baht)	2020
Cash collection under modification for the year	<u>48,343</u>	<u>21,260</u>

As at 31 December 2021 and 2020, modifying of hire-purchase contract receivables were remained as follows:

	2021 (in thousand Baht)	2020
Hire-purchase contract receivables net of unearned interest income after modification	159,481	82,122

**9 *Loan receivables***

	Portion due within 1 year 31 December		Portion due after 1 year 31 December		Total 31 December	
	2021	2020	2021	2020	2021	2020
	(in thousand Baht)					
Loan receivables	1,207,735	651,127	4,294,957	2,416,158	5,502,692	3,067,285
Add accrued interest receivable	<u>30,396</u>	<u>17,161</u>	<u>-</u>	<u>-</u>	<u>30,396</u>	<u>17,161</u>
	1,238,131	668,288	4,294,957	2,416,158	5,533,088	3,084,446
Less allowance for expected credit loss	<u>(13,079)</u>	<u>(17,120)</u>	<u>(17,024)</u>	<u>(6,655)</u>	<u>(30,103)</u>	<u>(23,775)</u>
<b>Net</b>	<b><u>1,225,052</u></b>	<b><u>651,168</u></b>	<b><u>4,277,933</u></b>	<b><u>2,409,503</u></b>	<b><u>5,502,985</u></b>	<b><u>3,060,671</u></b>

**SG Capital Public Company Limited**  
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At 31 December 2021 and 2020, carrying amount and allowance for expected credit loss for loan receivables were as follows:

	Vehicles				Debt consolidation				Gold				Total			
	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total <i>(in thousand Baht)</i>	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total
<b>31 December 2021</b>																
<b>Loan receivables</b>																
Within credit terms	4,472,153	25,250	-	4,497,403	164,545	-	-	164,545	8,595	-	-	8,595	4,645,293	25,250	-	4,670,543
Overdue:																
1 - 30 days	517,926	20,992	-	538,918	-	-	-	-	5,134	-	-	5,134	523,060	20,992	-	544,052
31 - 60 days	-	221,618	-	221,618	-	164	-	164	-	4,966	-	4,966	-	226,748	-	226,748
61 - 90 days	-	68,445	-	68,445	-	-	-	-	-	31	-	31	-	68,476	-	68,476
more than 90 days	-	-	22,992	22,992	-	-	277	277	-	-	-	-	-	-	23,269	23,269
Net carrying amount	4,990,079	336,305	22,992	5,349,376	164,545	164	277	164,986	13,729	4,997	-	18,726	5,168,353	341,466	23,269	5,533,088
Less allowance for expected credit loss	(14,855)	(8,346)	(6,435)	(29,636)	(189)	-	(277)	(466)	-	-	-	-	(15,045)	(8,346)	(6,712)	(30,103)
<b>Total</b>	<b>4,975,224</b>	<b>327,959</b>	<b>16,557</b>	<b>5,319,740</b>	<b>164,356</b>	<b>164</b>	<b>-</b>	<b>164,520</b>	<b>13,729</b>	<b>4,997</b>	<b>-</b>	<b>18,726</b>	<b>5,153,308</b>	<b>333,120</b>	<b>16,557</b>	<b>5,502,985</b>

**SG Capital Public Company Limited**  
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	<b>Vehicles</b>				<b>Debt consolidation</b>				<b>Total</b>			
	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total
<i>31 December 2020</i>												
<i>Loan receivables</i>												
Within credit terms	2,592,853	44,450	-	2,637,303	89,275	-	-	89,275	2,682,128	44,450	-	2,726,578
Overdue:												
1 - 30 days	222,575	4,278	-	226,853	-	-	-	-	222,575	4,278	-	226,883
31 - 60 days	-	105,817	-	105,817	-	-	-	-	-	105,817	-	105,817
61 - 90 days	-	17,246	-	17,246	-	-	-	-	-	17,246	-	17,246
more than 90 days	-	-	7,751	7,751	-	-	201	201	-	-	7,952	7,952
Net carrying amount	2,815,428	171,791	7,751	2,994,970	89,275	-	201	89,476	2,904,703	171,791	7,952	3,084,446
Less allowance for expected credit loss	(13,842)	(5,910)	(3,653)	(23,405)	(169)	-	(201)	(370)	(14,011)	(5,910)	(3,854)	(23,775)
<b>Total</b>	<b>2,801,586</b>	<b>165,881</b>	<b>4,098</b>	<b>2,971,565</b>	<b>89,106</b>	<b>-</b>	<b>-</b>	<b>89,106</b>	<b>2,890,692</b>	<b>165,881</b>	<b>4,098</b>	<b>3,060,671</b>

**SG Capital Public Company Limited**  
**Notes to the financial statements**  
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***Modification loan receivables***

The financial statements for the year ended 31 December 2021 and 2020 includes the following changes through various types of modification:

	2021		2020	
	Before modification	After modification (in thousand Baht)	Before modification	After modification
Modification of loan receivables for the year	12,690	12,225	20,712	20,712

Cash collection under modification of loan receivables for the year ended 31 December 2021 and 2020 were as follows:

	2021 (in thousand Baht)	2020
Cash collection under modification for the year	3,954	3,122

As at 31 December 2021 and 2020, modification of loan receivables have remaining balances were as follows:

	31 December	
	2021 (in thousand Baht)	2020
Loan receivables after modification	32,072	23,801

**10 Other receivables**

	Note	2021 (in thousand Baht)	2020
Related parties	6	95,255	216,663
Other related parties		148,164	77,062
<b>Total</b>		<b>243,419</b>	<b>293,725</b>
Less allowance for expected credit loss		(14,437)	(16,227)
<b>Net</b>		<b>228,982</b>	<b>277,498</b>

**11 Leases**

***Right-of-use assets as at 31 December***

	2021 (in thousand Baht)	2020
Building	7,499	12,013
Equipment	1,489	909
Vehicle	5,912	2,713
<b>Total</b>	<b>14,900</b>	<b>15,635</b>

In 2021, additions to the right-of-use assets of the Company was Baht 14.10 million (2020: Baht 15.55 million).

During 2021, The Company leases a number of copy machine for 3 - 4 years, and paid fixed payment. These payment terms are common in Thailand.

***Extension options***

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The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

<i>Year ended 31 December</i>	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
<i>Amounts recognised in profit or loss</i>			
Depreciation of right-of-use assets:			
- Building	20	11,792	5,097
- Equipment	20	1,001	536
- Vehicle	20	2,042	1,116
Interest on lease liabilities		1,237	668
Expenses relating to short-term leases		104	403

In 2021, total cash outflow for leases of the Company was Baht 15.61 million (2020: Baht 6.62 million).

## 12 Other payable

	<i>Note</i>	2021	2020
			<i>(restated)</i>
		<i>(in thousand Baht)</i>	
Other payable - related parties	6	34,928	33,162
Deferred interest subsidies income	6	96,237	285,368
Suspense payment - receivable wait for car registration transfer		59,195	40,021
Accrued commission		10,116	9,035
Others		62,968	37,647
<b>Total</b>		<b>263,444</b>	<b>405,233</b>

## 13 Interest-bearing liabilities

	Secured	2021 Unsecured	<b>Total</b>	Secured	2020 Unsecured	<b>Total</b>
			<i>(in thousand Baht)</i>			
<b>Current</b>						
Short-term loans from the parent company	-	-	-	-	4,772,412	<b>4,772,412</b>
Current portion of long-term borrowing from a financial institution	-	9,891	<b>9,891</b>	-	-	-
Lease liabilities	-	7,552	<b>7,552</b>	-	5,978	<b>5,978</b>
<b>Non-current</b>						
Long-term borrowing from the parent company	-	7,463,090	<b>7,463,090</b>	-	-	-
Long-term borrowing from a financial institution	-	14,439	<b>14,439</b>	-	-	-
Lease liabilities	-	8,608	<b>8,608</b>	-	10,454	<b>10,454</b>
<b>Total</b>	<b>-</b>	<b>7,503,580</b>	<b>7,503,580</b>	<b>-</b>	<b>4,788,844</b>	<b>4,788,844</b>

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As at 31 December 2021, the Company had secured-short-term loans from the parent company, interest rate of 5.25% to 6.09% per annum (2020: 5.25% to 6.04% per annum). As at 31 December 2021, loans from the parent company amounting to Baht 7,463 million were classified as long-term loans as the parent company agreed not to demand payment until 31 December 2022.

On 21 May 2021, the Company entered into a loan agreement with a financial institution, amounting to Baht 30 million with repayment terms within 3 years ended May 2024. The interest rates are MLR-3.85% to MLR-2.85% per annum. This loan is currently secured by the parent company.

As at 31 December 2021, the Company had unutilised credit facilities totalling Baht 70 million (2020: Baht 70 million).

## **14 Provision for employee benefits**

### ***Defined benefit pension plan***

The Company operates a defined benefit pension plan based on the requirements of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

### ***Present value of the defined benefit obligations***

	2021 (in thousand Baht)	2020
As at 1 January	15,868	13,570
<b>Include in profit or loss:</b>		
Current service cost	3,626	3,260
Interest on obligation	147	337
Transfer from related parties	2,705	-
	<b>6,478</b>	<b>3,597</b>
<b>Included in other comprehensive income:</b>		
Actuarial (gain) loss		
- Demographic assumptions	(3,066)	-
- Financial assumptions	2,099	-
- Experience adjustment	(42)	-
	<b>(1,009)</b>	<b>-</b>
<b>Others:</b>		
Benefit paid	(2,194)	(1,299)
<b>As at 31 December</b>	<b>19,143</b>	<b>15,868</b>

### ***Actuarial assumptions***

	2021	2020
Discount rate	0.9%	2.5%
Future salary growth		
- Salaried staff	5.0%	5.0%
- Commissioned agent	Notional commission model, inflated by price inflation of 2%	Notional commission model, inflated by price inflation of 3.5%

Assumptions regarding future mortality are based on published statistics and mortality tables.

At 31 December 2021, the weighted-average duration of the defined benefit obligations was 7 years (2020: 8 years).

### ***Sensitivity analysis***

**SG Capital Public Company Limited**  
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Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

<i>Effect to the defined benefit obligation At 31 December</i>	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
		<i>(in thousand Baht)</i>		
Discount rate	(1,562)	(1,532)	1,821	1,780
Future salary growth	1,727	1,736	(1,519)	(1,511)

**15 Share capital**

	<i>Par value per share (in Baht)</i>	2021		2020	
		Number	Baht	Number	Baht
<i>(thousand share/thousand Baht)</i>					
<b>Authorised shares</b>					
At 1 January					
- ordinary shares	1,000	1,450	1,450,000	1,450	1,450,000
Increase of new shares	1,000	1,000	1,000,000	-	-
Increase of new shares	1	820,000	820,000		
Shares split					
-From Baht 1,000 to Baht 1 per share	1,000	(2,450)	(2,450,000)	-	-
-From Baht 1,000 to Baht 1 per share	1	<u>2,450,000</u>	<u>2,450,000</u>	<u>-</u>	<u>-</u>
<b>At 31 December</b>					
- ordinary shares	1,000	<u>-</u>	<u>-</u>	<u>1,450</u>	<u>1,450,000</u>
- ordinary shares	1	<u>3,270,000</u>	<u>3,270,000</u>	<u>-</u>	<u>-</u>
<b>Issued and paid-up shares</b>					
At 1 January					
- ordinary shares	1,000	1,450	1,450,000	1,450	1,450,000
Increase of new shares	1,000	1,000	1,000,000	-	-
Shares split					
-From Baht 1,000 to Baht 1 per share	1,000	(2,450)	(2,450,000)	-	-
-From Baht 1,000 to Baht 1 per share	1	<u>2,450,000</u>	<u>2,450,000</u>	<u>-</u>	<u>-</u>
<b>At 31 December</b>					
- ordinary shares	1,000	<u>-</u>	<u>-</u>	<u>1,450</u>	<u>1,450,000</u>
- ordinary shares	1	<u>2,450,000</u>	<u>2,450,000</u>	<u>-</u>	<u>-</u>

On 27 March 2021, the Extraordinary General Meeting of the Company approved an increase of authorised share capital of the Company by 1,000,000 shares at Baht 1,000 per share from ordinary shares Baht 1,450 million to Baht 2,450 million. The Company registered the increase of share capital with the Ministry of Commerce on 28 May 2021.

On 14 October 2021, the Extraordinary General Meeting of the Company approved the change in the par value of shares from Baht 1,000 per share to Baht 1 per share which increased the number of shares from 2.45 million shares to 2,450 million shares and increased authorised shares capital of the Company by 820 million shares at Baht 1 per share from ordinary shares 2,450 million shares to 3,270 million shares. The Company registered the change of share capital with the Ministry of Commerce on 18 October 2021.

**SG Capital Public Company Limited**  
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**16 Legal reserve**

Legal reserve is set up under the provision of Civil and Commercial Code, which requires that a company shall allocate not less than 5% of its net profit to a reserve account (“legal reserve”) upon each dividend distribution, until the balance reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution. During the year 2021, the Company allocate legal reserve amounting to Baht 31 million.

**17 Difference arising from business combination under common control**

During the year 2012, the extraordinary meeting of shareholders had passed the resolution to approve the entering into the Business transfer agreement with Singer Thailand Public Company Limited (“Parent company”) and agreed to the basis for the Company to enter into the asset sale and purchase agreement with Parent company by transfer in hire purchase business including staffs and related obligation from the Parent company as at 31 December 2012.

The net book value of related installments receivables and employee benefit obligations of Singer Thailand Public Company as at 31 December 2012 compared to total transfer price was as follows:

	<i>(in thousand Baht)</i>
<b>Assets</b>	
Installment receivables, net	1,582,796
<b>Liabilities</b>	
Employee benefit obligation	(8,614)
<b>Net book value</b>	<b>1,574,182</b>
Total transfer price (excluded value added tax)	<b>2,548,300</b>
<b>Difference arising from business under common control</b>	<b>(974,118)</b>

This transaction has been accounted for a transaction between entities under common control since the Company and the Parent company are under the same ultimate share holder both before and after this business transfer and such control is not temporary.

The arose difference amounting to Baht 974.12 million, between net book value of transfer’s assets and liability and total price of business transfer in, staged as difference arising from business combination under common control.



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**18 Segment information and disaggregation of revenue**

Management considers that the Company operates in a single line of business, hire-purchase contract and loans, and has, therefore, only one reportable segment.

*Geographical segments*

The Company is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

*Timing of revenue recognition*

The Company recognised the interest income over the period and parts of other income at a point in time.

**19 Employee benefit expenses**

	<i>Note</i>	2021 <i>(in thousand Baht)</i>	2020
Wages and salaries		179,675	148,333
Commission		30,217	55,665
Defined contribution plans		7,592	7,122
Defined benefit plans	14	6,478	3,597
Sales incentive		39	452
Others		2,652	2,747
<b>Total</b>		<b>226,653</b>	<b>217,916</b>

*Defined contribution plans*

The defined contribution plans comprise provident funds established by the Company for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 5% to 10% of their basic salaries and by the Company at rates ranging from 5% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

**20 Expenses by nature**

	<i>Note</i>	2021 <i>(in thousand Baht)</i>	2020
Employee benefit expenses	19	226,653	217,916
Travel expenses		47,913	42,992
Management service fee		31,920	31,920
Pre - settlement fee		31,048	19,795
Loss from sales on property foreclosed		2,100	14,656
Postage expenses		13,774	11,935
Other tax expenses		18,743	8,964
Depreciation of right - of - use assets	11	14,835	6,749
Depreciation and amortisation		3,825	3,591
Professional expenses		16,715	7,079
Commission expense - dealer		55,693	56,706
Others		37,129	47,443
<b>Total</b>		<b>500,352</b>	<b>469,746</b>

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**21 Income tax expense**

<i>Income tax recognised in profit or loss</i>	2021	2020 (restated)
	<i>(in thousand Baht)</i>	
<b>Current tax expense</b>		
Current year	101,199	65,118
<b>Deferred tax expense</b>		
Movements in temporary differences	31,281	25,842
<b>Total tax expense</b>	<b>132,480</b>	<b>90,960</b>

<i>Reconciliation of effective tax rate</i>		2021		2020
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		725,514		507,544
Income tax using the Thai corporation tax rate	20	145,102	20	101,509
Expenses not deductible for tax purposes		7,219		8,876
Double deduction expense for tax purposes		(19,841)		(19,425)
<b>Total</b>	<b>18</b>	<b>132,480</b>	<b>18</b>	<b>90,960</b>

<i>Deferred tax</i>		<b>Assets</b>		<b>Liabilities</b>
<i>At 31 December</i>	2021	2020 (restated)	2021	2020
		<i>(in thousand Baht)</i>		
Total	101,095	125,174	(7,468)	(64)
Set off of tax	(7,468)	(64)	7,468	64
<b>Net deferred tax assets</b>	<b>93,627</b>	<b>125,110</b>	<b>-</b>	<b>-</b>

		<i>(Charged) / credited to:</i>		
			<b>Other</b>	
<i>Deferred tax</i>	<b>At</b>	<b>Profit or</b>	<b>comprehensive</b>	<b>At 31</b>
	<b>1 January</b>	<b>loss</b>	<b>income or loss</b>	<b>December</b>
		<i>(in thousand Baht)</i>		
<b>2021</b>				
<i>Deferred tax assets</i>				
Allowance for expected credit loss	60,631	5,360	-	65,991
Allowance for decline in value of inventories	4,433	127	-	4,560
Provision for employee benefits	3,036	995	(201)	3,830
Deferred interest subsidies income	57,074	(37,827)	-	19,247
Right-of-use assets	(64)	316	-	252
Fee income	-	7,215	-	7,215
<b>Total</b>	<b>125,110</b>	<b>(23,814)</b>	<b>(201)</b>	<b>101,095</b>
<i>Deferred tax liabilities</i>				
Commission paid	-	(7,468)	-	(7,468)
<b>Total</b>	<b>-</b>	<b>(7,468)</b>	<b>-</b>	<b>(7,468)</b>
<b>Net</b>	<b>125,110</b>	<b>(31,282)</b>	<b>(201)</b>	<b>93,627</b>

*2020 (restated)*

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<i>Deferred tax</i>	<b>At 1 January</b>	<u>(Charged) / credited to:</u>		<b>At 31 December</b>
		Profit or loss (in thousand Baht)	Other comprehensive income or loss	
<b><i>Deferred tax assets</i></b>				
Allowance for expected credit loss	84,870	(24,239)	-	60,631
Allowance for decline in value of inventories	586	3,847	-	4,433
Provision for employee benefits	2,714	322	-	3,036
Deferred interest subsidies income	34,617	22,457	-	57,074
Loss carry forward	28,165	(28,165)	-	-
<b>Total</b>	<b>150,952</b>	<b>(25,778)</b>	<b>-</b>	<b>125,174</b>
<b><i>Deferred tax liabilities</i></b>				
Right-of-use assets	-	(64)	-	(64)
<b>Total</b>	<b>-</b>	<b>(64)</b>	<b>-</b>	<b>(64)</b>
<b>Net</b>	<b>150,952</b>	<b>(25,842)</b>	<b>-</b>	<b>125,110</b>

**22 Earnings per share**

<i>For the year ended 31 December</i>	2021	2020 (restated)
	<i>(in thousand Baht / thousand shares)</i>	
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b>593,034</b>	<b>416,584</b>
Number of ordinary shares outstanding as at 1 January	1,450,000	1,450,000
Number of ordinary shares outstanding as at 28 May	597,260	-
<b>Weighted average number of ordinary shares outstanding (basic) as at 31 December</b>	<b>2,047,260</b>	<b>1,450,000</b>
<b>Earnings per share (basic) (in Baht)</b>	<b>0.29</b>	<b>0.29</b>

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**23 Financial instruments**

*a) Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

			Carrying amount		Fair value			
		Fair value through profit or loss	Amortised cost - net	Total	Level 1	Level 2	Level 3	Total
At 31 December	Note			(in thousand Baht)				
2021								
Financial assets								
Hire - purchase contract receivables	8	-	5,152,297	5,152,297	-	-	5,152,297	5,152,297
Loan receivables	9	-	5,502,985	5,502,985	-	-	5,502,985	5,502,985
Financial liabilities								
Long-term loans from financial institutions	13	-	24,330	24,330	-	24,330	-	24,330
Long-term loans from the Parent	6	-	7,463,090	7,463,090	-	7,463,090	-	7,463,090
2020								
Financial assets								
Hire - purchase contract receivables	8	-	3,346,081	3,346,081	-	-	3,346,081	3,346,081
Loan receivables	9	-	3,060,670	3,060,670	-	-	3,060,670	3,060,670
Financial liabilities								
Long-term loans from the Parent	13	-	4,772,412	4,772,412	-	4,772,412	-	4,772,412

*b) Financial risk management policies*

*Risk management framework*

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

*(b.1) Credit risk*

The Company are exposed to credit risk primarily with respect to hire-purchase contract receivables and loan receivables. The Company manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of loan receivables less allowance for expected credit loss as stated in the statements of financial position.

***Credit quality analysis***

**(1.1) Other receivables**

The following table provides information about the exposure to credit risk and ECLs for other receivables.

	2021		2020	
	Total carrying amounts (see note 10)	Allowance for expected credit loss (in thousand Baht)	Total carrying amounts (see note 10)	Allowance for expected credit loss
Within credit terms	224,206	-	279,288	1,790
Overdue:				
1 - 30 days	3,766	-	-	-
Over 90 days	15,447	14,437	14,437	14,437
<b>Total</b>	<b>243,419</b>	<b>14,437</b>	<b>293,725</b>	<b>16,227</b>
Less allowance for expected credit loss	(14,437)		(16,227)	
<b>Net</b>	<b>228,982</b>		<b>277,498</b>	

***Movement of allowance for expected credit loss of  
other receivables***

	2021	2020
	(in thousand Baht)	
At 1 January	16,227	824
Addition	-	15,403
Written-off	(1,790)	-
<b>At 31 December</b>	<b>14,437</b>	<b>16,227</b>

The Company limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 60 days. Outstanding trade receivables are regularly monitored by the Company. An impairment analysis is performed by the Company at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables/groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

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(1.2) Hire-purchase contract receivables and loan receivables

<i>At 31 December 2021</i>	12-months ECL	Lifetime ECL - not credit- impaired (in thousand Baht)	Lifetime ECL - credit- impaired	Total
Hire-purchase contract receivables	4,077,462	952,421	399,015	5,428,898
Loan receivables	5,168,353	341,466	23,269	5,533,088
	<b>9,245,815</b>	<b>1,293,887</b>	<b>422,284</b>	<b>10,961,986</b>
Less allowance for expected credit loss	(102,445)	(66,946)	(137,313)	(306,704)
<b>Net</b>	<b>9,143,370</b>	<b>1,226,941</b>	<b>284,971</b>	<b>10,655,282</b>
<i>At 31 December 2020</i>	12-months ECL	Lifetime ECL - not credit- impaired (in thousand Baht)	Lifetime ECL - credit- impaired	Total
Hire-purchase contract receivables	2,455,206	870,174	283,857	3,609,237
Loan receivables	2,904,703	171,791	7,952	3,084,446
	<b>5,359,909</b>	<b>1,041,965</b>	<b>291,809</b>	<b>6,693,683</b>
Less allowance for expected credit loss	(75,741)	(54,089)	(157,101)	(286,931)
<b>Net</b>	<b>5,284,168</b>	<b>987,876</b>	<b>134,708</b>	<b>6,406,752</b>
<i>Movement of allowance for expected credit loss</i>	12-months ECL	Lifetime ECL - not credit- impaired (in thousand Baht)	Lifetime ECL- credit- impaired	Total
<i>Hire-purchase contract receivables</i>				
At 1 January 2021	61,730	48,179	153,247	263,156
Change from stage reclassification	231	840	(1,071)	-
Change from remeasurement of ECL	(3,536)	2,396	(14,019)	(15,159)
Acquired from new contracts	63,268	18,893	7,776	89,937
Repaid / Derecognition	(15,751)	(11,708)	(33,874)	(61,333)
<b>At 31 December 2021</b>	<b>105,942</b>	<b>58,600</b>	<b>112,059</b>	<b>276,601</b>
At 1 January 2020	4,492	4,092	403,627	412,211
Change from stage reclassification	640	37,959	(38,599)	-
Change from remeasurement of ECL	10,973	(18,075)	27,111	20,009
Acquired from new contracts	46,932	25,293	18,837	91,062
Repaid / Derecognition	(1,307)	(1,090)	(257,729)	(260,126)
<b>At 31 December 2020</b>	<b>61,730</b>	<b>48,179</b>	<b>153,247</b>	<b>263,156</b>

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<i>Movement of allowance for expected credit loss</i>	12-months ECL	Lifetime ECL - not credit-impaired (in thousand Baht)	Lifetime ECL- credit-impaired	Total
<b><i>Loan receivables</i></b>				
At 1 January 2021	14,011	5,910	3,854	23,775
Change from stage reclassification	999	(1,173)	174	-
Change from remeasurement of ECL	(5,966)	1,499	2,459	(2,008)
Acquired from new contracts	10,864	3,191	257	14,329
Repaid / Derecognition	(4,863)	(1,081)	(49)	(5,993)
<b>At 31 December 2021</b>	<b>15,045</b>	<b>8,346</b>	<b>6,712</b>	<b>30,103</b>
At 1 January 2020	389	437	10,487	11,313
Change from stage reclassification	26	4,225	(4,251)	-
Change from remeasurement of ECL	2,361	(500)	(525)	1,336
Purchased or acquired	11,398	1,795	201	13,394
Repaid / Derecognition	(163)	(47)	(2,058)	(2,268)
<b>At 31 December 2020</b>	<b>14,011</b>	<b>5,910</b>	<b>3,854</b>	<b>23,775</b>

***Expected credit loss (reversal of)  
for the year ended 31 December***

	2021 (in thousand Baht)	2020
Other receivables	(2,497)	12,203
Hire-purchase contract receivables	198,828	166,382
Loan receivables	6,325	12,454
<b>Total</b>	<b>202,656</b>	<b>191,038</b>

Loss rates are based on actual credit loss experience over the past 3 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

**(1.3) Cash and cash equivalent and derivatives**

The Company's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions, for which the Company considers to have low credit risk.

***Collateral held***

In addition to determining counterparty credit quality through risk analysis, the Company also uses collateral as one type of credit risk mitigation to reduce potential credit losses to the Company. The Company considered the collateral value as at contractual effective date whether it is adequate to the Company's acceptable risk. Collateral is comprised of electronic appliances, vehicles and others whose values are appraised on an initial recognition of hire-purchase contract receivables and loan receivables.

For guarantee, the process for the analysis of guarantor's creditworthiness is aligned to credit assessment process for borrowers.

***Concentrations of credit risk***

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The Company monitor concentrations of credit risk by type of financing which credit risk concentration of hire-purchase contract receivables more than 40% are in retail group comprising of owned-business, and loan receivables more than 30% are in retail group comprising of owned-business.

***Information related to ECL***

***Significant increase in credit risk (SICR)***

When determining whether the probability of default on a financial instrument has increased significantly since initial recognition, the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and including forward-looking information.

***Default***

The Company consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company within 90 days from maturity date;
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

***Probability of default***

Credit risk grades are a primary input into the determination of the probability of default. The Company has collected repayment performance data of each receivable and input into statistical models to analyse the data collected and generate estimates of the lifetime PD based on contractual repayment. Then, to estimate ECL.

***Incorporation of forward-looking information***

ECL has been estimated by the probability weighted of default over the expected life of the financial instrument. It is based on the present value of all expected cash shortfalls carried by historical loss experience data for the Company of assets that the Company consider credit risk to be similar such as types of financing and adjusted by current observed data, along with supportable and reasonable future forecasts if statistically correlated can be proved. Appropriate judgements are also incorporated to estimate ECL using macroeconomic data. The Company assess both the current situation and the forecast of future economic conditions and probability weighted for each situation.

However, the Company review the assumptions and forecasts of the future economic situations on a regular basis. In addition, the Company also consider to provide the management overlay as a part of ECL.

***(b.2) Liquidity risk***

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.



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The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

			Contractual cash flows		
	Carrying	1 year	More than 1	More than 2	
<i>At 31 December 2021</i>	amount	or less	year but less	years but	Total
			than 2 years	less than 5	
			(in thousand Baht)		
<i>Non-derivative financial liabilities</i>					
Loans from parent company	7,463,090	-	7,814,471	-	7,814,471
Trade accounts payable	1,179,628	1,179,628	-	-	1,179,628
Long-term loans from financial institutions	24,330	10,980	10,980	4,032	25,992
Lease liabilities	16,160	8,167	3,946	4,978	17,091
	<u>8,683,208</u>	<u>1,198,775</u>	<u>7,829,397</u>	<u>9,010</u>	<u>9,037,182</u>
<i>At 31 December 2020</i>					
<i>Non-derivative financial liabilities</i>					
Loans from parent company	4,772,412	4,966,333	-	-	4,772,412
Trade accounts payable	937,649	934,649	-	-	934,649
Lease liabilities	16,432	6,704	6,723	4,165	17,592
	<u>5,723,493</u>	<u>5,907,686</u>	<u>6,723</u>	<u>4,165</u>	<u>5,918,574</u>

***(b.3) Market risk***

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivatives for speculative or trading purposes.

***Interest rate risk***

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows because loan interest rates (see note 13) are mainly fixed. So the Company has low interest rate risk. The sensitivity impact to increase or decrease in interest rate expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements. The Company mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

## **24 Capital management**

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company considers as return on operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

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**25 Commitments with non-related parties**

<i>Year ended 31 December</i>	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Other commitments</i></b>		
Bank guarantees	510	510
<b>Total</b>	<b>510</b>	<b>510</b>

**26 Events after the reporting period**

On 22 February 2022, the Company's Board of Director's meeting approved the payment of dividend in respect of net profit for the year ended 31 December 2021, in rate of Baht 0.18 per share, totalling Baht 441 million to the Company's shareholders. The payment of dividend will be made on 12 May 2022.

**27 Thai Financial Reporting Standards (TFRS) not yet adopted**

***Accounting guidance: Guideline for entities that provide support to COVID-19 affected debtors***

This accounting guidance is optional for all entities that provide support to debtors under Bank of Thailand (BOT)'s minimum supporting measures, including credit card companies, car leasing companies, personal loan businesses both regulated and unregulated by BOT, e.g. leasing business, hire purchase business, motorcycle hire purchase business and factoring business, etc. This accounting guidance is applicable for support provided to debtors who affected from COVID-19 during the period from 1 January 2022 to 31 December 2023 or as further updated by BOT. For debt restructuring under specified criteria from 1 January 2021 to 31 December 2021, the entities can apply the relevant concept of staging and allowance under this accounting guidance to the debtors from 1 January 2022 to 31 December 2023.

Under this accounting guidance, which is in line with BOT circulars no. BOT.ForNorSor.2.Wor. 802/2564 dated 3 September 2021, entities can elect to apply the BOT optional treatment for the following:

- Debt restructuring which aims to reduce the repayment other than term extension;
- Debt restructuring by term extension only;
- No allowance provided for unused credit line; and
- Remain staging for individual debtors and SMEs debtors who are in the process of restructuring debts at 31 December 2021.

Entities electing this accounting guidance must disclose the background facts as well as the application of the related BOT requirements in the notes to the financial statements, comply with the disclosure requirements under related TFRS and guidance on risk management and impact on measurement of expected credit loss.